

August 17, 1993

Mr. I. Dal Allan
Chairman, X3T9.3 Committee
ENDL
14426 Black Walnut Court
Saratoga, CA 95070

Re: Fiber Channel Standard

Dear Mr. Allan:

IBM is pleased to advise the Committee that it will grant to any party that makes a written request to IBM, a nonexclusive license under designated IBM patents, for use of such patents in compliance with FCS specifications adopted by ANSI. The licenses will be on terms and for fees that are more favorable than those that appear in the normal royalty-bearing licenses IBM grants to other parties. Any licensee of IBM under this offer must agree to grant to IBM, upon request by IBM, a license under any patent **of** that party which IBM wishes to practice in implementing such specificat.ions, on similar terms and fees.

The IBM U.S. patents included in our offer at this time are:

#4,486,739 "8B/10B Transmission Code" (this patent is presently licensable by IBM for FCS use);

#4,995,056 "Data Flow Control;";

#,5,136,410"Open Fiber Safety Control;"; and

#5,151,977 "Link Level Facility."

The non-U.S. counterparts of these patents will be included in the grant as licensed patents.

A requesting party may select one, some or all of the patents listed above, and the one-time fee for a fully paid-up license for FCS-compliant usage only is \$5,000 for each such patent

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selected. IBM may decide to add patents to this list, but is not obliged to do so. Any patent **so** added will be available for license on the same basis as set forth herein, or in any amendment to this offer submitted to ANSI.

IBM has additional patents that may pertain to **FCS**. Any desire to obtain **a** license to an **IBM** patent not listed herein, for FCS or other purposes, may be requested under the normal reasonable and non-discriminatory terms and conditions, including royalties, offered to other parties by IBM at the time of the request. Any license granted by IBM will require that the licensee grant IBM an option to obtain a similar royalty-bearing license as IBM grants, under patents of the licensee.

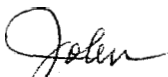
All requests for licenses must **be** submitted in writing, and questions may be directed to me at the following address:

John W. Lowe
Program Manager, Licensing
IBM Corporation
P.O. Box 10501
Stamford, **CT** 06094-2501

Fax #(203) 973-7992
Tel #(203) 973-7935

IBM **is** pleased to make this offer of patent licenses, and looks forward to vigorous implementation **of** FCS by the entire industry.

Sincerely,



John W. Lowe

cc: Ms. Frances Schrotter
American National Standards Institute
11 West 42nd Street
New York, N.Y. 10036