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SINCE 1887 YANAHA INTERPORT SINCE 1887 Nippon Gakki Co., Ltd.

10-1, Nakazawa-Cho, P.O. Box 1, Hamamatsu, Ja Cable: NIPONGAKKI Hamamatsu Telex: 4225-311, 312, 313 Telephone: Hamamatsu 61-1111

STANFORD UNIVERSITY

SEP 6 1978

Mr. Niels J. Reimers
Manager, Technology Licensing
Stanford University
Stanford, CA 94305
U.S.A.

TECHNOLOGY LICENSING

August 30, 1978

Dear Mr. Reimers

This is to inform you of our opinion on what action we should take against New England Digital Company. Since last spring this company in Vermont is manufacturing and selling a digital type music synthesizer "SYNCLAVIER" which we assume infringing U.S. Patent 4,018,121 (prof. Chowning's FM patent).

It would not be a good idea that we do nothing against them even though their production number is small. As you well know, it is important, especially in the United States, for a patent holder to give some notice to an infringer lest the former should later have an inconvenient situation in letting his patent be in full force.

On the other hand, according to Stanford-Nippon Gakki agreement in 1975, we believe that it is adequate for both Stanford, having the first right to sue an infringer, and Nippon Gakki, having the exclusive right to sublicense, to agree mutually on the action to be taken against an infringer. After our such consent, it would be satisfactory for us if Stanford would take an actual step to warn the infringer.

As our rough idea, let me propose several following points to be included in the first warning letter to New England Digital Company.

- (1) FM sound generation method in Synclavier infringes U.S. Patent 4,018,121.
- (2) A copy of the patent is enclosed.
- (3) Nippon Gakki is willing to sublicense the patent under mutually agreeable conditions. Therefore it asks them to report the number of the instruments already sold and to be sold in next five years.

Mr. Niels J. Reimers

August 30, 1978

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With regard to another possible infringer, Micor company in Arizona, which has announced their "Coupland Digital Synthesizer", I think it is a little too early to warn them, because we are not yet sure that they have already begun to sell the product. Do you have any further information?

Perhaps Professor Chowning's suggestion will also be helpful for those subjects.

I look forward to having your reply.

With my best regards,

Very truly yours,

Yasunori Mochida

Managing Director

PS: We have sent to Yamaha International Corporation our recent prototype of FM-musical instrument (TRX).

Mr. Chowning will be advised of its arrival by Mr. Katoh shortly.

cc: Prof. Chowning