



*Chowning*

January 23, 1991

Mr. Niels J. Reimers  
Director, Office of Tech. Licensing  
Stanford University  
857 Serra Street, 2nd Floor  
Stanford, CA 94305-6225

STANFORD UNIVERSITY

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TECHNOLOGY LICENSING

Dear Mr. Reimers:

This letter is to request your assistance in procuring a sublicense agreement to the FM-synthesis patent owned by Stanford University. We understand that Yamaha Corp. of Japan has the exclusive license until the year 1994. We further realize that this license was originally intended for use primarily in keyboard devices.

I am the CEO of a new start-up company in Fremont, CA, the purpose of which is to provide multimedia hardware solutions to the personal computer industry. We have raised approximately \$5 million in venture funding from premiere firms such as Brentwood Associates, 3i Ventures, and Cirrus Logic, Inc. My team's track record encompasses the availability of affordable graphics cards through Paradise Systems and Video Seven for 1984-1989, totalling approximately \$800 million. We believe that affordable sound is extremely important to the computing environment now and in the years to come and we are a company that can bring a solution to the market in an organized manner.

We have a relationship with Yamaha Corp., to supply to Media Vision certain chips that incorporate a patent licensed by you. We feel that Yamaha's pricing strategy will prohibit us from providing affordable audio solutions to the marketplace on a volume basis. Unfortunately, the Yamaha chip is required to provide (AdLib compatibility) which makes it very difficult for U.S. companies and may force an outcome deleterious to FM.

We do not think it is in the best interests of U.S. personal computer manufacturers to be dependent upon technology which has been developed in the U.S. and is being employed by a Japanese company to charge U.S. customers exorbitant prices. This not only hurts the total marketplace and the end consumer, but also affects the amount of royalty dollars received by Stanford University. We would be highly appreciative if you would bring this to the attention of Yamaha Corporation with the intent of issuing a sublicense to Media Vision, Inc. for the sole purpose of delivering an affordable sound solution to the PC computing environment. An alternate solution would be for Yamaha Corp. to supply us with (at cost + reasonable profits) products for the U.S. marketplace.

We can certainly understand that Yamaha's purpose may simply be to protect its keyboard market. However, with the advent of personal computers and current technology, Yamaha will not be able to protect that market by restricting use of FM chips. Ironically, in the long run, Yamaha's strategy may be counterproductive to its market position. First, Yamaha's FM has an entry into the marketplace with AdLib Corporation. From a "standard's" point of view, it would now make sense for others supplying the personal computer industry to have software and other technologies compatible with Yamaha's FM because of the AdLib entry. By restricting the sales of their FM chip, Yamaha is driving the industry to develop an alternative sound synthesis chip other than FM. Further, even if it is believed that FM will become the standard, the pricing for the chip guarantees that a competitive FM chip (with more operators) will be developed when Stanford's FM patent expires in 1994.

From an economic point of view, the course that Yamaha is now following appears to be short sighted. It also is not of benefit to those consumers we all wish to serve. Further, while having little legal knowledge, it appears to me that the selective sales approach being utilized by Yamaha would not be looked upon favorably by the courts or government agencies concerned with trade issues. This situation also should be embarrassing to Stanford University.

Please don't assume from the foregoing that we wish to be combative with Yamaha and Stanford. Rather, we believe a synergistic relationship can be forged between our company and Yamaha which will be beneficial to both. I am prepared to discuss this matter with you at length, and with officials of Yamaha Corporation. I feel convinced that Yamaha and Stanford University will appreciate that Media Vision's sole interest is to benefit the end consumer with a solution that is affordable, providing a better use of our PC's capability.

Sincerely,

A handwritten signature in cursive script that reads "Paul Jain". The signature is written in dark ink and includes a small circular mark at the end of the name.

Paul Jain  
President and CEO