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Internal Memo Shows Microsoft Executives' Concern Over Free Software

By AMY HARMON and JOHN MARKOFF

An internal memorandum reflecting the views of some of Microsoft Corp.'s top executives and software development managers reveals deep concern about the threat of free software and proposes a number of strategies for competing against free programs that have recently been gaining in popularity.

The memo warns that the quality of free software can meet or exceed that of commercial programs and describes it as a potentially serious threat to Microsoft.

The document was sent anonymously last week to Eric Raymond, a key figure in a loosely knit group of software developers who collaboratively create and distribute free programs ranging from operating systems to Web browsers.

Microsoft executives acknowledged on Monday that the document was authentic.

Edmund Muth, Microsoft's



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manager, said it had been widely disseminated among employees who were interested in the threat posed to Microsoft by Linux, a highly regarded version of the Unix operating system that is distributed free.

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While Muth took issue with some of the memo's points, he said that its author, Vinod Valloppillil, a Microsoft software engineer, was a close friend and that he agreed with most aspects of his analysis.

In addition to acknowledging that free programs can compete with commercial software in terms of quality, the memorandum calls the free software movement a "long-term credible" threat and warns that employing a traditional Microsoft marketing strategy known as "FUD," an acronym for "fear, uncertainty and doubt," will not succeed against the developers of free software.

The memorandum also voices concern that Linux is rapidly becoming the dominant version of Unix for computers powered by Intel microprocessors.

The competitive issues, the note warns, go beyond the fact that the software is free. It is also part of the open-source software, or O.S.S., movement, which encourages widespread, rapid development efforts by making the source code -- that is, the original lines of code written by programmers -- readily available to anyone. This enables programmers the world over to continually write or suggest improvements or to warn of bugs that need to be fixed.

The memorandum notes that open software presents a threat because of its ability to mobilize thousands of programmers.

"The ability of the O.S.S. process to collect and harness the collective I.Q. of thousands of individuals across the Internet is simply amazing," the memo states. "More importantly, O.S.S. evangelization scales with the size of the Internet much faster than our own evangelization efforts appear to scale."

In computer-speak, this means that the growth of the Internet is producing a far more efficient medium for

collaboration on open programming than for marketing traditional, proprietary software.

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The memo is on the Web at <http://www.opensource.org/halloween.html> with annotations by Raymond, the author of a treatise in defense of free software titled "The Cathedral and the Bazaar."

Its appearance touched off immediate speculation among programmers both about the timing of the leak and the content of the memorandum.

Microsoft is locked in a court battle with the U.S. Justice Department over business practices it has developed around its monopoly operating system, Windows.

On Monday, a number of the company's critics speculated that the release of the memo might be timed to suggest that while Windows is shipped on more than 90 percent of all personal computers sold today -- and while Microsoft programs dominate dozens of markets -- the software giant faces real competition.

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