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IBM CORPORATION
Dept. 098/803
11400 Burnet Road
Austin, TX 78758

July 27, 1987

Gentlemen:

Re: Sublicensing Agreement Number SUB-00015A

We have sent a letter to all our licensees who have also acquired sublicensing rights to address an issue that is of great concern to AT&T.

Specifically, we are concerned that some licensees, possibly through a misunderstanding, may not be fully in compliance with their obligations under certain license agreements with AT&T (the Software Agreement, Sublicensing Agreement and/or Customer Provisions Agreement) with respect to two specific matters: (1) the conditions under which copies of the licensed source code software product, and derivatives of such product, may be transmitted to a third party, and (2) the identity of the party responsible for reporting and paying fees for sublicensed products based on such product.

We want to stress at the outset that licensees may not distribute, or permit access to, any licensed source code software product (either in modified or unmodified form) to any third party at any time, or distribute sublicensed products based on such software products or its derivatives, unless specifically permitted by the license agreements.

The Software Agreement permits access to a licensed source code software product by a third party who is a licensee's contractor, i.e., a party hired specifically to create or support derivative works (in source or binary form) for the sole and exclusive benefit of the licensee. Any such third party who creates a derivative work and thereafter distributes, directly or indirectly, sublicensed products based on all or any portion of such a derivative work is not acting for the sole benefit of the licensee and is not acting as a contractor of such licensee within the meaning of the Software Agreement. Such third party who distributes such a sublicensed product, must do so under the terms of its own Software Agreement and Sublicensing Agreement with AT&T.

The Software Agreement also permits the distribution of licensed source code software products (with the prior approval of AT&T) to a third party who has a license of equivalent scope as the first licensee. If

either the transmitting or receiving licensee creates (or has created) a derivative work of such distributed code and at any time thereafter distributes, directly or indirectly, sublicensed products based on all or any portion of such derivative work, such licensee must do so pursuant to the terms and conditions of its own Sublicensing Agreement with AT&T.

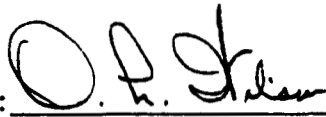
In order to assure that there are no further misunderstandings in this regard, please indicate your concurrence in the manner indicated below to the following new paragraph (c) of Section 2.05 of the IBM Sublicensing Agreement.

-- 2.05(c) IBM and AT&T agree that a third party may be both a DISTRIBUTOR and Contractor or both an Authorized Copier and Contractor. IBM may not authorize or permit any third party to whom IBM has provided a SOFTWARE PRODUCT pursuant to Section 7.06(b) of the Software Agreement (source code licensee) or paragraph 3 of the February 1, 1985 amendment to the Software Agreement (contractor) to be a DISTRIBUTOR, pursuant to this Sublicensing Agreement, with respect to any SUBLICENSED PRODUCT, derived from such SOFTWARE PRODUCT, which was, in whole or in part, provided by such third party, its SUBSIDIARY, any entity ("parent") of which it is a SUBSIDIARY, or any other entity which like Third Party, is a SUBSIDIARY of such parent. Distribution of such a SUBLICENSED PRODUCT may be made by such third party only on its own account, pursuant to a Sublicensing Agreement with AT&T-IS, and not as a DISTRIBUTOR hereunder. --

We trust this clarifies AT&T's position in this matter. Please indicate your acceptance of new paragraph 2.05(c) of IBM's Sublicensing Agreement by signing and dating the attached copy of this letter, and returning such signed copy to me.

Very truly yours,

AT&T INFORMATION SYSTEMS, INC.

By: 

Accepted and agreed to:

IBM CORPORATION

By: 

Printed Name: E. W. KENNEDY

Title: Software Agreement Mgr

Date: Mar 20, 1989