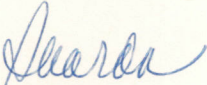


TO: DAVE CHANDLER  
FROM: SHARON VERDUZCO  
SUBJ: OSCO DRUG, INC. - VIDEO  
DATE: MAY 4, 1978

We have received the attached letter from Osco Drug.

Mike Weinstock said that you should draft a letter of response for me. He will review it prior to our sending it out.

Please let me know if there are any questions.



SV:sl

cc: M. Kuhn

RECEIVED

MAR 6 1978

*mal*  
**Osco Drug, Inc.** EFF ROCHLIS

*Hand to Rochlis*

Operating Osco Drug, Republic Lumber and Turn\*Style Stores

1818 Swift Drive  
Oak Brook, Illinois 60521  
Area Code 312  
Direct Line

February 27, 1978

RECEIVED MAR 1 1978

Mattel Sales Corp.  
1400 East Touhy  
Suite G-10  
Des Plaines, IL 60018

Gentlemen:

As indicated in the Federal Trade Commission's release of December 19, 1977, reasonable use of electronic video games should not imprint the game pattern on T.V. screens. The Commission did report, however, that "prolonged use of some games may imprint the game pattern on T.V. screens--in particular, those of black and white sets." Accordingly, the Commission is urging manufacturers and sellers to warn consumers prior to sales that prolonged display of a video game with a fixed pattern is likely to result in imprinting the game on the television screen.

Since the extent of any imprinting effect is a technical question dependent on a number of factors such as brightness of the image, the type of T.V. set used, and how long the game is played, it is our opinion that video game manufacturers are in the best position to determine what imprinting effect, if any, their video games will have on T.V. sets.

We are therefore requesting that you send us your plan for compliance with the F.T.C.'s request that customers be warned of potential damage to their T.V. sets if they should purchase one of your video games.

Sincerely,

Answer

*Bill Delaney*

Bill Delaney  
Video Game Buyer

*Turning circuit which  
shuts it off*



July 26, 1978

RECEIVED  
JUL 26 1978  
PATENT DEPT.

TO: BOB MULCAHY  
FROM: ED KRAKAUER *Ed*  
SUBJECT: VIDEO ENTERTAINMENT CENTER - LEGAL POSITION

Currently, we are approaching potential licensees regarding the Mattel Video System. It is imperative that we understand . . .

One, Mattel's legal position vis-a-vis Magnavox patents; and,

Two, Mattel's proprietary position with respect to the Graphics ROM, and particularly the Controllers.

Please schedule a review, at which time a firm opinion can be provided on each of the above.

EMK/nlh

cc: Steve King  
Jeff Rochlis

# Mattel

August 2, 1978

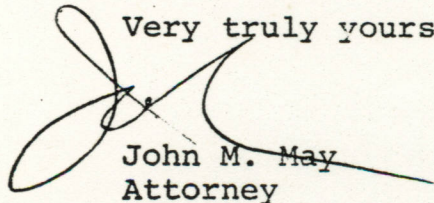
John G. Mesaros, Esq.  
The Theme Bldg, Suite 214  
540 North Golden Circle Drive  
Santa Ana, California 92705

Re: Video Entertainment Center  
Our Docket No. 11887

Dear John:

Enclosed are the first five pages of your nine page letter of April 27 on the same subject with Dave Chandler's comments regarding the first seven of the sixteen cited patents. Dave Chandler has assured me that he will attempt to provide you at his earliest possible opportunity with comments regarding the nine other patents cited in this letter as well as the twenty-five additional Sanders (Magnavox) patents discussed in your letter of June 6 (of which you have selected nine as being most pertinent).

Very truly yours,



John M. May  
Attorney


JMM:skd

Encls.

cc: Dave Chandler



To: Dave Chandler  
Jim Kingsbury  
Richard Chang

From: Jeff Rochlis 

Date: September 13, 1978

Subject: Attached clipping regarding fire retardants

The attached article addresses the United States Consumer Products Commission subpoenas to various television manufacturers concerning their use of fire retardant materials in their television sets.

Please review same and give me your opinions as to whether we should be addressing fire retardant measures for our video complex.

JAR:ewj

cc: Denis Bosley  
Ralph Stewart  
Steve Nelson

attachment

# 9 TV Mfrs. Subpenaed On Fire-Related Incidents

By ROBERTA WYPER

WASHINGTON (FNS) — Nine television manufacturers have approximately 45 days to comply with a subpoena for additional data on fire-related incidents involving their products.

The U.S. Consumer Product Safety Commission, as part of its efforts to monitor the effectiveness of a voluntary flammability standard now in effect for the television industry, issued the subpoena last month after the manufacturers indicated they would not provide the information voluntarily.

The subpoena is the third issued by the commission over the past 4 years. In the past, no manufacturer has failed to comply with the order.

According to commission staff members, information collected from industry in the past 4 years indicates a downward trend in the number of fire incidents involving television sets.

In 1973, for example, there were 31.5 fire-related incidents per million sets — occurring within 2 years of manufacture — compared with 19.6 incidents in 1974 and 7.9 incidents in 1975.

These figures, however, noted CPSC analyst Dee Harwood, "do assume that the subpoenas have been fully complied with by the manufacturers."

This year's subpoena seeks information to help the government agency determine whether the downward trend is continuing. "We have to make sure the voluntary standards are doing the job," said CPSC manager Melvin Spencer.

Specifically, television manufacturers are being asked to submit all documents relating to fire-related incidents and to include information reported to or otherwise obtained by the manufacturer involving a report of flames, explosion, smoke, overheating or melting occurring during calendar year 1977 in a television receiver, or occurring during 1976 but not previously reported to the commission, even if the television receiver may not be considered to be the cause of the incident.

Commission staffers point out that any information submitted which the manufacturer claims is confidential will not be kept in a public file and will not initially be made available to the public.

If a request is made for this confidential data, the commission will notify the manufacturer and give him the opportunity to submit a detailed claim explaining the nature of the information and the reasons why it should not be released to the public.

If the commission, however, decides the information should not be classified as confidential, it will notify the manufacturer and allow him 10 calendar days to seek judicial relief.

The nine manufacturers subpoenaed are Motorola, Magnavox, Zenith, Panasonic, GTE, Sylvania, RCA, Quasar Electronic, General Electric and Rockwell International (Admiral group).

Last Jan. 12, CPSC staff members met with representatives of the nine manufacturers in an effort to encourage the companies to submit data voluntarily. The manufacturers agreed to provide some of the requested information, but not all of it, as indicated by a letter from the Electronic Industries Association to the CPSC stating, in part: "After careful consideration, a majority of the companies (say they) cannot agree to participate in a voluntary program as the CPSC has outlined it."

"It is often difficult for manufacturers to voluntarily provide information which might lead to increased costs and expenses for their companies," Mr. Spencer said.

Part of the downward trend in TV-related fire incidents is due to

changes in how television sets are now being made. Manufacturers, for example, have been able to develop a type of plastic for cabinets that is less flammable than its predecessor. In addition, improved technology has led to elimination of tubes in television sets and the substitution of printed circuits.

The nine manufacturers have until Oct. 27 to supply the subpoenaed information.