Richard Wolf

From: thomasre
Sent: Thursday, June 22, 1995 11:25 AM
To: abay; bfox; chrisjo; drosen; jallard; rwolf
Subject: RE: Netscape notes; comment please

comments>>>

i would add something about barksdale's joking about 95% market share, i think it is somewhat telling. i would add that they appear to be very focused on 3 month timeframe, and are trying to preempt ohare with a win95 product of their own. i do not think they are so easily displaced from win95 client arena, they continue to move down the path of selling/giving away a 'premium' browser for win95.

with STT, it appears that they are actually coding transaction protocols now, so we should expect this to appear in the 1.2 version.

From: Dan Rosen
Sent: Wednesday, June 21, 1995 10:02 PM
To: abay; bfox; chrisjo; jallard; rwolf; thomasre
Subject: Netscape notes; comment please
Importance: High

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

Thanks,

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.
>>>i thought j discussed their communications (lowend) server, not the commerce server.

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

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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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