

MG: Mudgeon's Distillations

by Mudgeon

Editor's Warning: The following information contains not only information about Macintosh industry news and information, but also information about MS-DOS, 3D0, Genesis, etc. Readers who get squeamish when reading about other non-Mac platforms should skip this section.

◦ If you wanna develop for 3D0, you need to cough up more than \$8,000 for the developer kit, which includes the hardware and software programs. 3D0 bragged that they had over 650 licensees for their video game technology . . .er, unfortunately for them, only about 200 have actually paid their license fees. Of those who HAVE paid their fees, currently approximately 20 expect to release products into the retail chain before June of this year. With 3D0 stock tumbling to 16-3/4, down from 20-1/4 after their IPO, something is needed to buoy Trip's Magnificent Obsession. Two titles could help . . .the first is Electronic Arts' John Madden Football, which has been reviewed all over the place and receives extremely high points for its interactive and realistic play. The second title is one yet to be released . . .Jurassic Park. Oh, sure, there are a number of games out there based on this film, but only 3D0's title will contain actual footage and the soundtrack from the film itself. (That has to be because the film was produced by Matsushita's MCA subsidiary! With machines still hovering around that \$500 per unit mark, though, the dinosaur may end up being the 3D0 machine itself, a dinosaur of super-hype and over-commitment. Mebbe dinosaurs, the professional grid iron, a new multimillion dollar media blitz, a new PR company, a deal with US West to use 3D0 in interactive TV, and interest from a number of new potential platform manufacturers (including AT&T) can resuscitate the flailing company.

◦ To further concerns about 3D0, word has been received that \$10 million in new funding has been received by that company. Normally, such news would not spark a downturn in stock prices. Unfortunately, this funding is coming directly from the chairman of the company, Trip Hawkins. When this information was learned late last week, 3D0 stock tumbled and lost nearly 20 percent of its value.

◦ Penn & Teller, known worldwide for their outrageous magic and comedy act, will soon be expanding from their current stage and television routines to do something quite splendid . . .they're getting into interactive entertainment. This is all thanks to Absolute Entertainment, one of the largest publishers of cart-based games, who have reached an agreement in principal to produce interactive titles starring these hot properties.

◦ The total number of entertainment titles expected to be released by Capital Multimedia by December of this year now reaches 26! Not only is this company gonna continue its development in the CD-i environment, but you can expect Sega CD and PC CD-ROM goodies as well. For the PC and Sega, look for "NFL Football Trivia" and "Kingdom/The Far Reaches." coming for CD-i and Sega CD are "NFL Instant Replay" and "Who Shot Johnny Rock." (Yep, this is the same company that's getting into hotel yellow pages, wherein hotel guests are linked directly to the hotel video service via a CD-i system.)

◦ Absolute Entertainment is doing pretty darned well! Last year, they reported a net income of \$106,000 (about \$0.04 per share) for the quarter ended March 31st, 1993. For the same quarter this year, that net income has jumped to \$201,000 (about \$0.05 per share).

◦ In case you hadn't already heard, Access Software's much anticipated title Under A Killing Moon will be delivered on THREE CD-ROM discs. Although some concern was voiced regarding the number of times users might have to switch discs during game play, company sources indicate the average user will only change discs five times during the completion of the adventure. Look to spend as much as 60 hours playing this title.

◦ FAO Schwarz and GEMCO Department Stores all felt the impact of their once CEO and president, Peter L. Harris. He's one of the most prominent marketers and retailers who ran those companies into profitability. Now, Mr. Harris has accepted the position of president and CEO of Accolade (408/985-1700). The company's revenues grew to \$45 million this March and develops and publishes a wide variety of action, adventure, sports and educational games for personal computers, CD and cart-based machines. We wish Mr. Harris well in his new and critically-important position.

◦ You've heard of Atari's 64-bit Jaguar game platform. You've also probably heard of Sigma Design's Reel-Magic™ video capabilities. Now these two companies have teamed together, with Atari licensing to Sigma Jaguar technology. The reason? To add Sigma's technology to the Atari hardware. MPEG (Moving Picture Experts Group) technology will now combine with the 3D animation created by Jaguar publishers to bring their titles directly to PC/MS-DOS computers. This means more than 10 million potential additional gamers will be able to participate with Jaguar titles. Jaguar recently won the European Computer Trade Show Award for "Best Hardware of the Year," as well as other publication awards.

◦ In the "love those rumors" department, there continues to be constant chatter about who might acquire Brøderbund Software. After the Marin County company re-evaluated their acquisition by Electronic Arts and decided the falling share price of EA stock put the value of the deal far below what they wished to receive, other suitors have been mentioned. Probably the one that seems most active is VIACOM. At least with VIACOM, the educational focus of Brøderbund would be maintained instead of it becoming part of an electronic toy boutique. And, to throw another element into this ring of intrigue, what about Sierra?

◦ Everything's headed for the set-top, you hear. This company has plans for this and that, but, is it all smoke? Where is the reality? Where is this revolution actually occurring? Well, how about Canada! CuITech Collaborative Research Services, Apple Canada Inc., IBM Canada Ltd., and Bell Canada Ltd. are about to test a broadband-to-home information service to 1,300 homes that have been cabled for such a program. But here there's no set-top box . . . this test uses a multifunctional device that controls a whole bunch of goodies in the home, from the TV and VCR, to wireless communications. Users'll be able to glom video-on-demand, ITV (interactive television), banking, education, and other services.

◦ Top prizes of a Sega CD™, Sega Genesis, and a Buba 'N' Stix cart are being offered via two exciting summer promos from Warner Lambert and Core Design. They're joining forces to

promote each company's new summer release--a new secret flavor of Bubblicious gum and the cart for Sega Genesis. Five second place winners will each receive a Sega Genesis and a cart, with 500 third place winners received a \$5 rebate on the purchase of the game cart. The contest starts on July 1, 1994 and runs through July 1, 1995. A second promo starts in August and is an instant win, wherein the same prizes will be offered to recipients of winning bubble gum wrappers.

◦ Anytime a new venture launches, excitement electrifies the environment for those who are responsible for its debut. The first Affiliate Venture Publishing product from MicroLeague Interactive Software is now debuting--Bridge Baron for Windows. Developed by Great Games and designed by bridge expert Tom Throop, the title has an SRP of \$59.95.

◦ Intel is MORE than serious about expanding its vision throughout the electronic information superhighway. The company has concluded agreements with America Online, Prodigy, Redgate Communications, Softbank, News Electronic Data and Reality Technologies to deliver, via cable into homes, new interactive services.

◦ Interactive Network Inc. and NTN Communications are back at it yet again . . .this time, it's IN suing NTN because of the latter's video boxing game. NTN claims patent infringement. Stay tuned for the blow-by-blow info.

◦ Microsoft, the company that develops more technology allegiances than the number of truces in Bosnia, has now pulled Creative Technology into their web of friendship. Because of Microsoft's massive interests in audio and telephony capabilities for Windows, full Sound Blaster compatibility is expected within Bill's future product lines.

◦ Certainly a trend to watch with other game software manufacturers is the news that NEC Home Electronics has lowered from 3,000 to 1,000 units the minimum production lot size they will manufacture for third-party publishers. We bet they'll also drop commissioned manufacturing rates as well.

◦ Nintendo is quite firm about their NON-INTENTION to produce a 32-bit game machine! Strange, but true. Yet, the company does plan a 64-bit member of their Famicom video game platform. However, you may expect a 32-bit player that'll operate with computer terminals at a pricing just a wee bit less than \$200. We'll take a wait and see attitude!

◦ Nintendo has reported consolidated sales have fallen 24 percent in the year ending March 1994. A 44 percent plunge in pre-tax profits has also been acknowledged. Cause for this news? European sales difficulties due to the depressed economy in that region of the world and the rise of the yen's value against foreign currencies. Additionally, analysts believe Nintendo's reliance on a single product, that being video games, has also added to the company's problems as their titles have slowed in sales. Nintendo has not suffered such a loss in sales and pre-tax profits since 1990. A comment from Yamauchi, the president of Nintendo, is reported to have stated that the company would like to pull out of all foreign markets because of the yen's strength has damaged all overseas business. Sales are expected to continue to fall this year as well.

◦ The TrueMotion® video compression algorithm is an alternative to current, committee-based compression offerings. From The Duck Corporation, this engineering achievement is now being licensed to the industry and to assist in that cause, the company is moving to Robert DeNiro's Tribeca Film Center in Manhattan's TriBeCa (Triangle Below Canal Street) neighborhood to 375 Greenwich Street, New York, NY 10013. From their new location, The Duck Company hopes to prove that top video quality with a simpler implementation, a single-source license, and the ability to decompress full-motion video in real time without

any dedicated decompression hardware.

◦ Psygnosis is pretty darned pleased with themselves. They've just won the 1994 NewMedia Invision Multimedia Award for Technical and Creative Excellence for their game Microcosm. Congrats!

◦ An issue without some mention of Sega is like E! TV without Talk Soup . . .it just ain't a happenin'. Well, you know how popular karaoke has become. Now Sega has plans to initiate a startup operation this year that'll enable karaoke for use over ISDN and plain ol' regular telephone circuits this year. So when you call your brother up for your monthly family chat, don't be surprised if a full studio orchestra starts up and he begins singing "I Am A Lineman for the County."

◦ Universal Picture's THE SHADOW is expected to be a blockbuster movie. Naturally, it follows suit a game developer would acquire license rights to the film and create a title based on the celluloid entertainment. And Ocean of America has done just that . . .they will create video games. Other licenses went to Tiger Electronics for some hand-held games and Kenner Products now holds the master toy license. With over \$35 million in advertising budget scheduled for the movie, the carry-over effects for the video game could be quite substantial.

◦ Currently sans title, let's consider a game that takes place in 1964 wherein President John F. Kennedy escapes Oswald's assassination in Dallas, Texas. You then become the President and you must not only win the election, but also solve the attempt on your life. There are a lot of other issues facing you: Vietnam, civil rights, and an eradication of the American way of life. The company developing this title is Quadra Interactive.

◦ Great happenings for game company Rocket Science Games . . .both Sega Enterprises and Bertelsmann Music Group (BMG) have imported \$12 million into the company. This deal also brings to the company some never-before openings with international distribution capabilities. Look for some great titles from them this year: The Second Cataclysm™, Loadstar: The Legend of Tully Bodine™, and Cadillacs and Dinosaurs: The Second Cataclysm™.

◦ Some cool technology is ramping up to enhance Sega™ platforms. Sega has just signed a licensing agreement with QSound Labs for the latter's QSound™ Virtual Audio. To be found initially in Sega's Genesis™ 32X units, this technology expands player interactivity with the game. Highly interactive, these lifelike audio effects currently can be experienced in such titles as Jurassic Park™, Sonic CD™, and Ecco the Dolphin™. Sega will use this technology in its own games development and sublicense QSound to their developers. The new 32-bit platform Sega is expected to debut in the U.S. in 1995 will also feature QSound.

◦ Sigma is also planning to release a new, interactive, CD-ROM title called Prince Interactive, featuring . . .Prince. Not my favorite cup o' tea, this new title will feature CD-quality music, animation, and full-screen motion video, all taking advantage of Sigma's ReelMagic MPEG features. This title resulted from an agreement between Sigma and Paisley Park Enterprises (Prince's own, heady record label) and Warner Brothers Records. The world you enter, other than being populated by Prince, contains music surprises, puzzles, riddles, and mysteries. You are actually in charge of changing events via an experiential navigation system (whatever that might be!). You create new experiences as you select from various choices as you move through the adventure. Wow, there's even a new Prince song and video especially created for this title. Three other full-length videos and 52 Prince song samplers are also included on the disc. The offering will require you have a ReelMagic MPEG controller. The SRP is \$59.95. (Just so you'll know, and in case you have to rush right out and grab this CD-

ROM, the ReelMagic card plus a 16-bit DSP sound controller packs an SRP of \$499. There's ReelMagic Lite for \$349, and the ReelMagic CD-ROM Upgrade Kit for \$799. Not cheap . . .but isn't Prince worth it?)

◦ Later this year, you can expect "Play Station" to make its grand entrance into the marketplace. From Sony Corporation, the new hardware (CD-ROM based) is expected to attract buyers starting sometime in late November. The system allegedly offers extremely high speed, 3D graphic capabilities. 32-bit processors are used and their are rumored to be 27 titles in development for the roll-out. If they have only a one-third of that number at roll-out, they'll certainly have a better debut than 3D0 and their miserable single title. Price is still in question, however, and if the current 3D0 price is also set as their standard SRP, consumer acceptance will be less than enthusiastic.

◦ Entering Spectrum HoloByte from his previous position of Vice President of Sales at Personal Cellular Services is Harvey LoSasso. He's the company's new Vice President of OEM and Licensing. He will be in charge of not only OEM sales and international licensing, but also premium channel development.

◦ Looks as though both "Aero the Acro-Bat" and "Belle's Quest" titles from Sunsoft are going to be two of the 50 titles subscribers may select from the upcoming Sega Channel. The channel is going to roll out into 12 markets. The first title finds Aero trying to save the circus from revenge wreaked upon it by Edgar Ektor, the evil industrialist who was banished from the Big Top as a child for instituting dirty tricks. The second title follows Disney's Beauty and the Beast movie from Belle's point of view. A third title is expected to also join the channel later this year, that being "The Pirates of Dark Water." developed in conjunction with former Hanna Barbera Chairman David Kirschner. Three heroes must search for 13 treasures to destroy the deadly "Dark Water."

◦ A new multimedia publishing company is birthed . . .Take-2 Interactive Software, Inc. (212/941-2983). Headed by Ron Brant (who is the president and CEO of multimedia venture capital group Cybernetic Media Technology), other officers include Mark Seremet (cofounder of Paragon Software) and Catherine Winchester (found and president of InterOptica Publishing, Ltd.) Releases scheduled for this fall include Star Crusader, a state-of-the-art space-flight combat sim; HELL: A Cyberpunk Thriller, a dark and futuristic mystery; and Bureau 13, an interactive graphic adventure. All four titles will see initial release for PC CD-ROM and diskettes. GameTek will distribute these titles. For their educational product line starring Bill Cosby, Take-2 will be releasing Bill Cosby's Picture Pages, based on the popular children's TV show that is broadcast on Nickelodeon and PBS, and it will be released in Macintosh and PC CD-ROM format. Twenty-seven reference titles will also be available, including Sierra Club's Electronic Guide to 7 Natural Wonders and the Royal Geographic Society's Electronic Guide to 10 Man-Made Wonders.

◦ Whoops, there's a net loss in the cards for T•HQ, Inc., of \$2.56 million for the three months ended March 31, 1994. This was on net sales of just over \$5 million. Net income for the first quarter of 1993 was \$398,000 on net sales of over \$12 million. The given reason for the loss included lower unit sales, especially for SNES titles, domestically and overseas. Also, the company's toy product line was discontinued, and that accounted for approximately \$2 million in net sales in the first quarter of 1993. TH•Q publishes interactive entertainment software for all Nintendo and Sega game platforms.

◦ Time Warner's vid-game developers are hard at work to bring some new titles to market between now and November. They include Bubba 'n' Stix (Genesis), Soulstar (Sega CD), Battlecorps (Sega CD) and Skeleton Krew (Genesis) from Core; Marko & His Magic Soccer Ball (Genesis and Game Genie) and SuperBike Challenge (Game Genie) from Domark; and

Dick Vitale's "Awesome, Baby!" (Genesis), Lawnmower Man (Genesis), Interplanetary Lizard of the Texas Plains (Genesis) and SuperBike Challenge (Genesis) from TWI. Pricing on some is yet to be determined, with a range of \$39.95 to \$59.95 on most titles.

◦ Warner Brothers Consumer Products and Acclaim Entertainment have entered into a pact wherein Batman Forever, the third Batman film starring Michael Keaton, will lead Acclaim's entry into the coin-op arcade market next year. Also, this film will headline several Acclaim interactive entertainment titles for leading home video game cart and CD-ROM systems next year. Under this agreement, Acclaim will develop the coin-op arcade game as well as the software for the home video systems. The coin-op title will be developed using Sega's proprietary Titan hardware system technology and Acclaim's motion capture technology. Under a separate agreement, Sega is slated to publish software based on this film for their Genesis Super 32x and Saturn hardware platforms.

◦ Catch this, fellow gamers! Wiz Technology in San Juan Capistrano has initiated a promotional effort to debut their CyberQuest line of entertainments into the marketplace. This is a line of action software that is said to have superb graphics, quality, and realism. In order to obtain your free "Cosmos, Cosmic Adventure: Forbidden Planet," you need to call 800/726-7909. Leave your full shipping information plus your American Express, Visa, Master Card, or Discovery credit card number and expiration date to cover the handling and shipping charge of \$6.95. For those who would prefer to send a check for \$6.95, the address is 32951 Calle Perfecto, San Juan Capistrano, CA - 92675.

- Compton's New Media has been in the news of late, due to patent litigations that they have both been favored with, and denied, all within the space of the same quarter. Now the company is dividing into two divisions: Compton's Entertainment will focus on CD-ROM titles, cable distribution, and online services. Compton's Information division will focus on producing more titles for entertainment and information titles.

- Word has it that within a month or so, General Magic may initiate their Initial Public Offering (IPO) of Common Stock. Despite the fact that many really don't quite know what the company is developing, expectations are high that the IPO will do rather well!

- H.P. Lovecraft is considered to be the originator of, and the master of, the horror story. His tales have sent shivers down the spines of millions of readers. His "Call of Cthulhu" series continue as horror classics. Soon you'll be able to enter Lovecraft's environs on CD-ROM, as I*Motion is planning a late June release for their title, Shadow of the Comet. Acquired rumors indicate this is one hellatious offering!

- The much anticipated three Star Wars prequels from Lucasfilm is reason enough for most any movie, science-fiction, fantasy, adventure, movie buff to remain healthy for the remainder of this decade. Although the script has yet to be written by George Lucas, we've learned that all merchandising and ancillary rights to these titles will remain with Lucas' company. Consider that their Rebel Assault CD has now sold over 400k units, rest assured LucasArts Entertainment (the game wing of the Lucas empire) plans to produce titles from these sure-to-be smash hit films.

- There aren't many companies that create software for their own hardware platform. Apple is definitely a company that does engage in such practice to a large degree. Another happens to be Sega! Almost 45 percent of the titles selling on Sega platforms are produced internally by that company. Now the rumor is that Sega is planning on creating and selling versions of their most popular video games for PCs with CD-ROM drives. This could start a trend within the video game industry by other leaders.

- An agreement has been signed with Paramount Licensing Group by Spectrum HoloByte to produce interactive software products based on Paramount's November 18th release of STAR TREK GENERATIONS movie. The agreement ranges through 1998 and is a multiplatform deal, authorizing Spectrum HoloByte to develop games for all significant 16- and 32-bit platforms, to include 16-bit video game platforms, 32- and 64-bit game consoles, 3DO, Macintosh, and PC-CD-ROM and disk based products.

- Around \$37 million has been generated by 3DO during their latest IPO, wherein nearly 3 million shares of common stock, priced at \$12.35 per share, were sold to existing and new investors.

- Thomas Petit, formerly President of Sega's North American coin-op company, has joined Acclaim Entertainment as their President of the newly-formed Coin-Operated Amusements Division. When he was with Sega, Petit was responsible for the development, sales, marketing and distribution of Sega's amusement products, including arcade uprights and virtual reality simulators throughout North America for over nine years. He has also worked with Nintendo of America and Atari Corporation in previous positions. Good luck to Tom as he ventures forward with his new company.

- Picture, if you will, a Mac LC 475 stripped of any drives, no matter if they be hard or floppy in aspect. Now, dump the Macintosh OS into rewritable memory (this will allow this critical code to be updated by any number of direct write methods). Throw in some MPEG Level 1 decompression and, well, what d'yuh have? Nothing more'n Apple's latest cable box proto. With the well-known and easy-to-use Mac interface available to request all kinds of programming, from movies to online services, and you have a proto currently being tested in any number of versions throughout European and U.S. markets. One of the "partners" in this test is said to be British Telecom plc. Despite a number of heavy-weights already involved in this arena, you gotta give credit where credit's due . . .at least Apple has a proto being tested. Another partner is Big Blue, who is said to have joined Apple with Scientific Atlanta to create set-top box architecture. Many vendors are still off'ing only verbiage as a basis for their work. And few other vendors have such goodies as QuickTime and sophisticated authoring tools that Apple has at its command. For sure, Apple's starting far behind others already involved in this environment, but in technology races, Apple happens to do extremely well! Cost is going to be a major issue, however, so other players that can bring down the cost of their devices (like Hewlett-Packard, mebbe) could end up with a large share of this audience.

- Companies involved in multimedia entertainment and edutainment development are being birthed at an amazing rate! I don't think I've ever seen such a growth spurt in the electronic entertainment industry. Now add in John Davis (super film producer) and Blockbuster and mix into a new company called Catapult.

- Name change for Hi Tech Expressions . . .they'll now be known as Hi Tech Entertainment, Inc., due to their increased production of entertainment titles in both the computer and video game platform arenas.

- OK, so you read about Apple's set-top. As I stated, there are many other competitors in this charge to cable. Now it looks like Kyocera has produced a video-on-demand box called the Set Top Box, one that they claim they can manufacture at a rate of nearly 60 K units per month. For home TV, this puppy fits atop your set and lets users receive motion picture goodies and send commands from and to a host computer. Including a karaoke device and freeze-frame technology, Kyocera plans to sell their device to suitable service firms in the good ol' U.S.A.

- Merit Software is going to exchange shares with Zeppelin Games Ltd. of the United Kingdom. The latter company will then become a wholly owned subsidiary of Merit.
- This is huge news, folks. In New York, Alpex Computer Corporation was found to have a valid 1977 patent for a system that could run video games. The jury then found that Nintendo infringed upon said patent with their NES system and some of the games that operate on that system. Phew! But the trail is far from over. Nintendo has requested the judge in this case to enter judgement on the company before any other aspects of the trail take place. If the judge decides not to do this, then another trail phase starts up . . . stay tuned!
- Magic Quest, of Palo Alto, California appears to be in agreement with Sanctuary Woods that a merger would be most amenable. Watch for a formal announcement on this combo soon.
- NewMedia's INVISION 1994 awards, held at the Georgia World Congress Center last month during the COMDEX/Spring '94 convention, awarded Maris' RedShift Multimedia Astronomy title was awarded Gold in the Consumer: General, Adult Enrichment category. Now available in a version that plays on Windows, 68K Mac, and Power Mac computers, this exceptional product is distributed by Maxis.
- November is the month, Sega is the company, and the 32X is the hardware. Yep, folk, Sega has copped-out that they will indeed release the Genesis 32X hardware that month. This is the company's 32-bit upgrade for their Genesis video game platform. The cool item about the 32X is that you can continue to use both the CD-ROM games and carts that were created for your current 16-bit Sega system. [Now, that's consumer consideration!--Mudgeon]
- Take super CD-ROM title Iron Helix and put Spectrum HoloByte behind an intensive effort to bundle this product with other vendors. Well, it worked . . . Creative Labs, AdLib MultiMedia, and Reveal Computer Products have all agreed to include copies of Iron Helix, from Drew Pictures, in their multimedia kits. Iron Helix, you may recall, is the recent winner of the Software Publishing Association's Cody Award for the Best Strategy Game of the Year.
- Folks are rather happy at T•HQ. After all, they've now obtained a license from Electronic Arts® to build ten cart games. These products will include a new game for Nintendo's GameBoy to star Shaquille O'Neal in a martial arts fighting game; an EA SPORTS™ football game featuring John Madden for GameBoy; a Game Gear version of Jungle Strike™; and SNES, Game Gear, and GameBoy carts for Urban Strike™. Additionally, the company will develop for Electronic Arts a GameBoy version of EA's FIFA International Soccer and 16-bit hockey products.