

**Erik Stevenson**

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**From:** Jim Allchin  
**To:** Bill Gates; Paul Maritz  
**Cc:** Brad Silverberg; Mike Maples  
**Subject:** Novell  
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Bobmu tells me that they didn't disclose DR DOS 7 to us during the recent Novell meeting even though we disclosed broadly our plans. In addition, DR DOS 7 is not part of the "beta" agreement with Novell even though this press release claims perfect Windows compatibility. This entire release was timed and done precisely to hurt our DOS 6 release.

I find this completely consistent with my past dealings with Novell. I would trust NOTHING they say. For example, if they say something isn't strategic, we should still watch it very closely. They would deliberately mislead us.

I feel we are much too smug in dealing with Novell. Perhaps, they didn't hurt us in DOS yet -- but it's not because of product or their trying. It's because we already had the OEMs wrapped up. Does everyone understand that they are very capable and will use EVERY bit of information we provide them to hurt us? I still don't think we take them as serious as is required for us to win. This isn't IBM. These guys are really good; they have an installed base; they have an channel; they have marketing power; they have good products. AND they want our position. They want to control the APIs, middleware, and as many desktops as they can in addition to the server market they already own.

This latest disclosure meeting has already been damaging by refocusing them on improving their file systems. NT will slow down Novell, but no where near enough. Cairo can really hurt them -- but the more they know, the less it will be. Chicago can also hurt them if we plan things accordingly.

We need to start thinking about Novell as THE competitor to fight against -- not in one area of our business, but all of them. They are doing everything they can to fight us: products, FUD, marketing papers, delaying working on our products, doing coalitions against us, even legal noise.

If you want to get serious about stopping Novell, we need to start understanding this is war -- nothing less. That's how Novell views it. We better wake up and get serious about them or they will eventually find a way to hurt us badly.

At the exec retreat we decided there was going to be a cross-company group that got together regularly to ensure we operate at 100% against them. Nothing has happened to my knowledge. This is a travesty.

[As an aside, I feel almost this strongly about Lotus and Notes as well. We need to make sure that we are being consistent across the board in attacking Notes. It ain't no app anymore. It's a platform. As far as I'm concerned, Lotus has turned into an mini MS -- complete with evangelism units and the like. That means we should treat them completely as the enemy. That means: no supporting things like VIM; no early access to Cairo; etc.]

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