From:	Bob Kruger [bobkr]
Sent:	Monday, October 18, 1993 12:52 PM
To:	billp; bradsi; jimall; joachimk
Subject:	RE: IBM & Windows

i know it's not interesting to ibm, but it would be to us. again, this
is for a dos emulation environment under unix.

i recognize this doesn't buy us much, but locus threw it into the deal
so i didn't argue.

-bobkr

From: Bill Pope
To: Bob Kruger; Brad Silverberg; Jim Allchin; Joachim Kempin
Subject: RE: IBM & Windows
Date: Monday, October 18, 1993 12:17

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Redacted

From: Bob Kruger
To: Brad Silverberg; Jim Allchin; Joachim Kempin
Cc: Bill Pope
Subject: RE: IBM & Windows
Date: Mon, Oct 18, 1993 11:25AM

they cannot tell if a copy is properly licensed unless we embed serial
numbers and they look for duplicate numbers on the net. sco does this
w/ some of its packages, but does not check for dups in third-party packages.

locus' statement intends that real windows be on the system and not
some imitation.

-bobkr

From: Joachim Kempin
To: Bob Kruger; Brad Silverberg; Jim Allchin
Cc: Bill Pope
Subject: RE: IBM & Windows
Date: Monday, October 18, 1993 15:15

How can they controll that a version of WIN is present? If They can do
this it gets better, but what if that version is not licensed properly,
which is the key?

>Von: Bob Kruger
>An: Brad Silverberg; Jim Allchin; Joachim Kempin
>Cc: Bill Pope
>Betreff: IBM & Windows
>Datum: Saturday, 16. October 1993 23:33
>
>If I'm not mistaken, IBM still pays for OS/2 even if there is
>no Windows code, tho the fee is less. I don't recall the dollars.
>
>Second, we've already debated their ability to patch the code
>without use of knowledge derived from our sources. However, there
>was an interesting statement made in this article that you ought to
>be aware of; I've run up against it in dealing w/ DOS-under-UNIX
>emulator on Intel and am again facing the statement wrt WLU'd

>emulators on Intel systems.
>
>Specifically, there are claims of double-payment for MS-DOS and
>Windows. Customers (OEMs and end-users) believe that most systems
>today come licensed with these products. Therefore, they don't
>understand having to pay again for use of the software. It's
>arguable that on multi-user systems that we are entitled to
>additional dollars, but that on single-user systems the fees have
>already been paid.
>
>I have been specifically dealing with this issue in trying to
>conclude a WLU agreement with Locus. There is no argument on
>their part that a Windows royalty is due us if no copy is present
>on the system (and their software will be modified to require a
>copy present, so Wabi would not be a solution). But, if the
>customer already has a copy then they don't want to double-charge
>the customer.
>
>This is a real sticky situation. Any comments would be welcome.
>
>At least we're coming from an enviable position due to the
>ready-to-un program.
>
>-bobkr
>
>>From newswire Sat Oct 16 12:29:21 1993
>X-MSMail-Message-ID: 8861E38E
>X-MSMail-Conversation-ID: 8861E38E
>X-MSMail-WiseRemark: Microsoft Mail — 3.0.729
>From: Newswire Mailing <newswire@microsoft.com>
>To: execnews
>Date: Sat, 16 Oct 93 12:07:53 PDT
>Subject: IBM: Cut-Rate, `Windows-Less' Version of OS/2 Due (PC Week)
>Cc: newswire
>
>Cut-Rate, `Windows-Less' Version of OS/2 Due (PC Week)
>
>>From PC Week for October 18, 1993 by Robert L. Scheier and Marc Ferranti
>
>IBM plans to launch next month a new, lower-priced version of OS/2 that
>will require a customer's copy of Windows to run Windows applications.
>
>The new version of OS/2, expected to be announced at Comdex and released
>in December, will retail for less than $50, sources said. IBM's direct-
>response operation currently sells OS/2 2.1 for $224, while other
>direct-response vendors are selling it in the $150 range.
>
>While the new version will appear identical to the current release of
>OS/2, it will contain none of the code IBM now licenses from Microsoft
>Corp. to run Windows applications.
>
>"There's no Windows code, so every last penny goes into our pocket,"
>said a source inside IBM.
>
>The new version of OS/2 will locate the appropriate Windows system files
>on a user's machine, create a subdirectory, and place those files in it.
>It will then incorporate the subdirectory as the Windows subsystem used
>to run Windows applications from within OS/2.
>
>The new release will be accompanied by a marketing campaign designed to
>take advantage of the slow ramp-up of sales of Microsoft Corp.'s Windows
>NT as an upgrade path from Windows 3.1.
>
>"We're going to take OS/2 2.1 and deliver it in a targeted form, at
>Windows users," said Wally Casey, director of marketing for IBM's

>Personal Software Products group, located in Austin, Texas.
>
>One user expressed interest in the technology -- as long as it runs
>Windows applications as well as the current Windows/DOS subsystem in
>OS/2.
>
>"I've already paid for Windows when I get machines from manufacturers,
>so why pay for it twice when I pay IBM for OS/2?" said Scott Hedrick,
>director of management systems development at ARA Services Inc., a food-
>service provider in Philadelphia.
>
>Jeff Thiel, Windows product manager with Microsoft in Redmond, Wash.,
>questioned whether IBM can run Windows applications seamlessly without
>modifying Windows code, which he said would still likely require a
>license from Microsoft.
>
>IBM is targeting the installed base of more than 30 million Windows
>users, most of whom have not upgraded to NT as a desktop operating
>system due to what observers call its hefty hardware requirements,
>unproven reliability, and lack of native applications.
>
>"NT has the same problem that OS/2 had a few years ago -- that is,
>nothing runs on it," said Dean Glanville, a senior systems analyst with
>Northwest Pipeline Corp., a gas-transmission firm in Salt Lake City.
>
>Resellers report that OS/2 2.1 has far outsold NT since NT shipped in
>mid-August. In August and September, OS/2 was second to best-selling
>Windows 3.1 on Corporate Software Inc.'s list of top-selling operating
>systems and utilities, said Howard Sholkin, spokesman for the Canton,
>Mass., software reseller. He declined to discuss specific shipment
>numbers.
>
>Ingram Micro Inc., of Santa Ana, Calif., is selling 3,000 to 5,000
>copies of OS/2 2.1 a month, said Amy Hoffman, senior director of the
>distributor's technical products division. OS/2 2.1 is outselling NT at
>this rate, Hoffman said, but she declined to provide NT figures.
>
>While sales of both OS/2 2.1 and Windows NT fell after an initial burst
>of demand following their respective introductions, OS/2 sales have held
>up better than NT, she said.
>
>IBM is shipping hundreds of thousands of copies of OS/2 2.1 each month,
>and that "demand at the retail level continues unabated," Casey said.
>
>Microsoft officials said that by late September the company had shipped
>about 200,000 copies of NT.
>
>The real battle, however, is for the mass of desktop users, which
>presents the most attractive market for software developers. There,
>Windows still has an overpowering presence. Gartner Group Inc., a
>Stamford, Conn., market-research firm, estimates an installed base of
>more than 30 million Windows users this year, compared with only 3.4
>million OS/2 users. Gartner projects that over the next few years, the
>base of Windows users will grow much faster than the OS/2 base.
>
>Casey insisted that IBM still has a shot at the desktop market. He said
>most OS/2 2.1 sales are for use as desktop operating systems rather than
>as servers.
>
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