

**From:** Chris Phillips  
**Sent:** Tuesday, June 23, 1998 12:10 PM  
**To:** Veeramoney, Murali; Veeramoney, Murali  
**Cc:** Channing Verbeck; Mattison, Susan; Will Poole; David Cole; Eric Engstrom; Cory Van Aredale (LGA)  
**Subject:** RE: the Agreement  
**Importance:** High

Pewr our telephone conversation, here is an agreement that we can sign. I strongly suggest that you review our changes and accept this as the final. I have attached a red-line and a Final. Print and sign the Final (2 copies) and return ASAP.



Media



Media

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Understand that the Trademark section (Exhibit D) has many legal and business issues that will need to be addressed over the next couple of weeks. Examples of business issues are quality and inspection requirements of MS products (we will not have Intel determining when and if our products can ship) another is in the ISGs size restrictions, Intel will need to provide smaller ISGs for us to use in our Web pages (30x170 pixels is too big). There are probably others but since our legal has so many changes to discuss with yours regarding this section, we have not reviewed it very closely. I noticed that Joe just sent a new Exhibit D to Cory, but his has a lot of the same problems as before... The enclosed doc punts Exhibit D so we can get signed and shipped and deal with the Trademarks seperately.

-----Original Message-----

**From:** Veeramoney, Murali [SMTP:mural.veeramoney@intel.com]  
**Sent:** Tuesday, June 23, 1998 9:20 AM  
**To:** Chris Phillips; Veeramoney, Murali  
**Cc:** Channing Verbeck; Mattison, Susan; Will Poole  
**Subject:** RE: the Agreement

We are NOT disengaging we are shipping you bits as we speak. I would like to close this. We are ready to sign.

Regarding the new words. I want to clarify, (I can see how you can mis-understand this). Specifically, MS gets the license if MS ship all the applicable deliverables in each delivery. Is this clear?

Murali

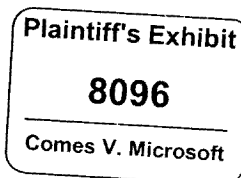
-----Original Message-----

**From:** Chris Phillips [SMTP:cphilip@microsoft.com]  
**Sent:** Monday, June 22, 1998 8:27 PM  
**To:** Veeramoney, Murali  
**Cc:** Channing Verbeck; Mattison, Susan; Will Poole  
**Subject:** RE: the Agreement

then I take it that you are disengaging as the clause below is bs. How can we ship some of your bits and not have a license until we ship the rest in a deliverable later on next year? Removing the text code is not new to you so don't start with you never new this, we discussed this too many times!

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This Project Statement Addendum - Media ("Media PSA") is executed pursuant to the Strategic Development Agreement between Intel and Microsoft, effective as of June 1, 1996, as amended by written Amendments #1 and #2, dated August 11, 1997, and May 21, 1998, respectively ("SDA").

1. Purpose

The purpose of this Media PSA is to convey the necessary licenses related to joint definition, development and distribution of certain media enhancements for Microsoft's DirectX Media SDK, Chrome and Internet Explorer operating system technologies. This Media PSA supersedes and thereby terminates in its entirety the Microsoft-Intel Media Cooperation Memorandum of Understanding between the Parties executed October 14, 1997.

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2. Definitions

2.1 "Chrome" means Microsoft's multimedia operating system client enhancement for Windows 98 and Windows NT.

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2.2 "Chrome SDK" means the Chrome Software Development Kit, including the headers, samples, help files, documentation, link libraries, debug aids, and other components that are provided by Microsoft to help developers create applications or web content that is dependent on Chrome.

2.3 "DirectX Foundation" means the Microsoft DirectX API technologies, including DirectDraw, DirectSound, Direct3D Immediate Mode and DirectInput Retained Mode, and including successor and additional technologies released by Microsoft during the Term (as defined in Section 8.1).

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2.4 "DirectX" means the Microsoft set of multimedia application programming interfaces (APIs) for Microsoft operating systems, including DirectX Media, and supporting SDKs, run-time libraries and other development software and tools provided by Microsoft.

2.5 "DirectX Media" means the Microsoft API technologies that are hosted on top of the DirectX Foundation technologies, including DirectShow, DirectAnimation and Direct3D Retained Mode, and including successor and additional technologies released by Microsoft during the Term.

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2.6 "DirectX Media SDK" means the DirectX Media Software Development Kit, including the DirectX Media Runtime plus the headers, samples, help files, documentation, link libraries, debug aids, and other components that may be provided by Microsoft to help developers create applications or web content that is dependent on the DirectX Media Runtime.

2.7 "DirectX Media Runtime" means the DirectX Media operating system run-time library components which are required to be installed on an end user's machine to allow applications and web content that use DirectX Media to run.

2.8 "Indeo Technologies" means the Indeo® video 4.2 and 5.0 Decoders and Off-line Encoders, Indeo Video 5.0 Progressive Download Filter, Indeo Audio Decoder in object code form, and including successor releases thereof during the Term as the parties may mutually agree.

2.9 "Intel API Technologies" means the Code for the modified version of RDX Realistic Display Mixer, RSX 3D Sound Experience, and Web Design Effects.

2.10 "Intel Deliverables" means all Code, including Intel Media Technologies, and other licensed items delivered to Microsoft by Intel pursuant to this Media PSA and its Exhibits.

2.11 "Intel Media Technologies" means the Indeo Technologies and the Intel API Technologies collectively.

2.12 "Intel Processors" means Intel-branded general purpose processors for personal computers

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**Strategic Development Agreement — Media PSA**

capable of running Microsoft operating systems (e.g., Pentium® II processors).

- 2.13 "Liquid Motion" is a multimedia authoring tool targeted for Chrome for use by professional content creators to create Chrome-related content.
- 2.14 "Spice" is a multimedia authoring tool in Chrome targeted for use by consumers to create Chrome-related content.
- 2.16 "Microsoft Chrome Tools" are Spice and the evaluation Chrome-enabled version of Liquid Motion.
- 2.18 "Windows Media Player" means the June 1998 and subsequent releases during the Term of the Microsoft operating system client technology for Windows used to playback Active Streaming Format, other formats of streaming media and other multimedia data-types.
- 2.17 "Intel Sponsorship Graphic" ("ISG") means a trademarked logo provided by Intel and licensed to Microsoft under the terms of this Media PSA.
- 2.18 "Updates" means releases of Code during the Term, including maintenance releases, error corrections, upgrades, enhancements, additions, improvements, extensions, modifications and successor versions.

Other capitalized terms used but not separately defined below have the meanings as defined in the SDA. Deleted: herein

**3. Development and Product Deliverables**

- 3.1 The Parties will jointly define, develop and optimize for Intel Processors a set of specified Direct X Media Development Deliverables (Exhibit A), and Chrome Deliverables (Exhibit B), including APIs and related Code which provide certain multimedia functionality for DirectX Media and Chrome.
- 3.2 For the duration of this Media PSA the Parties agree to use commercially reasonable efforts to deliver their respective deliverables as described in this Media PSA and its Exhibits.

**4. Distribution**

- 4.1 **Intel Code.** During the Term and assuming the Intel Deliverables meet Microsoft's Quality Requirements and Timing Requirements, Microsoft will use reasonable commercial efforts to include Intel Deliverables in certain Microsoft technologies as set forth in Table 4.1.1. Deleted: t  
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Table 4.1.1. *Distribution of Intel Deliverables in Microsoft Products,*

Intel Deliverables	Distribution Vehicle
Direct X Media Development Deliverables Specified in Exhibit A	The DirectX Media SDK and Direct X Media Runtime which ships with the DirectX Media SDK commencing with DirectX Media 7.0 SDK or possibly an earlier release as determined by Microsoft and all subsequent releases.
Chrome Deliverables Specified in Exhibit B	Chrome 1.0 and Chrome 1.0 SDK and DirectX Media SDK 6.0 and DirectX Media 6.0 Runtime which ships with the DirectX Media SDK 6.0 (Chrome 1.0 and DirectX Media SDK 6.0 which shall release in 1998) and all subsequent releases.

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Strategic Development Agreement — Media PSA

For purposes of this Media PSA: (i) "Quality Requirements" include Microsoft's reasonable quality criteria as solely determined by Microsoft, including a determination whether the subject deliverable contains errors as or more severe than the errors otherwise present in the distribution vehicle for which it was developed, and (ii) "Timing Requirements" means that Intel Deliverables meeting Quality Requirements must be delivered to Microsoft sufficiently in advance — in no event less than thirty (30) days or as mutually agreed by the Parties — of Microsoft's release of software intended to contain such Intel Deliverables. Failure of Quality Requirements shall be communicated by Microsoft to Intel by writing.

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4.2 Updates. For the purpose of bug fix or optimizations/tuning of the Intel Deliverables using Intel Processor enhancements, Intel may from time to time supply Updates of Intel Deliverables to Microsoft. During the Term and provided the Updates of the Intel Deliverables meet Microsoft's Quality Requirements and Timing Requirements, (i) Microsoft will use reasonable commercial efforts to include such bug-fix Updates of the Intel Deliverables in certain Microsoft technologies as set forth in Table 4.1.1; and (ii) if Microsoft ships the Microsoft technologies as set forth in Table 4.1.1 for the Intel Processor that the Update is designed to support, Microsoft will include Updates of the Intel Deliverables. Microsoft shall distribute such updated deliverables according to its normal channels of delivering Updates to the certain Microsoft technologies in Table 4.1.1.

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4.3 Attribution. Microsoft will name and attribute the Intel Deliverables as specified in Exhibit C.

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4.4 Microsoft will provide ninety (90) days written notice to Intel prior to Microsoft's removal of Intel Deliverables from any Internet Explorer release subsequent to Internet Explorer 4.0.

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4.5 During the Term, the DirectX Media SDK, Chrome and the Chrome SDK, and the DirectX Media Runtime which ships with the DirectX Media SDK, will have single installations which shall, at a minimum, include all respective Intel Deliverables as set forth in Table 4.1.1.

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5. Licenses and License Conditions

5.1 The Parties respective deliverables hereunder shall be licensed according to the License grants described in this Section 5 and Exhibits A, B, C and D.

5.2 Documentation License. Where documentation or other written material is deemed licensed under a "Documentation License," then subject to the other provisions of this Agreement, the licensing Party grants the licensed Party, under all applicable copyrights, a nonexclusive, perpetual, irrevocable, non-transferable, worldwide license to use, reproduce, display, make derivative works of, and distribute (by any means) such documentation, and to sublicense the foregoing rights to and through third parties solely in connection with such documentation with the right to grant further sublicenses. A licensed party shall not remove or alter any copyright notices provided in such documentation.

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5.3 - Reciprocal Patent Grantback. Where a Party hereunder has accepted Code and shipped a product incorporating such Code under an Enabling or Product License hereunder, such Party, in consideration of such license, grants to the licensing Party, solely in connection with such Code, a license under all Applicable Claims, a nonexclusive, perpetual, irrevocable, non-transferable, worldwide license to use, reproduce, display, prepare derivatives and otherwise modify, make, have made, import, sell, and offer to sell, and otherwise distribute (by any reasonable means) and dispose of such Code, and to sublicense the foregoing rights (solely in connection with such Code) to and through third parties, with the right to grant further sub licenses.

5.3.1 - "Applicable Claim" means a claim of a patent or patent application owned or controlled by a Party having an effective filing date on or before one year after the end of the term of the SDA, which would be infringed by the Code, and which a Party may license without incurring an obligation to pay royalties to unaffiliated third parties.

6. Term

6.1 The term of this Media PSA ("Term") shall commence upon the Effective Date and continue through May 31, 2000.

6.2 The Effective Date of this Media PSA shall be the date the Parties sign a written agreement to the terms of a trademark license for the Intel ISG. The parties shall negotiate in good faith to reach such agreement on a trademark license. Upon agreement such trademark license shall be incorporated as part of this Media PSA as Exhibit D. If the Parties fail to reach such agreement, Microsoft may distribute product containing an ISG as contemplated by the Exhibits, but Microsoft shall remove any ISG reference on or before the next major Update of any Code in which includes the ISG.

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Strategic Development Agreement — Media PSA

7. Non-Exclusive Agreement

This Media PSA is non-exclusive, and shall not be interpreted to limit in any way each Party's ability to perform work with third parties resembling work pursuant to this Media PSA. In any case where independent implementation results or could result, the Parties will take reasonable steps to ensure that such independent implementation will not interfere with timely completion of Deliverables under this Media PSA.

Agreed:

INTEL CORPORATION

MICROSOFT CORPORATION

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Signature

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Signature

\_\_\_\_\_  
Printed Name

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