From: David Cole
Sent: Thursday, January 22, 1998 10:25 PM
To: Paul Maritz; Bill Gates; Bob Muglia (Exchange)
Cc: Jim Allchin (Exchange)
Subject: RE: Steve Jobs Call

- I will strike up conversations with benw about a transition plan. don will own through 4.01 which is due in April, this release will get DHTML more on parity with Win32 IE4. For some reason, benw has jumped the gun on this and has been trying to recruit out from under donbrad, so I hope we can do this in a more professional fashion. it may mean building a Mac IE team here in Redmond from near scratch.

- if I am to decide, I would not do an HTML control or ISL system software for Apple. I just don't see what we get out of it.

- we have the best Internet browser on the Mac already and it's just getting us share incrementally. I think a Mac focused marketing effort or hitching with the Mac Office marketing effort is needed. we should continue to add features needed to keep Mac IE competitive of course.

- I don't know how you collaborate on JavaVM technology without helping with future versions of Java as well, Apple won't want to just stay at JDK 1.2. Our MacVM would give them a good foundation for JDK 2.0 or other SUN specified enhancements which we won't be investing in, so as paul says this would turn into a COM+ discussion.

—Original Message—
From: Paul Maritz
Sent: Thursday, January 22, 1998 10:02 AM
To: Bill Gates; Bob Muglia (Exchange)
Cc: Jim Allchin (Exchange); David Cole
Subject: RE: Steve Jobs Call

1. I will be closing the loop this week with jimall, davidcol, johnlu on issue of MacIE development.
2. A decision to work seriously with Apple on VM technology really means a decision to work seriously with them on COM+. We do have some options/questions as what we can/should do while COM+ is being developed, but these need different forum. I have meeting with CharlesF and lawyers today.

-----Original Message-----
From: **Bill Gates**
Sent: Thursday, January 22, 1998 8:18 AM
To: Paul Maritz; Bob Muglia (Exchange)
Cc: Jim Allchin (Exchange); David Cole
Subject: FW: Steve Jobs Call

I agree we should probably change the location of MacIE.

There is a big question of what we should do with JAVA on Mac - whether doing more work and working closely with Apple could help us in this "battle". I think it can and would hate for Apple to have to go back to the SUN camp. I think we can gain a lot of share with IE on Mac if we do some modest things. However others may not agree.

—Original Message—
From: Don Bradford
Sent: Wednesday, January 21, 1998 11:42 PM
To: John Ludwig; David Cole; Bill Gates
Subject: Steve Jobs Call

Got a couple calls from Steve Jobs at home tonight -- the first motivated by a conversation he had with Rick Holzli (our Apple Evangelist). To set the stage: I played hardball with Rick Holzli earlier in the week with regards to Apple's support of IE. Suggested that Microsoft's level of effort on Mac internet clients deserved stronger support from Apple -- driving IE browsershare on Macintosh [as opposed to simply saying: "Navigator's still bundled and easily accessable but many people prefer IE". Rick took my "devil's advocate" position back to Steve: "How would Apple feel if MacIE evaporated?" This was the motivation for Steve's first call -- assured him this wasn't under serious consideration, just used to illustrate the point. He made it clear that Apple could easily go back to preferring Netscape, if we quit delivering IE on Mac. [Given MS/Apple crosslicense agreement and public sneaks of Nav5 on Mac, believe MacIE4 will be competitive and therefore Apple's default browser through atleast 98. believe the effort to keep IE competitive with Nav, rather than "best of breed" can have a significantly reduced scope in the future.]

Steve's key points
- Single Mac group at Microsoft is desired by Steve (and Apple execs) to focus communication. From Apple's perspective, MacOffice is the most important product (no surprise here). He liked the idea of an MS Mac

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group composed of MacOffice and MacIE and had heard the idea was being considered. [Did confirm that MS was doing some org thinking. Was interesting to hear MS "scoop" after it had been through the rumor mill at Apple.]

- Steve was frustrated that we hadn't made more progress on Java and Quicktime. [Explained that these decisions would be made after BillG review.] He was clear that Apple needed continued support of JDK for Oracle and other partners and that any Java deal with MS would need to leave that API avenues open. He also said that Sun really hadn't done anything to piss Apple off and he needed a good reason to break with Sun. [180 degrees from what I hear in other parts of Apple] Steve reiterated that media is important for Apple and encouraged us to adopt Quicktime.
- MacOffice marketing is perceived as strong, IE marketing's presence is not felt at Apple. Steve suggested this as one reason that there wasn't stronger IE push from Apple. I didn't buy that but didn't push it with Steve on the phone. He wants to setup a meeting in the next couple weeks to talk about a stronger push for MacIE. Worth doing, especially with the Allegro launch coming up.
- Steve called back to express his concern over NetShow's public message about killing QuickTime. Specifically said Apple would never bundle a version of MacIE that installed NetShow. Assured him that only the Full Install version of IE included NetShow and that it was not in the version bundled with MacOS.

After discussions with JohnLu and DavidCol today, think it makes sense to transition MacIE into BenW's org.

- MacOffice is the biggest Apple carrot. From a browser, mail client and java perspective, Apple has other options and will try to sit on the fence. Negotiating from a single point, centered around MacOffice, will give us better leverage. believe Apple would have a strong negative reaction to IE moving into the Windows org from a general principal and NDA perspective.
- down level browser technology (DHTML) should be complete by MacIE 4.x. (with the exception of VBScript) Work scope should be significantly reduced after that focusing on MacOS enhancements and U/I consistency. by adopting MacOffice's baseline platform: PowerPC, 32M could achieve better win32 leverage while removing 68k and small footprint development hurdles.
- believe this transition should be post IE 4.01/Allegro. should use this time to bring Ben up to speed and build team in Ben's org. believe we can radically reduce the scope of this effort if we focus on delivering a Nav competitive browser and are satisfied with the crossplatform down level support in Mac IE 4.01

Think we should use this opportunity to push Apple into stronger support of IE (assuming that's as important as it once was) and bring BenW into range of Apple discussions. Believe we should shut down all IP discussions unless there's some "greater good" that I'm not seeing. Do want to manage public recognition of any change in my team's charter as this could embarrass Apple and complicate our relationship with them. Think engaging BenW in a range of discussions with Apple and the Mac trade press will minimize this.

Key questions for me are: (1) how important is browsershare on mac in fy98/99, (2) how quickly can we build share in an OS bundle environment, given: Apple's runrate on platforms and os , public perception and inclusion of Navigator.

Other Apple related topics:

Java

Am very reluctant to do any kind of IP deal with Apple and Java. Netscape seems to have laid off most of their Java (and usability) teams. The remaining Netscape Mac Java engineers are reportedly adding JManager support to Navigator. Apple has only discussed Java collaboration assuming source access and no limitations on non-VM technologies (JDK). Can only see our IP jumpstarting Java credibility on Mac. Current MacJava plans end with IE 4.01.

ISL

Apple has finally recognized the value of our Internet Services Library on Macintosh and wants the IP. Am reluctant to go here today. Started this discussion before OS bundle deal was finalized. Too much of a chance a downsized Netscape could leverage this technology. The focus on ISL work is OE related and ends with IE 4.01.

IE Control

Apple has been using the 3.01 version of the Mac HTML control to add HTML help to Allegro, in parallel of license discussions. Don't want to incur a support obligation here. Since this is older code, could consider an limited source / IP license to Apple that restricted use to HTML Help.
Apple is also considering use of the HTML Control for Finder Integration -- DavidCol and PaulMa are thinking this one through.

Don