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5 Q Did Microsoft make any effort to
6 convince Intel not to help Sun and Java?
7 A Not that I know of.
8 Q Did you or anyone at Microsoft attempt
9 to convince Intel not to engage in any software
10 activity?
11 MR. HEINER: Objection.
12 THE WITNESS: No.
13 Q BY MR. BOIES: Did you or, to your
14 knowledge, anyone at Microsoft try to convince Intel
15 that it should not engage in any software activity
16 unless Microsoft was involved in that activity?
17 A I'm sure we pointed out sometimes how
18 sometimes a lack of communications between the two
19 companies on various subjects including software
20 development led to unfortunate unreliability and
21 mismatch which led to bad customer experiences.
22 Q And what did that lead you to ask Intel
23 to do?
24 A Oh, in general, to see if we couldn't
25 do a better job communicating with each other so that

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1 people would have better experiences using the PC. -

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9 Q Did you or, insofar as you're aware,
10 anyone else at Microsoft tell people at Intel that
11 they should leave the software side of the PC
12 business entirely to Microsoft?
13 A We were having a hard time coordinating
14 our work with Intel, and we thought the quality of
15 some of their work was very low as well as not
16 working with any of our new Windows work. We may
17 have suggested at some point that the net
18 contribution of their software activities could even
19 be viewed to be negative.
20 Q Did you or insofar as you are aware or
21 anyone else at Microsoft tell representatives of
22 Intel that their software activities were
23 inconsistent with cooperation between Intel and
24 Microsoft?
25 A The specific work they did that

1 completely broke our work I'm sure I indicated I
2 didn't think that was a good idea for either company.
3 Q Other than the specific software that
4 would not work on Windows 95 that Intel was working
5 on, did you or, insofar as you are aware, anyone else
6 at Microsoft tell Intel representatives that the
7 software work that Intel was doing was inconsistent
8 with cooperation between Intel and Microsoft?
9 A Well, there's some other things that
10 they did that created incompatibilities.
11 Q Incompatibilities between what and
12 what?
13 A Between their software and Windows,
14 that was intended to run on Windows, that created
15 incompatibilities.
16 Q And did you tell them that that
17 software also was not consistent with cooperation
18 between Microsoft and Intel?
19 A I doubt I used those words. I
20 suggested that it wasn't helpful to any of their
21 goals or our goals to have software that had
22 incompatibilities and was low quality and broke.
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7 Q Did you, Mr. Gates, personally ever
8 express concern to Mr. Grove that Intel's software
9 work was beginning to overlap with Microsoft's
10 software work?
11 A Only in the sense that the low quality
12 and incompatibilities were inconsistent with any
13 goals that Intel might have had in doing that work.
14 Q Why was that a concern?
15 A Because Intel was wasting its money by
16 writing low quality software that created
17 incompatibilities for users, and those negative
18 experiences weren't helpful for any goal that Intel
19 had.
20 Q Were they harmful to any goal that
21 Microsoft had?
22 A Only in the sense of hurting PC
23 popularity by creating negative user experiences.
24 Q Is it your testimony that your only
25 concern with what Intel was doing in the software

1 area was a concern to avoid negative user
2 experiences?
3 A That's right. Low quality and
4 incompatibilities.
5 Q Which, according to you, would lead to
6 negative user experiences; correct?
7 A That's right.
8 Q Did you or, insofar as you are aware,
9 anybody at Microsoft ever tell Intel representatives
10 in words or in substance that they should stick to
11 hardware and leave the software to Microsoft?
12 MR. HEINER: Objection.
13 THE WITNESS: I'm sure there were times
14 when we were frustrated about the quality and
15 incompatibility problems created about their software
16 where someone might have expressed that sentiment in
17 an extreme feeling about how tough it had been for
18 Intel to do quality work that would have advanced any
19 Intel goal.
20 Q BY MR. BOIES: Were you aware of any
21 work that Intel was doing relating to Internet
22 software development?
23 A I can't think of any.
24 Q Did you ever express any concern to
25 anyone at Intel, or to your knowledge, did anyone at

1 Microsoft ever express any concern to anyone at Intel
2 concerning Intel's Internet software work, if any?
3 A I don't think Intel ever did any
4 Internet software work.
5 Q And if they did, I take it it's your
6 testimony no one ever told you about it?
7 A That's right.
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1 Q Did you ask Intel to keep you apprised
2 of what software work Intel was doing?
3 A I think I made that request in vein on
4 several occasions, nothing ever came of it.
5 Q Is it your testimony that they refused
6 to keep you apprised of the software work they were
7 doing?
8 A No. I just said to them that if they
9 would -- whatever software work they were doing that
10 was intended to help Windows, they should talk to us
11 about it early on if they wanted to have the highest
12 probability that it would, in fact, achieve that
13 goal.
14 And unfortunately, we never achieved
15 that result; that is, they would do things related to
16 Windows that without talking to us in advance, and
17 then once they had done the work, there would be some
18 incompatibilities between what they had done and
19 Windows itself.
20 Q When is the last time that you asked
21 Intel to keep you apprised of what software work they
22 were doing?
23 A I'm not sure.
24 Q Approximately when?
25 A I don't know.

1 Q Was it within the last year?
2 A I don't know.
3 Q Was it within the last two years?
4 A I honestly don't know.
5 Q Was it within the last three years?
6 A There's probably one instance where I
7 asked them to tell us about things they were doing
8 related to Windows.
9 Q Did you or others, to your knowledge,
10 from Microsoft tell Intel that if Intel began to
11 compete with Microsoft, Microsoft would be forced to
12 begin to compete with Intel?
13 A No.
14 Q Not at all, sir; never said that in
15 words or in substance?
16 A No.
17 Q To your knowledge did anyone else from
18 Microsoft ever say that?
19 A I'm not aware of anybody saying that.
20 Q If anybody had said that, would you
21 consider that to be inconsistent with company policy?
22 MR. HEINER: Objection.
23 THE WITNESS: I'm confused. Intel and
24 Microsoft are not in the same businesses, so there's
25 no policy about one of our people suggesting that

1 we're going to go into the chip business.
2 Q BY MR. BOIES: Was it part of what you
3 wanted to accomplish, Mr. Gates, to be to keep Intel
4 and Microsoft in separate businesses?
5 A No.
6 Q Did you ever take any action intended
7 to accomplish that?
8 A No.
9 Q Did you or, to your knowledge, anyone
10 from Microsoft ever tell people at Intel that
11 Microsoft would hold up support for Intel's
12 microprocessors if Intel didn't cooperate with
13 Microsoft in areas that Microsoft wanted Intel's
14 cooperation in?
15 A When we saw Intel doing the low quality
16 work that was creating incompatibilities in Windows
17 that served absolutely no Intel goal, we suggested to
18 Intel that that should change. And it became
19 frustrating to us because it was a long period of
20 time where they kept doing work that we thought,
21 although it was intended to be positive in the
22 Windows environment, it was actually negative. And
23 we did point out the irony of how while we seemed to
24 communicate with them on microprocessor issues and
25 yet they seemed on the areas where they were trying

1 to enhance Windows that the communication worked very
2 poorly.
3 Q Did you or others on behalf of
4 Microsoft tell Intel that Microsoft would hold up
5 support for Intel's microprocessors if Intel did not
6 cooperate with Microsoft?
7 A No.
8 Q No one ever told Intel that, to your
9 knowledge?
10 A That's right.
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10 Q Did you, Mr. Gates, ever yourself try
11 to get Intel to reduce its support of Netscape?
12 A I'm not aware of any work that Intel
13 did in supporting Netscape. They may have used their
14 browser internally or one of their server things, but
15 that's -- that's not really support. So I'm not sure
16 of any support they were giving to Netscape.
17 Q You may mean that to answer my
18 question, but I want to be clear.
19 It is your testimony that you're not
20 aware of any instance where you asked anybody at
21 Intel to reduce the support that Intel was providing
22 to Netscape; is that your testimony?
23 A No. I may have asked -- I may -- and I
24 don't remember it -- but I may have talked to them
25 about their internal browser use. I don't think so,

1 but I may have. And I may have talked to them about
2 their web servers and what they were using, but I
3 don't think so.
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