From: Bill Gates
Sent: Tuesday, February 25, 1997 9:35 PM
To: Paul Maritz
Cc: Marshall Brumer; Brad Silverberg; Jim Allchin (Exchange)
Subject: Intel and Java

I called Andy today to talk to him about our sensitivities about JAVA and asking what goal Intel has in working on JAVA. I told him we thought they were hurting themselves but doing any development other than just pure tuning things for Intel. I said it was the revival of 3DR and some cloning of patented interfaces.

He said he has 7 people working on JAVA and IBM has 1000. Even in the broadest definition he only has 70 people whose jobs at all relate to JAVA things.

He said Gelsinger made an offer when they went through what they were doing to have us tell them what they should be doing and that Ludwig had not sent anything in response.

Very quickly we got into a discussion of the whole JAVA phenomena. He thinks the role of IBM is the most interesting element here.

He also thinks we mutually need to do a better job competing with SUN. He had just had his people show him that their server revenue is the key to their strength. Intel wants to help out with scalability day in any way they can.

Grove finds the JAVA phenomena pretty amazing. He has his people meet for a day to discuss it and they came and explained it in 2 hours and he still found it murky.

Andy's offer was that he would get his best people together (3 to 4 total) and we would do the same and we could sit and talk about what is going on. He is going to check with a lawyer first to make sure its ok to have this kind of talk. Andy agrees that JAVA could strengthen IBM, SUN and others a lot and weaken both of us. He said he sees enterprise customers who are getting this message from IBM and they find it satisfying since they feel like it helps them keep their mainframes.

I told Andy I would take the action item to decide what to do next. I think a high level discussion with Intel might well be worth the effort since they have a huge impact on the market and see things we don't see and we will be able to influence their activity.

We can discuss this sometime in the next week.

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