

PLAINTIFF'S  
EXHIBIT

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( Comes v. Microsoft

we need.

From billg Tue Feb 21 19:55:09 1989  
To: mikemap  
Subject: Microgrphx  
Cc: steveb  
Date: Tue Feb 21 19:55:09 1989  
Mail-Flags: 0000

Steve talked to grayson at the conference. The said they are willing to make it 10k for big companies and 1k for companies with less than either 3M or 2m in sales. Based on this us getting full use for you including source code and rights to incorporate wherever at noe extra charge after that seems like a shoe-in. Talk to steveb about this. I am excited about us making this happen.

From steveb Wed Feb 22 10:18:48 1989  
To: billg mikemap  
Subject: Microgrphx  
Date: Wed Feb 22 10:18:47 1989  
Mail-Flags: 0000

as billg said mike only question is corp accts They dop not resell should be 1000 not 10000 but confirmation with MS is needed

From billg Tue Feb 21 17:09:01 1989  
To: mikemap  
Subject: Re: Mirrors  
Date: Tue Feb 21 17:09:01 1989  
Mail-Flags: 0000

These guys told me explicitly they were not trying to make money on this product and they did it for their own use at first and were pleased others might want to use it. Their price is \$10k. Agreeing to pay them \$100k to get total source rights and all updates is a fantastic deal for them. I want to call and tell them they are liars and we would have to create this ourselves if they dont get reasonable. They explicitly said we could have source. They will get a great deal if they take updates from us. I dont want there to be any restrictions on us after a year because we may incorporate some compatibility stuff into windows or PM and although we dont plan to use their code I dont want any garbage from them. windows or pm after a year we pay a small sum. They should want us to make windows and PM closer. This is all crazy. We need to get moving and that means closing a deal fast. I thought these guys bragged about quick decision making. GO ahead and work on them so more and keep me posted.

From camerom Thu Apr 13 22:28:45 1989  
To: martyta paulma petern waggener!twg warrenm  
Cc: alistair billg bobt jonl lioneljo markmac mikemap patbe petch  
steveb viktorg  
Subject: Comdex OS/2 ISV Luncheon  
Date: Mon Apr 10 21:23:53 1989  
Mail-Flags: 0000

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On Tuesday 4/11 IBM and MS hosted a luncheon at Comdex for the top ISVs in the industry to evangelize and push OS/2 PM application development.

Talks were given by Lee Reiswig and Jim Cannavino of IBM and by Billy and Steveb. After the brief talks it was opened up to discussion and comments/suggestions by the ISVs.

Lee Reiswig began by going over the marketing promotions we will be offering ISVs (advertisorials, co-op advertising, road show, trade show space, etc.). Bill and Steve went over the technical support we are offering and the device driver schedules and distribution plan. Jim Cannavino disclosed IBM's plan to remove the additional cost from the customers decision in choosing OS/2 as an environment (he hinted and later said more clearly that IBM would ship machines configured with 4Meg at no additional cost). IBM will also offer low cost memory upgrade kits for OS/2 buyers.

The luncheon was to reiterate MS and IBM commitment to making OS/2 successful and helping ISVs successfully develop and market OS/2 applications.

Problems that were brought up:  
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- \* The end-user cost of OS/2 (memory requirement) needs to be reduced. (Samna)
- \* Co-residence of OS/2 and DOS on same machine is difficult (Micrografx)
- \* Cost of the OS for future versions of OS/2 is a factor that can affect when people go to OS/2. If corporate buyers don't know the upgrade policies for future version of OS/2, then they might think they can save money by waiting for the next release of OS/2 rather than buying now. (WordPerfect)
- \* Merely removing the barriers to OS/2 in terms of cost, memory, config, etc. is not enough. This makes OS/2 less painful but does not provide a compelling reason to go to OS/2. (Ventura)
- \* MS/IBM have done well in promoting OS/2 within the industry but there's not enough mass market and general business awareness of OS/2. (Microrim, Symantec)
- \* People don't understand the benefits of OS/2. We must create end-user demand for OS/2 products. (Ventura, Microrim)
- \* Device driver availability and performance (in line drawing) is a problem. We are weak in fonts and need additional typographic characters. (Ventura)
- \* Fonts are very hard and awkward to install, in general usability and installation are not as good as the Mac. (Aldus)
- \* Our PostScript driver is woefully inadequate. (Aldus)
- \* We need to get OS/2 on corporate approved purchase lists. We need to identify corporations who are predisposed to adopting OS/2 early. (Symantec)
- \* MS OnLine support does not give as fast a turnaround as it should. The 16Mb virtual memory limit is too restrictive for some apps. (ZSoft)
- \* MS Online interface is very bad and doesn't run under OS/2 itself. (Asymetrix)
- \* There aren't enough tools for moving Windows apps to PM. (Aldus)
- \* App developers need cascading and pop-up menu support. (WordPerfect)
- \* Positioning of Win 3 versus OS/2 is unclear and confusing especially to corporate customers. (ZSoft)
- \* Windows 3/386 may be misinterpreted as being better or more advanced than OS/2. (Asymetrix)
- \* OS/2 needs a 32-bit coordinate system. (Micrografx)

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In general the biggest point made was that while everyone understands the

costs and problems of OS/2, very few people understand its benefits. IBM and MS need to create demand for OS/2 products by explaining OS/2's benefits. While technical problems were raised they were never belaboured because the ISVs seemed comfortable that we knew about them already and that we would fix them (Billg took them through the latest device driver schedules and distribution plan).

Suggestions that were made:

- \* Provide a better dual boot and simpler installation procedure for people who want both OS/2 and DOS to reside on the same machine. (Micrografix)
- \* IBM should offer OS/2 and DOS machines at the same cost. IBM should offer machines with 4Meg installed for same cost bundled with OS/2. (which IBM basically said they were going to do). (Samma)
- \* Provide a low cost and liberal upgrade policy for future versions of OS/2 to 1.1 buyers so they won't be tempted to wait. (WordPerfect)
- \* Do more marketing to corporate users and business people (as opposed to industry-related promotions). Do a lot more classic mass market advertising including TV advertising. Run an ad during the SuperBowl. (Microrim)
- \* Do not run an ad during the SuperBowl, but do market aggressively to user groups and PC managers/coordinators - emphasize corporate buyers. (Ventura and Symantec)
- \* Identify corporate early adopters and share this information with OS/2 app developers. Help get corporate beta sites for OS/2 apps. (Symantec)
- \* Identify specific OS/2 solutions that corporations can begin buying, we need to show them where to implement OS/2 in their company. (Symantec)
- \* Provide more Win to PM tools, especially a metafile conversion utility. (Aldus)
- \* Promote OS/2 technical futures at the time Windows 3/386 comes out so people don't think that only Windows will have advanced features like demand paging. (Asymetrix)

The ISVs want to see more end-user demand for OS/2 and OS/2 applications and generally agree we should concentrate and focus on corporate buyers. We need to make OS/2 cheaper, easier to implement, and promote specific OS/2 application solutions to those who actually buy and use the apps.

ISV Attendees:

Ashton-Tate, Joe Brillando, VP Corporate marketing & Strategy  
WordPerfect, Alan Ashton, President & CEO  
Borland, Philippe Kahn, CEO  
Microsoft, Mike Maples  
Aldus, Mike Solomon, VP Marketing  
Symantec, Gordon Eubanks, CEO  
Ventura, John Meyer, President  
Microrim, David Hull, President  
Samma, Said Mohammadioun, CEO  
Asymetrix, Steve Wood, VP Marketing  
DRI, Dana Hooper  
MDBS, Gary Rush, President  
Informix, John Millovich (server business)  
Informix, Ron Ferguson, VP Marketing (Wingz & Smart)

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