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To: Microsoft ATR
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Subject: Microsoft Settlement

The proposed settlement with Microsoft is a bad idea.

I have had a great deal of experience with Microsoft from the point of view of a non-competing hardware and software developer. And even in such a non-threatening role, we have been strong-armed by Microsoft. The propose settlement will do nothing to alleviate the tactics Microsoft uses every day.

Mostly the indirect method of industry control has been accomplished through the preferential price given to computer manufacturers, but only if their PCs met the specifications Microsoft demanded. Of course, hardware vendors are free to ignore the Microsoft specifications, but then they are ignored by the PC manufacturers that would forfeit their discounted price if they used non-approved parts. There are three significant issues with the reality of allowing this situation to continue:

1. Any new innovation made by any company and included in their version of a device that is subsequently adopted by Microsoft is made mandatory in the next revision of their PC requirements. Obviously this removes the advantage of an innovator beyond the first generation, and puts a burden on competitors that may have made the judgement that they do not have the resources to develop this innovation, or that they do not believe that the innovation is important to their customers.
2. In many cases the original innovator may have patented their technology. This means that competitors are forced either to develop alternate methods of accomplishing the same thing (meaning their development time is longer than the original developer), or to enter into painful agreements with their competitors.
3. Because every developer of a particular device must provide all the functionality that Microsoft requires, none of the features may have any additional value associated with them. They must be added to the part "for free," because the features don't elevate

the devices above the competition, they only allow them to catch up.

Here are some examples:

1. Our graphics chip design team was forced to create a 3-D hardware design team, a 3-D software design team, and a 3-D test team, so we could develop and include 3-D capabilities in our device, even though our intended market was corporate, and our customers did not want this capability. And because we were playing catch-up with the competition, all of the resources dedicated to this feature could not be offset by increasing the cost of our product. This company no longer makes graphics chips.

2. Our modem design team was forced to add features to our modems that we did not think were necessary for our intended customers. One such feature is called "distinctive ring detection." Distinctive ring is a feature provided by the phone company that allows multiple phone numbers to reach the same telephone. The ring heard on the phone differs for each phone number, so that the customers can tell which number is being called. The modem must detect the differing rings as well, so that it can be programmed to respond only on a particular phone number. The miniscule number of people in the whole country with distinctive ring is only dwarfed by the number of those people who receive incoming phone calls for their modem. Yet this is a requirement for every modem that gets Microsoft's seal of approval. Those few people would likely have been willing to pay a bit more for this feature, if we deemed it worth our effort to even do the development for our mass-market product. But Microsoft forced us to do this work whether we wanted to or not, and then set us up so that we could not ask any more for this product, because everyone else had the feature as well.

3. During development of a new video feature for our graphics chips, we could not interest Microsoft in supporting the new capabilities. However, our customers were concerned that if others added the feature and there was no standard way of accessing this feature across all the brands, they would have difficulty using or supporting the feature. So we created an interface that we shared with our competitors. We did all the leg work, wrote drivers,

documentations, and held a development forum to which we invited all of the competitors. Once we had drummed up enough interest in the industry, Microsoft decided to add support for the feature to Windows. Of course everything they did was completely incompatible with the work we had done. They did however, steal all of the knowledge and hard-fought lessons from our interface, and also wooed away one of our engineers in the process. Our company gained nothing by having done all this work, but we had no choice but to move to Microsoft's interface and lose all our work.

4. Further development of the above-mentioned video feature ran into an issue involving the interface between the applications using the interface and our drivers talking to our hardware. Microsoft defined the interface through which application developers would communicate to our drivers, but in this case they had no need to write any code. However, when both application developers and driver writers who had been invited to a development event at Microsoft asked (together) that the interface be changed to fix some problems that both groups were hitting, Microsoft said "No." That feature is still present on every graphics chip, but it is almost never used any more. However, it is still a requirement to receive Microsoft's stamp of approval.

I could go on, but the pattern should be obvious. We were not competing with Microsoft, but they still did things that are the very definition of anti-competitive. Of course, they are pitting non-competing companies against one-another, so the negative effects are not obvious at all. Any solution proposed so far is miles from one that will correct this type of industry-wide manipulation and destruction.

In an Old West traveling carnival, they used to display a bowl of boiling liquid sitting atop a block of ice. The sign said "the Backwards Element," as if to imply that the liquid boiled because the ice cooled it. The liquid was in fact liquid nitrogen. The ice wasn't causing it to boil, it was slowing the boiling.

People believe that the computer industry is better because of Microsoft. But in fact it is better in spite of Microsoft. Without proper and significant punishment, they will only grow more arrogant and

manipulative.

And the sad truth is that splitting them into 5 pieces (Desktop O/S, Server O/S, Portable O/S, Applications, and Services) and forcing them to play by the same rules as everyone else will actually benefit them. They will actually be forced to develop O/Ss that don't crash, applications that don't use up tons of system resources, and services that make sense for the masses.

Anonymous (for fear of Microsoft's backlash in "their" industry).

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