From:	Bill Gates
Sent:	Sunday, July 11, 1999 5:46 PM
To:	Harel Kodesh
Cc:	Bob Muglia (Exchange); Jim Allchin (Exchange); Mats Wennberg; Thomas Koll; Greg Faust; Jonathan Roberts; Bill Mitchell
Subject:	Nokia

While I was at the Allen and CO conference I met with Jurma Ollila CEO of Nokia.

I was totally confused by them licensing their WAP browser to Spyglass. It's a disaster for us to have an effort that is duplicative that we give away while the leaders in the industry move in their own direction.

I think the PDA group needs some better strategic thinking in this whole cheap browser area. How come we don't merge our effort with Nokia? Why do we let Spyglass undermine us in so many areas? Who keeps paying money Spyglass?

I am also completely confused about why we aren't doing more due diligence on GPRS with Nokia and others. Jurma seemed very surprised when I told him our goal was to fund someone to roll out a nationwide wireless network using HDR or GPRS as quickly as possible to create something a based on Windows CE. He said his people need to explain to use how GPRS is a much better choice. They would love to help get involved in rolling this out with some partners. He says HDR is another fraud from Qualcomm where exaggeration sways people who don't hear both sides of the story.

Jurma was asking about our strategy for voice recognition servers to make PDAs work a lot better. He sees all networked PDAs as needing a voice recognition server infrastructure (like phones) and that this changes the UI quite a bit. I said I agreed with his view and that we had not factored that into our plans right now. We talked about how voice and screens will come together. I said there were a lot of key scenarios that we our PDA group was patenting around (I wish our activity level here was really as high as I suggested to him).

Jurma also wanted to know what sort of strategy we had to bring Hotmail Contact lists/Schedules together with Exchange. They use Exchange internally but a lot of their people use Hotmail and don't understand what we are doing.

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He also thinks someone will buy 3Com. We talked about how we view Palm as a competitor.

I was amazed at the number of Palm Pilots I saw at this conference.

We really need to follow up with them on GPRS rapidly and get their best thinking given our goals.

We really need to demonstrate to people like Nokia why our PDA will connect to Office in a better way than other PDAs even if that means changing how we do flexible schema in Outlook and how we tie some of our audio and video advanced work to only run on our PDAs.

There is a lot of stuff here, I will try to answer line by line.

1. Our microbrowser needs a WAP stack. There are 3 possible places we can take it from: Nokia is willing to SELL it to us, Ericsson is willing to give it to me free, and Motorola is still undecided what they want to do. So right now we are working with Ericsson on getting the browser. It is a better deal than the Nokia one. We told Nokia that. We do not need more than one stack, and the stack that Ericsson gives us is good. This is for V2 of the microbrowser and we do not plan to give that away. Our browser will be better in XML than the Nokia one.
2. HDR vs GPRS - we are going through the analysis now. I don't understand where the fraud is. As we and Sprint talk more about it we will do the analysis. Ericsson and Nokia in the past claimed that CDMA is a loser, but at the end 3G is CDMA based. I am not saying that the HDR is the winner and we will do more to understand GPRS - I will take the action item there.
3. the server based scenarios look very compelling, but we are missing some work items to make it really cool. Palm is the clearest threat right now and this is where we spent most of the efforts. I think the effors is bearing fruits: finally we got the sync technology to the point where it is much better than palm. Casio demonstrated the Video and Audio are huge sellers (and with MSAudio we do have the tie back to our technology). Unfortunately we do not have enough inventory to reach parity and that will be the case until early 2000).
4. There are hotmail/exchange convergence issues here, as well as connectivity back to office. I think we are doing a good job in rapier time frame, but we will have problems with hardware availability and this is what we are trying to fix now. I will work with bobmu on these issues.

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From:	Harel Kodesh
Sent:	Sunday, July 11, 1999 10:45 PM
To:	Harel Kodesh; Bill Gates
Cc:	Bob Muglia (Exchange); Jim Allchin (Exchange); Mats Wennberg; Thomas Koll; Greg Faust; Jonathan Roberts; Bill Mitchell
Subject:	RE: Nokia

Forgot one thing:

We absolutely need to go after other PBX manufacturers and develop the market independently of what Nokia can or cannot do.
I really would like to see us announcing an effort to provide campus communication (ideally with Nokia and others) even though they may fall behind in terms of schedule. The whole offering is not a consumer offering and we will need some lead time to sell it to the enterprise.

> —Original Message—
> | From: | Harel Kodesh |
> |---|---|
> | Sent: | Sunday, July 11, 1999 10:25 PM |
> | To: | Bill Gates |
> | Cc: | Bob Muglia (Exchange); Jim Allchin (Exchange); Mats Wennberg; Thomas Koll; Greg Faust; Jonathan Roberts; Bill Mitchell |
> | Subject: | RE: Nokia |
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