From: Ted Peters

Sent: Monday, May 21, 2001 12:54 PM

To: Bill Gates, Jon DeVaan

Cc: Eric Rudder; Michael Wallent; Chris Jones

Subject: RE: Animation stuff

I also thought the tinybones demo was great... small, fast, even piggy-backing flash . super pragmatic And it's especially relevant in the tv device space, where animation and coolness is critical, and there isn't a ton of text and long documents.

One note is that this is not really projecting from a server. This is a rich client (albeit a small one)—Like flash, it's a tiny presentation engine that can be fed declarative input, but all interaction happens (in script) on the client. The server is not involved in the processing other than offering up the declarative content. It is, of course, still a concern... you can do a lot with a very small engine and script.

In your email you seem to be suggesting that we html to do cool ui for web sites. I agree that a) html is missing key things, b) that many sites are now willing to go beyond 3.2 html, and c) that all our clients (tv, pc, pda) would want such a thing. And we could have a great technical debate about how to do this (as you note, we've already tried many approaches, primarily dhtml and activex, and a tinybones-like mimetype might be a better offering). But I think that discussion is moot without understanding how anything like this would beat flash. Flash is exactly what you are asking for. Yes, their tool is great, but the tool is not the only limiting factor for us. The biggest problem is our old advantage: even with high IE share, flash has much better reach (and it is not balkanized, even across devices... from linux to playstation2). They also do have a great, pragmatic technical solution (small, low-bandwidth format, sexy enough, leverages client, low server load, script is good enough, etc.); there is no obvious low-hanging technical issues for us to attack. And of course, they have a great relationship with the content designers.

Yes, we have some assets (large IE share, 2nd-tier designer tool in FrontPage, our own sites to showcase usage, etc.) But they are not enough. Paying content providers seems like the only way (esp. post bubble), but that could turn into a vietnam.

I'm not trying to be fatalistic, just realistic. To go straight at the heart of flash seems reckless. Either we should buy macromedia (lots of goodness but lots of difficulties) or we should take, as I've said before, a two-pronged tack:

- 1. Build QUICKLY a rich, animation-oriented UI library for app developers (a la directUser, tinybones/tinyviews), targeted primarily at our apps (mars/shell, office.net, etc.) Position flash as focused on "light content" (2d vector & text). Tie this together with VS-ish tools and foster a VBX-like library of cool, reusable UI controls. Give this as much reach as we can do (certainly all flavors of win, including device offerings). Don't think we'll get arbitrary web sites to "extend" their web site with this; instead get a small group of (paid?) ISVs to build "rich client" versions of their web sites, that run locally (EBay), which they would offer up to their customers, "if you love ebay, click here to download our cool new rich client".
- 2. Start now on a leapfrog effort that targets full multi-media content integration. Leapfrog flash as a content platform (servers, streaming, drm, billing tools, mixed media across docs/2d/3d/video, annotation support, our own authoring tools... here we have a *ton* of strengths to leverage that macromedia does not).

-T

---- Original Message ----From: Bill Gates

Sent: Saturday, May 19, 2001 6:50 PM

6/1/2005

Plaintiff's Exhibit
6974
Comes V. Microsoft

MS-CC-RN 000001059429 CONFIDENTIAL To: Ted Peters; Jon DeVaan

Cc: Eric Rudder; Michael Wallent; Chris Jones

Subject: Animation stuff

Seeing the Tinybones work that the California TV client group is doing reminded me how HTML really is missing some key things for doing nice cool UI and that it isn't that hard to add in.

I loved the tinybones demo. It reminded me of a good UI system. I always hated User and wished I had done the design myself instead of letting Scott McGregor from Xerox bring his strange thinking in.

In a way this is scary to me because it means projecting a nice UI from a server could get a lot better.

In any case their work made me more enthused about getting some cool extensions into IE and getting them very broadly used so that we can help web sites look better

It does seem strange that the tool would be the limiting factor.

We have started on this a few times I guess with some of the stuff we bought.

I think all of our clients want something sexier – PDA/Phone, Windows (Directuser) and TV.

I think we can convince people to use this stuff if we use our assets the right way. Assets like Frontpage and IE. Perhaps even going back to paying people to do cool stuff.

I now think of this as something we need a plan for well before the Blackcomb timeframe.