

COLECO, ATARI CROSS SWORDS

Atari has entered suit against Coleco Industries for what it terms patent infringement and unfair competition. Atari seeks an injunction to halt the sale of Coleco's Expansion Module #1, which

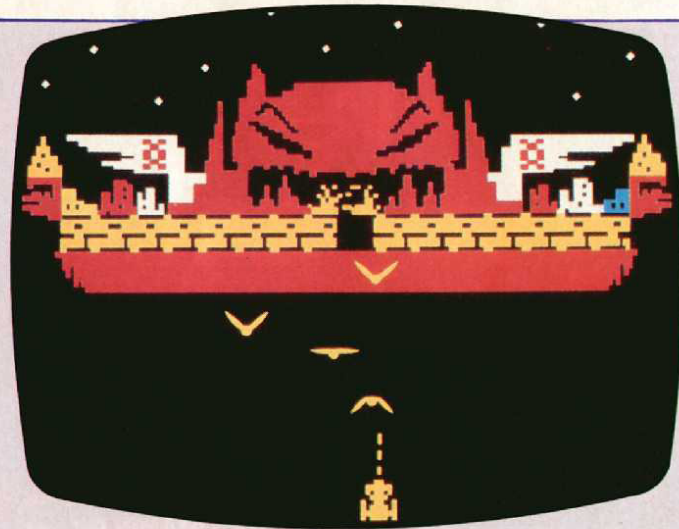
allows VCS-compatible cartridges to be played on the Coleco game unit. Atari is seeking damages from Coleco in the amount of \$350 million.

Coleco has responded by filing a countersuit for \$500 million, alleging violations of the Federal Antitrust statutes.

Arnold Greenberg, president of Coleco, states, "Patent attorneys for Coleco have carefully examined all relevant Atari patents and are convinced that Coleco does not infringe any valid patent."

Greenberg went on to say

that Coleco wasn't surprised by Atari's suit. "It's another example of Atari's effort to monopolize trade and commerce in the home video competition, and thus deprives retailers and consumers of the benefits of a fair and open competitive marketplace."



ATARI ATTACKS DEMON ATTACK

Atari has gone to court, filing a lawsuit against Imagic, claiming the Intellivision version of Imagic's Arkie-Award winning hit, *Demon Attack* infringes a copyright.

The folks in Sunnyvale aren't too happy, to say the least, because Atari holds the

rights to *Phoenix* (Centuri), and says that *Demon Attack* is plagiarism of that game. The VCS-compatible version of *Demon Attack* is not believed to be at issue.

A spokesman for Imagic expressed confidence that Atari's case won't stand up, and denies the charges as being "completely without merit".

