From: Jim Clark <jim@mcom.com> [jim@mcom.com]
Sent: Thursday, December 29, 1994 3:01 AM
To: Dan Rosen
Subject: Please forward.

Dan, I tried sending this to Brad Silverberg on the 23rd, and I guesses his email name incorrectly. Please forward it to him. I copied you on the original, so you were to read it also. Thanks.

Brad:

I'd like to convince you to reconsider using our Netscape client, and apologize for the miscommunication with Paul Koontz. I was not aware of the details of his interaction with you, or I would have expressed things differently. I have had a dialog going with Dan Rosen for the last several months, and it is more in the spirit of the relationship I'd hoped to develop with Microsoft.

No one can outperform Micorsoft, but we have done a lot of good work on Netscape. I understand your worry about schedule delays, but by the time you fix the bugs in the original Mosaic and tune it for performance, you will waste as much time as you fear losing. About 70% of the connections to web servers on the net are now Netscape, because practically everyone considers it to be superior. I can send you hundreds of people's comparisons, if you are interested.

Since our team wrote the original and know its shortcomings, we never considered licensing it from the University. As much as 50% of original Mosaic is "public domain", but we discovered that some of the so-called public domain code is mixed with code that could be from non public-domain origins. None of our code is taken from any public domain code, so there will never be any question of its origin -- we created all of it ans consequently own it with no dispute.

Microsoft is the de facto standard "client" software company and we have never planned to compete with you, so we have never considered a "client" as being our business. Our business is adding value on the back-end in the form of vertical applications, currently using Oracle data bases. We intend to do this primarily on NT and Back Office very soon.

We want to make this company a success, but not at Microsoft's expense. We'd like to work with you. Working together could be in your self interest as well as ours. Depending on the interest level, you might take an equity position in Netscape, with the ability to expand the position later. Considering all of the things we're doing in the financial area, there should be lots of room to work together in setting standards that accommodate your Intuit acquisition. Lots of banks are worried about Microsoft, and none of them have expressed concern about us.
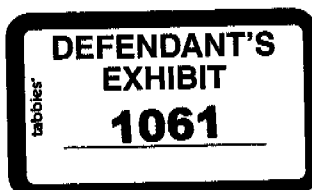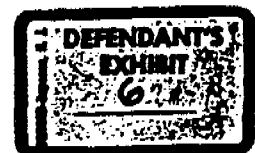
We have begun to build a team out of Oracle and related companies who understand the systems consulting/database business model, and it is something that you could learn from. Given the worry that exists regarding Microsoft dominance of practically everything, we might be a good indirect way to get into the internet business.

Sorry about the tone conveyed to you by Koontz -- he is not known for subtle words, and at SGI where he came from, Microsoft is considered an enemy. One of the reasons I left there is that I concluded that you should be able to put the workstation companies out of business.

If you have any interest in opening a dialog, I will be checking my mail daily over the Holidays and would be happy to quietly share some of my thinking with you. No one in my organization knows about this message.

Thanks for consideration.

Sincerely

Jim Clark