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Digital sues Intel in patent d

Control of technology that boosts chip performance is at stake

By GREG MILLER
LOS ANGELES TIMES

Digital Equipment Corp. said Tuesday it is suing Intel Corp., accusing the powerful computer chip maker of using patented Digital technology in its best-selling microprocessors.

The suit, filed Monday in U.S. District Court in Massachusetts, accuses Intel of illegally using patented Digital technology to boost the performance of its popular line of microprocessors, including the Pentium and the just-released Pentium II.

Digital said it is seeking an injunction to force Intel to stop using the technology, as well as unspecified monetary damages. Intel has been aggressive on occasion in defending its own patents but has rarely had to face such a legal strike.

Robert Palmer, Digital chairman, said "as a result of its infringement of our patents, Intel has strengthened its monopoly in the X86 market and is seeking to extend its monopoly to higher-performance microprocessors."

Maynard, Mass.-based Digital is

a maker of high-performance computers primarily used by businesses and also has its own high-end microprocessor family, called the Alpha. Some of Digital's machines run on Intel chips.

The suit appeared to blindsides Santa Clara-based Intel, which supplies about 85 percent of the world's microprocessors, and is both a long-time Digital customer and supplier.

"We're surprised by it," said Intel spokesman Howard High, adding that the company learned of the suit only Tuesday morning when it appeared in

a news release issued by Digital.

High said Intel officials had not yet seen the suit and therefore would not comment on it.

The suit centers on technology covered in 10 patents obtained by Digital between 1988 and 1996.

Bill Strecker, chief operating officer for technology at Digital, said the suit capped an investigation launched 18 months ago when Digital executives became suspicious after Intel unveiled its Pentium Pro processor. That chip delivered a dramatic improvement in performance over previous models and, for the first time, put Intel in position to compete with Digital's high-perfor-

Oakland looks to Vegas for retail win

City officials hope
developers' meet
will pay off in dealsBy PSYCHE PASCUAL
TIMES STAFF WRITER

OAKLAND — A group of Oakland officials and developers heading to Las Vegas next week aren't looking for luck at the craps tables. They seek a different kind of win.

The group hopes to bring back interest from shopping center developers who can transform Oakland's downtown into a vibrant retail draw.

The Nevada hot spot next week is hosting the International Council of Shopping Centers convention, the place where builders of the largest malls in America meet and, more important, make deals.

Oakland's big gamble on its downtown district is hardly a gamble at all, city Councilman John Russo said.

"There's more than \$1 billion worth of building going on in the downtown area now," said Russo, one of a half-dozen city, development and legal representatives promoting Oakland in Las Vegas. "We now are in the position where we can make a couple of retail deals happen."

For years, Oakland officials watched as one department store after another shut down. I. Magnin shut down in 1995. Last year, Federated Department Stores closed an Emporium store and sold the building to Sears, Roebuck & Co. It later reopened as a Sears store.

Taxes collected from department stores and other retail sales show a downtown in an economic slump. While 1996's retail sales tax revenues of \$5.5 million is a slight uptick from the year before, it's a 4.7 percent drop from nearly \$5.8 million in 1989, according to city records.

But the weakest segment was in the category that includes department and specialty stores. During the same period, sales tax revenues from those stores plummeted 47 percent, to \$830,289 from \$1.6 million seven years earlier.

At the same time, downtown offices are nearly full with office workers and potential shoppers. The vacancy rate for office space is about 8 percent.



SUSAN POLLARD/TIMES

THE FORMER I MAGNIN building on the corner of 20th Street and Broadway in downtown Oakland is one of the empty spots the city would like to fill. Phill Tagami, left, of California Commercial Investments is one of a group representing the city hoping to find interested developers at a Las Vegas shopping center convention. With Tagami is Alex Hahn, owner of the building.