

Compuware and IBM settle, ending federal trial

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Compuware and IBM said Tuesday that they have reached a settlement agreement, ending their six-week-old federal trial over Compuware's intellectual property and antitrust claims.

As part of the agreement, International Business Machines Corp. will license \$140 million worth of Compuware Corp. software over four years and has offered to purchase \$260 million worth of Compuware services over four years.

The companies also will establish a joint task force to ensure that "IBM obtains maximum value from Compuware solutions," Compuware said in a news release. "IBM and Compuware have settled all outstanding claims between the two companies, including pending litigation."

"This agreement benefits the customers, shareholders and employees of both IBM and Compuware," Compuware chairman and CEO Peter Karmanos Jr. said.

Detroit-based Compuware had claimed that Armonk, N.Y.-based IBM used former Compuware employees to learn trade secrets that allowed IBM to drastically speed up development of products that compete with Compuware's mainframe software. IBM has denied doing anything improper.

For decades, Compuware has made software that helps people run the high-end mainframe computers made by IBM. IBM began to sell its own versions of such software in 1999.

Compuware claims IBM stole trade secrets to copy two of its programs -- File-AID, a file manager, and Abend-AID, a program that helps users locate the source of glitches. The company says IBM hired former Compuware employees who had worked on those products and that those employees used Compuware's trade secrets to help rush IBM's competing products to market.

The trial in Detroit began Feb. 15.

"IBM can continue to distribute our products at the prices we choose to sell them, and that's a benefit to our customers," IBM spokesman Tim Breuer said Tuesday.

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