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We Don't Outdo Windows -- Yet

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RESEARCH TRIANGLE PARK, N.C. — In a weathered wooden frame, on the wall of his cramped office, hangs a picture that reflects Robert F. Young's attitude toward the world's largest software company. It's an oil painting of a dead turkey hanging by its legs.

Young hopes that one day, if he makes all the right moves and Microsoft Corp. makes a lot of wrong ones, his company, Red Hat Software Inc., will hobble the software giant and its Windows family of products with a computer operating system called Linux.

But just when that could happen -- if it can occur at all -- has emerged as a key point of contention 250 miles north of here at the Microsoft antitrust trial in Washington.

Microsoft's first defense witness, a Massachusetts Institute of Technology economist, said last week that Linux, which now runs on more than 10 million computers, could become a viable competitive alternative to Windows in a year or two. The company's lawyers and some of its executives have gone a step further, suggesting that Linux is a genuine present-day threat to Microsoft.

The government's economists and technical experts take the opposite view, arguing that it will be at least five or 10 years, if not more, before Linux (rhymes with cynics) will be a true competitor to Windows. And that's a prediction Young agrees with.

Asked whether Linux poses a competitive threat to Microsoft's dominance of the desktop operating system market, Young chortled. "It just tells you how desperate Microsoft is for a competitor that they're holding up a software box produced by 100 guys in the hills of North Carolina," he said. "Who are they trying to kid?"

"We are absolutely not a viable competitor at this time," he continued. "We have every intention of being one. But how long will it take? Realistically, it will be 20 years."

Microsoft executives scoffed yesterday at Young's two-decade prediction. "I think that is ridiculously pessimistic," said Tod Nielsen, who manages Microsoft's relationships with software writers. "Paradigm shifts happen in our industry every six months, and any attempt to predict more than a few years into the future becomes very doubtful."

Although his job as chief executive of Red Hat is to promote the

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virtues of Linux, Young maintained that the operating system is almost exclusively being used today to run specialized "server" computers that distribute data on the Internet or internal corporate networks. As a result, he contended, Linux competes only with Microsoft's Windows NT operating system for servers -- not with Windows 98, 95 and 3.1, the versions of the software that run 90 percent of the world's personal computers and are at issue at the trial.

"We're in the server operating system business," Young said. "Just because we exist doesn't mean Microsoft doesn't have a monopoly with desktop machines. . . . It's like a telephone company executive holding up a walkie-talkie and saying this is a competitor to local phone service."

For Microsoft, which maintains that it is not a monopoly, painting Linux as a potential threat in the PC operating system business is an important part of its defense strategy. If U.S. District Judge Thomas Penfield Jackson agrees that Linux is a likely short-run competitor, legal specialists say, it will be harder for him to deem Microsoft a monopolist. And without such a finding, much of the government's antitrust case could fall apart.

But legal experts say that's not an easy argument to make.

"The judge has got to be pretty persuaded that this is a near-term threat before it becomes a trump card," said George A. Hay, a professor of law and economics at Cornell University and a former chief economist in the Justice Department's antitrust division. "There just can't be speculation. There needs to be evidence."

Microsoft argues there's enough to make the threat a real possibility. The company notes that technology giants, including Intel Corp. and Oracle Corp., have recently invested in Red Hat. One large PC maker, Dell Computer Corp., already has started selling machines with Linux, and other manufacturers are expected to follow suit this year. There also is a growing base of desktop software applications for Linux, ranging from an Internet browser made by Netscape Communications Corp. to office software written by Corel Corp.

But Young contends those developments are just baby steps in a long process of becoming a viable desktop competitor. Dell, he said, only ships Linux on orders of 50 or more servers -- not on consumer PCs. And despite the development of a Linux browser and office suite, he said there is a paucity of software applications that most ordinary people need, such as games, educational programs and personal-finance tools.

"People don't buy operating systems, they buy applications," Young said. "It's going to be a long time before you can walk into a CompUSA store and see an aisle full of Linux applications."

Government lawyers also contend that Microsoft has changed its tune on Linux inside the courtroom. In a June interview with the PC Week online magazine, Microsoft Chairman Bill Gates said Linux does not pose a threat to Windows, remarking that he has "never had a customer mention Linux to me."

Developed by a Finnish graduate student named Linus Torvalds in 1990, Linux is one of a new generation of so-called open-source applications that are freely distributed over the Internet. Unlike Windows, Linux's source code -- its equivalent of the Coca-Cola soft-drink formula -- is publicly available, allowing programmers around the world to create new features for it.

Red Hat, like several other firms, compiles the best enhancements and distributes them as a package. Red Hat, whose version of Linux is the most popular on the market, offers its software both for free over the Internet and for $50 on a CD-ROM.

Young insists his comments on the future of Linux have nothing to do with his views of the government's lawsuit, parts of which he supports and parts of which he opposes. In particular, he believes the software giant has engaged in anti-competitive acts to maintain its Windows monopoly, although he cannot point to any directed specifically at Linux. But he sides with Microsoft's argument that bundling its Internet browsing software in Windows benefits consumers.

Young said he was interviewed by government lawyers last year as they were preparing their case, but he believes he never was required to give a formal deposition or called as a witness because "I wasn't telling them everything they wanted to hear."

At Red Hat's office, employees say they have been amused to hear that their company has repeatedly been mentioned in the courtroom, but they insist they're not paying that much attention to the proceedings. There's a new version of the operating system to finish. There's an impending move into larger quarters. There's the challenge of hiring new employees for the growing enterprise.

"Do I feel strongly about the trial one way or another?" said Young. "The short answer is no. But whatever happens, we know that Microsoft becoming a dead turkey is a long way off."

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