

Taiwan's Acer sues ex-CEO over Lenovo job

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Taiwan's leading personal computer maker Acer said Wednesday it has filed a lawsuit against former chief executive Gianfranco Lanci after he joined Chinese rival Lenovo.

Lanci, an Italian who became chief executive in 2008, resigned last April as Acer's 2011 first-quarter profit hit a six-year low, largely knocked by brisk demand for Apple's <u>iPad</u>.

Lanci became a consultant for Lenovo a few months later and was recently appointed the head of the Chinese computer giant's new Europe, Middle East and Africa division -- effective in April, one year after he quit Acer.

"Acer believes that its former chief executive breached the non-compete clause in his contract when he left the company in 2011," it said in a statement.

"Acer has initiated legal action in Italian courts and looks forward to presenting its case," the Taiwanese company said, adding it was seeking unspecified damages from Lanci.

Lenovo disputed the claim, saying it was confident Lanci's hiring was above board, Dow Jones newswires reported.

Acer swung to a loss of \$226 million in the second quarter of 2011, compared with a profit of \$41.53 million in the first quarter, citing weakness in Europe and the United States, and the slowing <u>personal</u>



computer market.

The company, which has been struggling to branch into the <u>tablet</u> <u>computer</u> sector, cut several hundred jobs in Europe, the Middle East and Africa last year to reduce operating expenses.

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