To: Celeste Dunn, "Rod Schrock@Cons DT" @ BMAIL
cc: "Gary Stimac@Admin@Sys Hou" @ BMAIL, "Gene Austin@Sys Mkt@Sys Hou" @ BMAIL, "Lori Day@Sys Mkt@Sys Hou" @ BMAIL, "Steve Flannigan@Corp Dev@Corp Hou" @ BMAIL
From: "Mike Heil@Cons DT@PCMkt Hou" @ BMAIL
Date: Friday May 10, 1996 06:18 AM
Subject: fwd: Microsoft Internet/Intranet LOU

Please ensure that we can comply. Please work with Lori, Gene and Steve Flannigan as soon as possible to ensure success.

Thanks,
Mike

Original Text
From: Lori Day@Sys Mkt@Sys Hou, on 5/8/96 12:06 PM:
To: Mike Heil@Cons DT@PCMkt Hou
Cc: Danon Maynard@Cons DT@PCMkt Hou, Gene Austin@Sys Mkt@Sys Hou, Steve Flannigan@Corp Dev@Corp Hou

Mike,

Gene Austin asked me to fill you in on our recent discussions with Microsoft on the Internet and the LOU that is currently being worked.

Since the Systems Division announced our partnership with Netscape in February we have been in discussions with Microsoft about our Internet/Intranet Strategy. Microsoft was upset with our announcement and our internal use of Netscape and initiated a number of activities with DEC and HP, reducing their emphasis on the Compaq partnership. In order to get realigned, we have been negotiating a LOU on how we would like to do business together going forward that extends the Frontline Partnership to the Internet/Intranet. We attempted to contain the discussion to Systems Division business but Microsoft has been insistent upon including Consumer, Desktop, and IM items in the agreement. I'm working with John Rose (Bob Jackson) and John White (Larry Ketchersid) on their responses and am forwarding the complete document to you. We have not agreed to any of the items as yet and need visibility to your Internet activites to better understand the implication of Microsoft's requests to your business. I've summarized below the items in the LOU that affect Consumer.

Those items are:

Compaq to promote MicrosoftÆs Internet/Intranet technologies and strategy as CompaqÆs key direction for customers including:

Compaq to ship new versions of Internet Explorer as the default browser on all desktop and server platforms within 8 weeks from release.

Compaq to display MSN icon on the Desktop screen on all Windows 95 PCÆs

Compaq and Microsoft to explore other areas of joint activities such as:

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Promote Internet Explorer activities on Compaq Desktop PCÆs

I am available to discuss this further with you or members of your staff. Please let me know the best way to proceed to understand your requirements so that we can properly represent your interests.

Thanks.

Lori

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