Business News

■ Debating Sender ID

A major story that emerged over the past month is the ongoing debate between Microsoft and members of the open source community regarding Microsoft's support for a proposal to employ the Sender ID technique as a means of preventing spam.

There are several parts to the Sender ID proposal, but perhaps the most fundamental is the concept of assigning an ID to an email server and checking an incoming message to ensure that the ID given in the header matches the ID of the email server.

Many concede that cross checking the header with the Sender ID is a good idea (although Microsoft didn't necessarily invent this idea. Others have proposed similar arrangements). The problem, according to the experts, is that Microsoft intends to patent the technology behind Sender ID and require users to agree to a set of license restrictions.

For the system to work properly, the Sender ID scheme will not just be a tool used on the Internet – it will have to be part of the background Internet infrastructure.

According to Larry Rosen, general counsel for the Open Source Initiative (OSI), "There are important issues at stake: they understand it, and we understand it. I think that if they listen to what we're saying, that they can end up with a patent license that is good for them and good for us."

Although Microsoft's Sender ID patent may be royalty free, it puts Microsoft is a position to control a core Internet technology. Many open source organizations are wary of giving Microsoft power over an important piece of the Internet Infrastructure. Two of the most important Open Source groups voiced their objections to the current scheme and said they could not support Microsoft's efforts. The Apache Foundation stated in a letter to the technical group working on the Sender ID proposal, "We believe the current license is generally incompatible with open source, contrary to the practice of open Internet standards, and specifically incompatible with Apache."

The Debian Project stated, "The current Microsoft Royalty-Free Sender ID patent License Agreement terms are a barrier to any Debian package which wants to implement Sender ID or include Sender ID support. We believe the current license and resulting encumbrances are incompatible with the DFSG, unlike other Internet standards that Debian is able to support. Therefore, we cannot implement or deploy Sender ID under the current license terms. Indeed, we would be forced to remove Sender ID from software we ship…"

Other open source groups are more conciliatory. Sendmail released a version of its *milter* module that could be added to any Sendmail server for Sender ID functionality in software. Although this module is theoretically open source, it is possible that users may still have to agree to Microsoft's licensing restrictions in order to use the software.

Microsoft's response so far has been to state that several important companies, including VeriSign, AOL, Bell Canada, and the 54-member Email service Provider coalition, have agreed to support Sender ID. ■

http://www.microsoft.com
http://www.apache.org
http://www.debian.org

■ Oracle Wins

The long and complex legal battle between Oracle Corporation and the US Justice department concerning Oracle's plan for a hostile takeover of PeopleSoft ended in victory for Oracle. U.S district Judge Vaughn Walker ruled that there were several other companies with similar products, and the government had not established its case that combining Oracle and PeopleSoft into a single business would place too much market control in a single company.

The government called an impressive list of witnesses, including executives from DaimlerChrylser, Pepsi America, and Neiman Marcus Group, who all said they would be forced to accept price increases if Oracle succeeded in eliminating competition from PeopleSoft. Microsoft Senior Vice President Doug Burgum also served as a key government witness. (Microsoft has made no secret of their concern about giving Oracle more leverage on the market.) But Judge Walker was not convinced.

He wrote, "The issue is not what solutions the customer would like or prefer for their data processing needs; the issue is what they could do in the event of an anticompetitive price increase by a post-merger Oracle. Although these witnesses speculated on the subject, their speculation was not backed up by serious analysis that they had themselves performed or evidence they had presented."

Some analysts think the strong ruling will invite other hostile takeover attempts in the software industry. Others wonder whether the intensity of the resulting legal struggle might actually discourage future takeovers. One thing is for certain. In the American court system, just because a question is settled it doesn't mean it goes away. Don't be surprised if you hear about this one again in a future installment of the Business News. ■

http://www.oracle.com
http://www.peoplesoft.com

■ Support in Unlikely Places

For all the disagreements among open source and closed source companies regarding the Microsoft's Sender ID proposal, the prevailing assumption is that the spammers must be cowering with fear at the impending end to their livelihood. Some industry insiders are now speculating that the spam industry might even like the Sender ID and is probably investigating techniques now to get around any impediments posed by Sender ID.

OK, so maybe they don't mind it. But why would they be happy about it? The speculation is that, with spam, the whole trick is to make yourself appear legitimate. If the spammer can find or fake the necessary credentials to navigate the Sender ID process, they have achieved an aura of legitimacy that was not previously possible. It is a little like assigning the wolf in the Little Red Riding Hood story an ID card as a grandmother. The anti-spam industry, like the anti-virus industry, is an endless arms race, with the spammers continually finding workarounds to the prevention tools and the prevention vendors continually finding more tools to keep the spammers out.

Scott Chasin, CTO of MX Logic, states that, while the Sender Policy Framework (the part of the Sender ID proposal that cross-checks email headers with Server IDs) is a good idea, no one should be viewing it as a permanent solution. "Chasin states, "While SPF is an excellent tool for preventing phishing and fraud, it is not a cure-all for spam."

So the battle goes on.   ■

http://www.mxlogic.com/technology/ threat_center.html

■ SCO Reins in Lawyers

SCO's increasing precarious financial position has forced it to it to cap the total amount of money it will pay to its lawyers. If the attorneys fail in their lawsuit with IBM, they will have to make do with a mere $31 million in addition to the $15 million they have already billed. This sum will deplete SCO's cash reserves, estimated at around $43 million, but it will leave their doors open.

SCO's legal team is led by the famous attorney David Boies, whose masterful cross-examination of Microsoft executives in the anti-trust trial helped bring a strong defeat to Microsoft that was followed up later with government capitulation when a new administration entered the White House. Inerestingly, Boies also led the unsuccessful effort of the Al Gore campaign to challenge the outcome of the 2000 election that led to the Bush presidency. If SCO wins the $5 billion case with IBM, SCO's attorneys will receive 20% to 33% of the settlement. But don't take our your calculator yet – the actual settlement may not be anywhere near $5 billion even if they win the case, which is seeming evermore unlikely.   ■

http://www.sco.com

■ Open Source Solaris

Sun Microsystems continued with their plans to provide an open source version of the Solaris 10 operating system. Sun announced that they are currently testing their open source program and will have it finalized by the end of 2004. By placing Solaris in open source, they hope to build interest in Solaris systems, accelerate development, and renew their ties with the open source community.

The plan is for Sun's own engineers to continue with the development of the core system. Participants from the community will submit additions that will then be approved by Sun. According to Sun sources, the structure will be similar to what Red Hat is doing now with Fedora.

Sun attorneys are still working on the licensing arrangements. Portions of Solaris 10, such as some devices drivers, are controlled by 3rd party companies, so the the actual Solaris 10 release will contain some binary files for which source code is not available.   ■

http://wwws.sun.com/software/solaris/