

Jobs calls Apple suit 'big misunderstanding'

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WOODSIDE, Cal. — He spoke in a tired monotone. His face was expressionless.

Normally confident and ebullient — only months ago he was using passionate rhetoric to rouse his Apple colleagues to fight IBM — Steven P. Jobs' voice echoed in his airy living room as he called the events of the last week "a big misunderstanding."

Saying he wanted to tell "another side of the story," Jobs invited the press to his Woodside mansion Tuesday, one day after Apple Computer had filed a lawsuit charging him with stealing employees and technology from the firm he co-founded.

'You have to respond'

"When someone calls you a thief in public, you have to respond," Jobs said.

At Jobs' home, journalists filed in and out: *The Wall Street Journal*, *Business Week*, *The New York Times*, *USA Today* and the *San Francisco Chronicle*.

Jobs said again and again that he had done Apple no wrong. He stood steadfastly by his contentions that he did not violate his obligations as Apple's chairman when he decided to quit and start his own computer company with five Apple employees.

Describing himself as "actually pretty simple-minded," Jobs disputed Apple's charges that he had concocted a "nefarious scheme" to steal Apple's employees and technology.

In recounting the week's events,

Jobs also said he had been naive about the workings of the media.

Apple general counsel Al Eisenstat, however, said Tuesday that Jobs is a "master manipulator" of the media.

As Jobs answered questions Tuesday, his glum expression rarely changed. Jobs' attorney, David Balabanian, sat next to Jobs and signaled him whenever he was asked about Apple President John Sculley.

'Not exactly sure'

Jobs offered no insight into why his legal negotiations with Apple broke down during the weekend. He said he didn't know why the negotiations had fizzled or why Apple's board doesn't trust him. "I'm not exactly sure why I'm in this predicament," he said.

"We left Friday night thinking the key points of such an agreement had been reached." By Friday, Jobs said, he had conceded to two of Apple's major demands: He promised not to use any of Apple's confidential technology and not to solicit Apple employees. "I promised I would not solicit any Apple employees for a year and wouldn't hire any Apple people that came begging on my doorstep for six months."

He said he expected that "there still would be some wordsmithing this week. Then Monday they informed us they sent a courier down to file the papers."

Eisenstat, however, said Jobs "knows full well" why negotiations failed.

"We continued to talk last week as long as we were making progress," Eisenstat said. "When I thought we had stopped making



Jobs (right) and Apple President Sculley at a 1984 press conference in San Francisco.

—AP File Photo

progress and were actually going backward, I filed the lawsuit. We showed restraint not filing earlier."

The lawsuit caps a difficult summer for Jobs, who was stripped of his managerial duties in May.

Jobs said he did "a lot of thinking" during the summer and that he often felt isolated from the company. By September, he said, "I started perking up. My spirits started coming back." He wanted to get back to work.

He attributes his change of mood to a September 3 luncheon with

Nobel Prize-winning biologist Paul Berg. Jobs said he told the scientist that information from Berg's biological experiments ought to be put onto computer software so college students could benefit.

"His eyes lit up," Jobs recalled. "It's really clear that people aren't thinking this way yet."

Berg's recollection varies slightly.

Jobs "said to me he had been going around the country talking to people, asking what should be in a computer" for colleges, Berg said. Jobs said he had learned that

the ideal computer for universities would sell for \$25,000 and that he wanted to market one for \$500, Berg said. "He said he had a burning ambition to do something for education.

"My feeling was he was very excited about what he was hearing about technology. But I was not seeing that it was being turned into an idea for a company," Berg said.

By mid-September, Jobs had crystallized his plans to start a new company, tentatively called Next, Inc., with the five Apple employees.