

Computer Firm Shuts Down Revlon

Giant cosmetics company sues small software maker over incident

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It was a confrontation that could happen only in the computer age. A tiny Silicon Valley software company shut down cosmetic giant Revlon, Inc. last week with a simple telephone call plus a little late night computer hacking.

Logisticon, Inc., a \$20 million Santa Clara company that makes software for inventory and distribution control, said its midnight session was prompted by a contract dispute. In essence, Revlon refused to pay for software, so Logisticon electronically repossessed the program.

Revlon responded this week by suing Logisticon, claiming in its lawsuit that it was unable to ship products for three days after it lost use of the software.

Logisticon had been working with Revlon since January 1989 to install a system to track the company's \$3 billion worth of sales and shipments from various distribution sites around the country.

After complaining on October 9 that the software never worked properly, Revlon told Logisticon that it would make no more payments on the \$1.2 million contract until the bugs were fixed. Revlon has paid \$420,000 for the first phase of installation.

Logisticon responded by using a phone link and Revlon's computer access codes to shut down its software in Revlon's computer systems early in the morning of October 16.

Logisticon engineers dialed

Revlon's computers and gave the software commands to stop its operations and temporarily scramble Revlon's computerized information about its shipments and inventories.

With the computer system frozen, Revlon was forced to shut down its two largest distribution centers in Phoenix and Edison, N.J., and send about 400 workers home for three days. Revlon spokesman James Conroy said Revlon continued to distribute products from distribution centers in Jacksonville, Fla., and Oxford, N.C., but Conroy said the company was unable to ship products in the Northeast and West.

Logisticon President Donald Gallagher called his company's actions a "repossession."

Conroy called it "commercial terrorism."