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STANFORD UNIVERSITY

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TECHNOLOGY LICENSING

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FROM STANFORD CALIFORNIA 0923 PDT 11/02/83 OUR MSG NO M045  
TLX 348402 STANFRD STNU

ATTN MR. MAKI KAMIYA, PATENT CHIEF  
NIPPON GAKKI  
HAMAMATSU

RE: FM LICENSE

WE STRONGLY SUPPORT NGK'S BUSINESS DECISION TO MARKET BROADLY LSIS.  
TO NOT DELAY SUCH MARKETING, WE ARE WILLING TO MEET WITH YOU SOON TO  
DISCUSS SITUATION AND WORK OUT WITH NGK A ROYALTY STRUCTURE THAT IS  
AGREEABLE.

PRINCIPLE, WE AGREE CHANGES ARE NECESSARY IN THE ROYALTY BASES AND  
RATES. MORE DISCUSSION IS NEEDED TO DEFINE ROYALTY BASE CATEGORIES.  
ALSO, BASED UPON STANFORD EXPERIENCE, GENERAL INDUSTRY PRACTICE, AND  
RELATION OF LSI ROYALTY TO SYSTEM ROYALTY, THE RATES PROPOSED SEEM  
LOW.

TO ARRIVE AT APPROPRIATE RATES, FINANCIAL INFORMATION OF PROJECTED  
LSI COSTS AND SELLING PRICES IS NECESSARY. SUCH UNDERSTANDING AND  
FURTHER DISCUSSION SHOULD LEAD PROMPTLY TO AGREEMENT.

HAVE YOU CONSIDERED STRATEGY OF DOLBY (NOISE REDUCTION TECHNOLOGY)?  
THAT IS, TO DEVELOP FM AS INDUSTRY SOUND SYNTHESIS "STANDARD".  
THIS WOULD INVOLVE FM TRADEMARK LICENSE TO PERMIT BUYER TO ADVERTISE  
THAT HIS PRODUCT USES "FM" SOUND SYNTHESIS. IF FM OF HIGHEST  
QUALITY, AND THAT BECOMES KNOWN TO BUYERS, A NEW MARKET ENTRANT FOR  
AN ALTERNATIVE SOUND SYNTHESIS TECHNOLOGY TO FM WILL HAVE GREATER  
MARKETING DIFFICULTY.

THE WEEKS OF DECEMBER 5 OR 12 ARE CONVENIENT FOR THE SCHEDULE OF  
MYSELF AND MY ASSOCIATE, BILL OSBORN, TO VISIT HAMAMATSU. JOHN  
CHOWNING POSSIBLY ALSO MAY BE ABLE TO COME. LET US KNOW IF THOSE  
DATES ARE SATISFACTORY.

WE HAVE SEEN THE DX-7 IN LOCAL STORES AND ARE VERY IMPRESSED.  
CONGRATULATIONS.

BEST REGARDS,  
NIELS REIMERS

STANFRD STNU