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To: mikeh, jimb

From: pmarca@netscape.com (Private Marc Andreessen)

Subject: Microsoft notes/Rosen

This is totally fucking Grade-A unreal.

I started composing one reply to this but got tired of typing "that'd be great" over and over again. The benefits to most of these items to us would be huge, so let's just take that as a given and walk through them from Microsoft's point of view and figure out what they have to gain on a case by case basis..

>>>CLIENT

>>>1.Viewers

>>>Microsoft agrees to license Netscape viewers for: (a) Microsoft Office, (b) Media View; and (c) Blackbird as they are released and Netscape agrees to incorporate these viewers (and follow-on versions) into their Internet browser products and distribute them as part of their standard product.

Netscape helps proliferate and gain ubiquity for formats Microsoft controls, increasing Microsoft's hegemony and leverage.

>>>2.SSL

>>>Netscape has licensed Microsoft SSL technology and Microsoft agrees to incorporate it into their Internet browser product.

Microsoft's browser, which will be a year late when it ships (versus when it should have shipped for MS to set the security standard originally), will be able to access secure servers, and MS gets brownie points in the industry and the Internet community for supporting someone else's standard.

>>>3.DocObject

>>>Microsoft agrees to license Netscape DocObject and office compatible technologies and to work with Netscape to assist them in converting their WIN95 and Mac (?) browser products to DocObject applications. Microsoft anticipates that this will be the means by which Netscape incorporates the Microsoft viewers into the Netscape browsers.

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Again, Netscape helps MS proliferate and gain ubiquity for a mechanism (in this case, an API I guess) MS controls, again increasing Microsoft's hegemony and leverage. This also smells like an anti-OpenDoc thing.

>>>4.OLE

>>>Netscape agrees to continue its support of OLE.

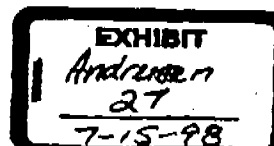
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Again, Netscape helps MS proliferate and gain ubiquity for an API Microsoft controls, and Netscape helps MS beat back OpenDoc.

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## &gt;&gt;&gt;5.New Platform Features

>>>Microsoft agrees to give Netscape insight into those features of the  
>>>Windows 95 operating system that will be available for Netscape's use in  
>>>creating new versions of its browser, so that Netscape will not expend  
>>>resources duplicating features that can be obtained from the platform.

Netscape agrees to allow itself to be bound deeper and deeper into the  
Windows 95 operating system, making it more difficult for Netscape to do  
things totally cross-platform and shifting the value equation towards the  
OS and away from Netscape's layer whenever possible.

## &gt;&gt;&gt;6.Support for Catapult APIs

>>>Netscape agrees to support Microsoft's Catapult APIs, and consider  
>>>supporting them on Max and UNIX.

Don't know what these are, but same comments as above.

## &gt;&gt;&gt;SERVER

## &gt;&gt;&gt;1.NT Cooperation

>>>Netscape and Microsoft agree to work together to make the Netscape Commerce  
>>>server (and other Netscape server products) be an outstanding Internet  
>>>server.

Netscape helps Microsoft drive NT as an Internet and enterprise server platform,  
against Unix (DEC, Sun, SGI, IBM, HP, Novell UnixWare) and other alternatives.

## &gt;&gt;&gt;2.Joint Marketing

>>>Microsoft and Netscape agree to joint market NT and Netscape's Commerce  
>>>server. This will include Microsoft including a trial copy of Netscape's  
>>>commerce server with NT distribution and Netscape endorsing NT as a  
>>>"platform of choice".

Again, Netscape helps MS drive NT as an Internet and enterprise server  
platform, versus Unix.

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>>> Netscape agrees to share with Microsoft the  
>>>requirements it sees as necessary in the Windows shell to implement its  
>>>browser. If Microsoft makes changes to Windows to meet Netscape's  
>>>requirements, then Netscape agrees to use the shell instead of separately  
>>>implementing these features.

Netscape shares information on what it plans to develop ahead of time with  
Microsoft, information that MS can turn around and preemptively announce and/or  
develop. Further, same comments as above on tying us deeper into MS's OS and  
making it more difficult to be fully cross-platform. Also, Netscape helps drive  
Microsoft Windows 95 APIs and mechanisms as a standard.

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## &gt;&gt;&gt;3.SSL Integration with Winsock

>>>Netscape and Microsoft agree to evolve a mechanism for transparent SSL  
>>>integration with Winsock.

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Microsoft gets to market totally secure networking as a base part of its OS. Also, this takes a value layer out of the Netscape level and into the OS, where it belongs (from MS's viewpoint).

>>>4.Evolution of the HTTP Protocol

>>>Microsoft and Netscape agree to work together on the evolution of HTTP protocol.

Netscape shares information on what it plans to develop ahead of time with Microsoft. Netscape cedes any strategic advantage that could be gained by innovations at the HTTP protocol level to Microsoft.

>>>AUTHORING

>>>1.Authoring Systems

>>>Netscape agrees to foster Microsoft's Word Internet Assistant (WIA) as a low-end authoring tool. Microsoft agrees to allow Netscape to resell WIA.

Netscape doesn't compete with WIA, furthering Microsoft's goal of selling everyone in the universe a copy of Word. Netscape proactively helps drive and market Word. Netscape helps MS gain dominance in the online document authoring world. Netscape indirectly helps MS gain document format dominance via RTF and the native Word 6 format.

>>>2.Publishing Systems

>>>Microsoft agrees to license Blackbird to Netscape to author its own content on its Internet site. It also agrees to allow Netscape to distribute Blackbird as an authoring tool on Netscape Internet servers.

Netscape doesn't compete with Blackbird, but rather proactively helps Microsoft drive Blackbird as the authoring tool of choice. Netscape helps MS drive formats supported by Blackbird as standards that MS controls, increasing Microsoft's hegemony and leverage.

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>>>3.Cooperation on HTML Extensions

>>>Netscape and Microsoft agree to cooperate to ensure that extensions to HTML are incorporated into both Word (and other Microsoft authoring products) and MS's browser, and Netscape's browsers in a comparable time frame to ensure that our joint customers find their needs supported for both authoring and viewing.

Benefits to MS self-evident - Netscape gives MS info ahead of time and cedes any strategic advantage to MS.

>>>4.Cooperation on Browser Datatypes

>>>Netscape and Microsoft agree to cooperate to ensure that new data format types are supported in both of our browsers so that new data types become more universal.

Same as above.

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>>>TECHNOLOGY

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>>>1.STT

>>>Microsoft agrees to license Netscape its Secure Transaction Technology to  
>>>incorporate into Netscape browsers and servers. Microsoft agrees to work  
>>>with Netscape to adapt STT for no-Windows 95 platforms, including Apple  
>>>Macintosh and UNIX.

Obvious -- again, driving Microsoft standards and increasing Microsoft dominance, while coopting us and tying us to their system value layer, where they can manipulate us as they do others with OLE etc. Further supporting STT makes it difficult for us to innovate and support things in the same space ourselves and still have a coherent market message and a contained development and architectural workload.

>>>SERVICES

>>>1.Internet Access

>>>Netscape agrees to include the Microsoft Network as one of the options it  
>>>offers on its sign up for services on its browser.

Makes 'em money directly. Probably in some way there will be encouragement to users to sign onto MSN directly in the process -- at least advertising (effectively -- on our reg server, etc.).

>>>MARKETING

>>>1.Announcement

>>>Microsoft and Netscape agree to announce this cooperation agreement.

Allows MS to benefit to whatever level from our momentum.

>>>2.Joint Sales

>>>Microsoft and Netscape agree to conduct joint sales and promotional  
>>>activities, as market conditions warrant.

MS gets to acquire more information about us during those activities, gets to manipulate our messages to the market, and gets to coopt our momentum.

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>>>2.Equity

>>>Netscape will grant Microsoft equity (in the forms of shares and/or  
>>>warrants) in Netscape at last round valuation. Microsoft will also be  
>>>entitled to a seat on the Netscape Board of Directors.

MS gets piles of inside information that they'll then turn around with and fuck us.

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