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Comes v. Microsoft

Slide it under my door when it comes in. I'll be in and out of the office today. If something is really critical, you can beep me 800-759-7243 (21808).

Nathan

From nathan Sun Apr 01 13:41:02 1990
To: billg jaremybu joachink karenh mikemap paulma petern richardf sdirect staved
Subject: re: MS SYSTEMS SW FOCUS
Date: Tue Mar 10 11:24:00 PDT 1992

I agree strongly with Paul's points. We are presently engaged in a number of battles. The most important one in my mind is to retain our dominant position for desktop PC operating systems, in the midst of changing to new technology base to escape the inheirent technical limitations of Dos. This is proving much harder than we originally thought:

- OS/2 will not be the near term sucessor to Dos, and it may never be.
- Windows is only a temporary solution to the problem because it still has severe internal limitations (i.e. based on Dos, hard to put security in ...).
- The x86 processor family, which underlies our sucess, is rapidly becoming uncompetitive, so at the same time we are changing the OS, we must also prepare for a change in instruction set.

Our goal is to establish a new operating system platform which will take the industry through the 90's, in the same way that Dos was the platform for the 80's. I think that we still underestimate the difficulty of this battle. This is not the place to go into all of the details, but I think that it is going to take much more effort to secure ourselves a lasting position.

Nevertheless, this is our calling. We are in a terrific position to achieve this, and it would be crazy to abandon it. The size of the opportunity is enormous. There is a huge value to a monopoly, and we have the position and skills that it makes sense for us to shoot for it.

Meanwhile we are also engaged in a broad set of battles to assail new markets - net, database & server OS. The problem with these areas is that we have none of the natural advantages that we have in the OS business. We are no place in the market today, and have no plan for achieving dominance. There are deeply entrenched competitors who will remain in control of the market for the foreseeable future, even in our most optimistic forecasts.

I came to similar conclusions to Paul while thinking about earlier

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conversations I had with him on what net strategy made the most sense for NT OS/2 on the RISC PC . The obvious conclusion was:

- Bundle redirectors for LanMan and Netware so that a RISC PC desktop could connect to any server.
- On the server side, the most important thing is to be an application server NOT a file server. A fast RISC machine has some benefit for file service, but a lot more for servers that think a bit much as a database. This means that your top priority is to just have RPC support - much like Paul's "socket" idea.
- A possible source of the "socket" technology would be Decorn, a proposal submitted to OSF by DEC, HP, IBM and others. This involves stuff from Apollo and CMU, as integrated by Transarc (Al Spector's company). This may be too UNIX oriented, but it covers the basic idea.
- For file service, the most important thing would be to get Novell to turn Portable Netware into a subsystem for NT OS/2. The observation here is that it is lot better for us to get NT in place than to lose to UNIX (running UNIX networking or UNIX with Portable Netware).
- The ideal thing (I don't know if this is feasible) would be to try to do this under an arrangement with Novell where they would sell the server version of NT OS/2 and make it their primary strategy direction for RISC. They should promote NT OS/2 APIs as a future strategy for RISC based server apps, along with some migration story for existing MLMs. Since the key server ISVs are already very portable this is not much of an issue.

I am not proposing this formally in this mail - clearly we would have to think about a lot of issues. Having an overall plan such as Paul proposes is much better than a solution for a single product. The key point is that if we are committed to establishing NT OS/2 as a standard for the industry, why not do so with the support of strong players like Novell rather than having to fight them too?

In the past I have encouraged us to enter a number of fights in the industry, all in the name of defending our "heartland" (as Paul puts it) - the mainstream desktop PC operating system. When somebody clearly has that as their objective, like Sun does with UNIX and SPARC, then we must respond. The server battles seem like they are avoidable, and Paul's proposal is an interesting way to allow us to concentrate on the highest priority issues.

Nathan

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