From: Richard Wolf [rwolf]
Sent: Thursday, June 22, 1995 2:13 PM
To: Dan Rosen
Cc: Anthony Bay; Barb Fox; Chris Jones; James 'J' Allard; Thomas Reardon
Subject: RE: Netscape notes; comment please

Importance: High

They seem very interested in DocObj regardless of what happens with the rest of the deal. We should push for a comprehensive deal ASAP and if it will not happen then we should move quickly to make sure they get the information and permission to add DocObj containment to Netscape. As part of a comprehensive deal or a side arrangement we should push them for a commitment and a time frame for DocObj in exchange for allowing them to do a container. Also, we should push them to use DocObj as the only published means to plug in viewer/editors. I don't know if they will go for this, but it is a good test of whether they truly want to get in bed with us or just support us along with other standards.

I will send them the vanilla Office Compatible package - note that this will not license them to do containment, so it will not be terribly useful, but it will give their engineers an idea of what is involved.

Marc Andreeson came up to me later and said that DocObj seems to be solving some of the problems of OLE 2.0 with respect to OpenDoc. While this is not strictly true, I understand how he could have that impression, as the WordMail and Binder use of DocObj demonstrates a more seemless and component use of OLE than the compound document scenarios that most people associate with OLE. He wanted to know if we were going to be positioning DocObj against OpenDoc.

As far as the issue of drawing the line for what is in the platform, I do not think they have the intention of competing with us in defining a platform. They want to know what we are going to put in the Windows client and server so they can focus on adding value that does not conflict with what we are doing. They probably think they can be more nimble and focused than us.

This does not mean that they will drop a broad based client in favor of vertical markets. It simply means that they feel they can continue to add horizontal value on top of a standard. In this respect they remind me of a utility company like Symantec. We can think of them as builders of horizontal applications on top of whatever Internet support we build into our platforms. The Internet is phenomenon is quite new and we should not think that once we provide the functionality of the current Netscape browser and server that we will have placed everything possible in the horizontal realm into the system and they will be forced into doing vertical apps or integration.

The two attitudes I heard that distinctly reinforced this impression were from Mike Homer, who just wants to know what we are doing so he can get out of our way, and Marc Andreeson, who as he puts it "we spend most of our time dicking around with low level stuff that we don't want to deal with."

From: Dan Rosen
Sent: Wednesday, June 21, 1995 10:03 PM
To: abay; bfox; chrisjo; jallard; rwolf; thomasre
Subject: Netscape notes; comment please

I will send this out at about noon tomorrow. All comments welcomed, including distribution list.

Thanks,

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Dan

To: Nathan Myhrvold; Paul Maritz; Pete Higgins; Russell Siegelman; Peter Neupert; Bill Gates
Cc: Anthony Bay; Jim Allchin; James 'J' Allard; Chris Jones; Peter Pathe; Steven Sinofsky; Barb Fox; Warren Dent; Thomas Reardon; Ben Slivka; Richard Wolf; Bob Muglia; John Ludwig

SUMMARY
Seven of us met with Jim Barksdale (CEO), Mike Homer (VP Marketing), Mark Andreisen (CTO), and Ram Shiram (VP Business Dev) of Netscape for four hours today. The purpose of the meeting was to scope out specific areas that a relationship between the two companies might take and to set in place a process to either conclude a strategic relationship or go our separate ways.

In general, it was a sounding out of each others' positions. They were unwilling to share their three year business direction in any specificity (we weren't sure that they had one). They asked a lot of the right questions of us. I believe that we understand each other better.

ChrisJo summed up the purpose nicely: "We need to understand if you will adopt our platform and build on top of it or if you are going to compete with us on the platform level." All of the Netscape players were clear -- they want to build on our platform as a first preference. They need to know what is in the platform and understand that we won't arbitrarily pull their stuff into the platform. Much of the conversation centered on a discussion of how the lines would be drawn between the platform and their value added. On the client end, we discussed "sucking most of the functionality of the current Netscape browser (but not the toolbar, cool places or advertising) into the platform; they seemed OK with this concept. On the server, JAllard asked about pulling most of the functionality of their commerce server into the platform, and again they indicated a willingness to follow our direction. ChrisJo and JAllard took the action to get back to them with follow up on what is in the platform.

They also were concerned about MSN. They believed that MSN was a closed environment and that they couldn't add any value on MSN. ABay explained our openness and took the item to (a) look at the feasibility of the Netscape client being an MSN client; (b) look at the Netscape server being able to server MSN customers on MSN; and (c) look at allowing the Netscape browser sign-up mechanism work with MSN for IP service.

RWolf demonstrated DocObject and talked about authoring. They are interested in continuing support of OLE and using DocObject. They would also like to become an Office Compatible app.

BFox discussed current status of STT discussions. They acknowledged that they have been slow, but want to move faster. They are concerned about licensing terms and pricing. They have a near term decision, so we must act quickly. Bfox has the follow-up with WarrenD.

Jim Barksdale and I had a discussion on a potential MS investment in Netscape. They don't need the money and fear (a) a disruptive MS presence on their board; (b) the effect of dilution at a time when they are contemplating the timing of an IPO; and (c) the message a MS investment would send to others. He wanted to know if the above deals were conditional on equity; I said "loosely conditional". We will talk again in a couple of days as we consider the options.

ACKNOWLEDGMENT
Thanks to Anthony Bay, J Allard, Barb Fox, Chris Jones, Thomas Reardon, and Richard Wolf for their participation and good ideas. I suspect that I will not adequately represent their clear thinking here.

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