

**Nate Clinton (LCA)**

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**From:** Thomas Reardon  
**Sent:** --- Monday, May 06, 1996 12:57 AM  
**To:** Dan Neault (Exchange)  
**Cc:** Mark Ryland (Exchange)  
**Subject:** RE: Bristol and IE - some ideas

this isn't gonna work. should talk, i will try calling you tonight (10a your time)

**From:** Dan Neault (Exchange)  
**Sent:** Sunday, May 05, 1996 12:58 AM  
**To:** Thomas Reardon  
**Cc:** Mark Ryland (Exchange)  
**Subject:** FW: Bristol and IE - some ideas  
**Importance:** High

Thomas, I got your OOF that you are only on mail once daily. I will press with Bristol but I need to make sure that you and I are on the same sheet

In addition to \$30K (down to \$20K already) Bristol wants rights to market the ported works from this first phase (even the product that is produced in the first phase of the Bristol/Mainsoft contest) but does not want to grant rights to Msft. I reiterated your requirement to be able to support key accounts and they suggested that we could do so with binaries, providing a royalty back to them. Details are below. I did not hear from them on Friday.

Thanks,

- Dan

**From:** Dan Neault (Exchange)  
**Sent:** Thursday, May 02, 1996 2:50 PM  
**To:** Mark Ryland (Exchange); Thomas Reardon  
**Subject:** FW: Bristol and IE - some ideas  
**Importance:** High

I just talked with Chane. First generation terms and our discussion points are below.

Thomas, I need your thoughts on this, and perhaps we should jointly call him. Specifically:

Want them to think of IE as an application and focus on their product as runtime layer. We give Spyglass a 40 cent royalty, will have to pass on to them copy. We need to get product back that we can ship, just binary is OK. We will not pay royalty, buy back single years instead. If they are to ship as IE, then they need our approval. Will give them rights to ship as Msft product as long as they win.

End goal is that all work on WISE is focused on IE. In the end, only one ActiveX standard.

1. Do we want to have IP rights to the ported works? (assume yes)  
Yes, without royalties, if we must we will buy on annual basis.
2. Are they allowed to create derivative works using the technology (but not innovate on the browser)? (use core pieces, assume no)  
No. It would generate a royalty to Spyglass, which would be a hassle. No philosophical reason though (WISE could be source for same technology).
3. Do we want PR before the alpha? (possibly)  
Absolutely not
4. Do we want IIS to be an issue in this discussion? (no)  
Absolutely not
5. This is all peanuts, but I am a little uncomfortable about paying them but not Mainsoft. If we refused to pay them my bet is they would still do it iff it is true that there will be one controls standard (not yet established). How do you feel about this?  
Even \$50K is fine

I did not tell them that Mainsoft is doing this for free and with a big staff. If we tell them 'no \$' they will figure it out

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Plaintiff's Exhibit

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Comes V. Microsoft

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fast, but I don't think we should do this. June 30 would be a real coup (and might be real), but time is only one element in the beauty contest-if Mainsoft's is a month later but >>, then they should 'win'

**RSVP,**

- Dan

**From:** Chane Cullens[SMTP:Chane\_Cullens@bristol.com]

**Sent:** Thursday, May 02, 1996 1:58 PM

**To:** Dan Neault (Exchange)

**Subject:** Bristol and IE - some ideas

**Dan**

Here is a short list of what makes sense to Bristol.  
I'll call by the time this arrives.

1. **Bristol will start the port immediately.**

They will be at a 2 person effort and expect an alpha by 30 June! (of course, they can't be sure without digging into it..)

2. **Bristol has the rights to:**

- a) **Announce this joint effort with Microsoft and the IE and IIS ports.**  
This will help Bristol judge the impact of IE on Wind/U platforms

I told him I was unsure that we wanted to announce this effort pre-alpha, and that IIS was not necessarily a part of this discussion (but cwillis from here said they could have IIS, as I recall).

- b) **Ongoing updates to the IE source code and addons**  
Fine for a while

c) **Ability to market and sell IE and any derived works on any Wind/U platform.**  
They want to rights to sell on any platform but grant no rights to Msft. Not wanting to stop the conversation, I said that we would need to support key customers but could probably work out the royalties

- d) **Bristol normal WISE royalty does not apply to IE and any IE derived works. Instead, Bristol will pay Microsoft 10% of any runtime fee collected by Bristol for IE. For example, if Bristol chooses to provide IE of free, no Microsoft royalty will be required. If Bristol provided IE for \$10, a \$1 royalty would be paid to Microsoft. This royalty would not exceed the standard Bristol WISE royalty.**

Something like this

- e) **A web link from the Microsoft IE page(s) to [www.bristol.com/ie](http://www.bristol.com/ie)**  
Fine, probably

3. **Microsoft will provide:**

- a) **IE source code and source code updates to IE and IE addons**

Fine

- b) **IIS source code and source code updates to IIS**

Perhaps

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- b) Best efforts to provide technical support to Bristol from the IE engineering team**

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Too high a bar, but good support

- c) \$30,000 for delivery of a IE prototype, to be delivered by**

June 30<sup>th</sup>.

Really? I told him that perhaps they were undervaluing the opportunity to get our support in improving Wind/U. He jumped to \$20K pretty fast. I told him the biggest number I had seen was \$15K, but that some of the other issues needed to be worked first. I told him he should rethink this number and I/we would clarify points and get back to him.

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