
Market Roundup

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Patent Reform: Novell + Electronic Frontier Foundation

By Clay Ryder

Novell and the Electronic Frontier Foundation have announced they are collaborating to pursue software patents reform worldwide. The two organizations stated that they will work to lobby governments and national and international organizations to develop legislation and policies around patents designed to promote innovation. A key area of focus will be the World Intellectual Property Organization, where member governments of the United Nations meet to coordinate positions on intellectual property issues. In addition, Novell will contribute resources to the EFF's ongoing "Patent Busting" project, which was launched in 2004 to attack patents that impose particularly heavy burdens on software developers and Internet users, by identifying prior art that can be used to invalidate those patents and by pursuing invalidation of those patents through re-examination efforts. Novell stated that the new model for innovation is open source, and the existing patent system is detrimental to open source development. The company has taken several steps to promote the use of patents to protect open source, including a 2004 pledge to use its own patents to defend against patent attacks on open source. In addition, the company contributed patents and financial resources to Open Invention Network, an intellectual property company Novell co-founded in 2005 to promote Linux by using patents to create a collaborative environment.

It has been awhile since patent tussles have been in the news. A few years back, this was a topic garnering much interest, and for good reason. Pointless patents that seek only to act as a means to print money to our way of thinking devalue the patent process itself. Patents should be a means by which to encourage, not discourage, innovation and to reward the investments made in time and money to make such important discoveries possible. Unfortunately, in the case of software, far too often a patent has been issued for a process or practice that in turn has been used to fleece the industry, not reward innovation. Anyone remember BT trying to patent the hyperlink? Or how about SCO trying to extort the Linux community? The list goes on far too long.

The EFF has been in the forefront on many community issues and frankly we are glad to see that they, Novell, and many other concerned parties are keeping in mind that making a buck is all fine and good, but that the ultimate reward the industry can earn is to serve its customers by developing innovative products and services. When innovation is hampered or threatened by weak patents that are being dumped on overburdened Patent Offices here and abroad, the market and its customers ultimately suffer. Since the Internet is a global highway and the software that runs on it respects no borders either, it is essential that as much effort on software patent reform be undertaken on a global basis as practical. While political distinctions and jurisdictional squabbles are a fact of life, the importance of IT to the world economic engine is sufficient that a global effort to reform patents and reduce their abuse is warranted. Hopefully, Novell and the EFF will be successful in their efforts to further educate communities about this issue, and apply pressure to regulatory bodies towards much-needed reform.

Microsoft SharePoint Certification by DOD Further Evidence of Product's Importance

By Lawrence D. Dietz

Microsoft Corp. announced this week that Microsoft Office SharePoint Server 2007 has received U.S. Department of Defense 5015.2 certification. Endorsed by the National Archives and Records Administration, the 5015.2 standard on which the DoD certification is based serves as the benchmark for government and corporate organizations that manage records and documents. The current version of DoD 5015.2-STD, signed April 25, 2007, defines the basic requirements based on operational, legislative, and legal needs that must be met by

records management application products acquired by the Department of Defense (DoD) and its Components. It defines requirements for managing classified records and includes requirements to support the Freedom of Information Act, Privacy Act, and interoperability.

Microsoft utilized the SharePoint platform in meeting the DoD 5015.2 criteria, integrating Exchange Server 2007 and extending SharePoint Server 2007's records management capabilities with an add-on pack that will be available free to customers later this year. With respect to records management and compliance, Office SharePoint Server 2007 offers information management and retention enabling organizations to control the way content is managed to enforce compliance with corporate, legal, or governmental policies. To define information management policies for their sites, organizations can use the predefined policy features such as auditing, bar codes, and expiration individually or in combination, or they can develop custom information management policies. The Records Center site template is designed to help organizations implement their records management and retention programs. This site template extends standard Office SharePoint Server 2007 features with additional records management capabilities including vault abilities that help ensure the integrity of records stored within the Records Center, records routing, information management policy enforcement, and the ability to add records that are subject to litigation or investigations to a hold list. Information Rights Management allows organizations to limit the actions that users can take on files that have been downloaded, and limits the set of users and programs that are allowed to decrypt these files. IRM can also limit the rights of the users who are allowed to read files so they cannot take actions such as printing copies of the files or copying text from them.

We believe that this announcement is noteworthy because it seems to confirm our belief that SharePoint is likely to emerge as a very strategic product for Microsoft in the enterprise market—more strategic than it would seem at the moment—and that Microsoft recognizes the leverage generated by conformance with government standards. We believe that SharePoint is Microsoft's way of attempting to seize the center ground, and not the battlefield occupied by SQL against Oracle, nor the operating system battle, but a way to be at the eye of the storm: the ultimate repository of all information regardless of format.

The U.S. government is among the largest buyers of information technology in the world. It also influences a great deal of other activity directly and indirectly. If Microsoft succeeds at leveraging SharePoint as the standard repository within the DoD, then it is in a commanding position to become the standard for the rest of the Federal government, state governments, and perhaps suppliers/contractors to the public sector overall. In a recent seminar we heard one major high technology company proclaim that SharePoint will become its "official" storage platform. That firm cited compliance and e-discovery issues as one motivation; however, any CIO that can claim his architecture is based on government-approved standards will find themselves a leg up on the competition. Overall, we believe this announcement puts the market on notice that Microsoft has recognized the importance of government certification and that SharePoint will be a keystone in its long term strategy.

HP Print 2.0

By Clay Ryder

At Hewlett-Packard's annual Imaging and Printing Conference this week, the company unveiled "Print 2.0" and described how it would seek to capture a significant share of the 53 trillion digital pages estimated to be printed in 2010, an opportunity valued at \$296+ billion. The three key focus areas of the Print 2.0 strategy were announced as: making it easier to print from websites and bring new printing capabilities to online properties; extending HP's digital content creation and publishing platforms, e.g. Snapfish and Logoworks, across customers from consumers to enterprises; and delivering a digital printing platform with increased print speeds and lower cost of printing for high-volume commercial markets. In an effort to broaden and improve the web-printing experience, HP is creating technologies to make it easy to print content from the Internet in a useful format. It has teamed with weblog software and services company SixApart, Ltd., creators of Movable Type, an advanced blogging platform, to enable bloggers to add a "print" button on their blogs to allow readers to pick and choose only the posts they want to print. HP also plans to introduce the Tabblo Print Toolkit, an embeddable website widget and corresponding Web service that enables Web designers to incorporate print functionality into websites.

The company added eight imaging and printing solutions to its enterprise portfolio targeted at higher education, public sector, retail, transportation/logistics, and financial services industries. Among these are four HP Campus

Advantage Solutions targeted to institutions of higher learning; the HP Common Access Card that enables secure imaging and printing network authentication for government and public sector customers; the HP Retail Marketing Automation application which transforms the manual, labor-intensive in-store promotion and communication process into an industrial, automated one; solutions for financial services customers; and HP Compliant Document Capture for SEC17a meeting the needs of capturing regulated fax, email, scan, and couriered mail documentation quickly and easily at the point of creation. In addition, HP announced the new HP Handheld sp400 All-in-One, which is aimed at industries such as transportation/logistics, manufacturing and retail, to simplify workflow and operations with a portable, printing solution that applies an image directly to packaging or other surface, eliminating the need for labeling. The company also announced several other printing products and services targeting SMBs as well as that HP Halo Collaboration Studio's telepresence now circumnavigate the globe.

The depth of this announcement is considerable not only in that it listed far too many products, services, and technologies to be covered here, but more so for the strategic direction given and the many vertical specific offerings announced. A few years ago competitors would often mock HP as basically being "a printer company" and not much else. However, the company's considerable rebound of the past couple of years shows an IT powerhouse that happens to be rather expert in imaging as well. The results of this we see evident in this Print 2.0 announcement.

As basic as it may seem, we believe the efforts targeting web pages are well founded. Websites and paper, despite exceptions such as downloadable PDF files, are two disparate and largely incompatible information systems. Web pages are the equivalent of old Teletype paper rolls where output was not set in size or format. Anyone who prints a web page invariably feels this mismatch as the margins do not align or important information is paginated in an awkward fashion. Likewise, if the desired information is in a text box in the middle of the web page, being able to simply print the desired portion is often frustratingly impossible. HP's efforts with SixApart and its own Tabblo technology are the genesis of what we hope will be a broader effort to map the virtual realm of web pages and other electronic information with the physical realm of paper in an intelligent and useful manner. Once perfected, the approach would be broadly applicable to myriad websites which have become useful information resources but which by their web nature have proven more challenging to incorporate into the printed world.

The vertically focused solutions announced represent to us a convergence of communication, storage, and delivery technology across multiple media. The HP Handheld sp400 All-in-One is an interesting case in point as it may be a spray-on labeler but its use implies a bevy of IT and vertical expertise. Just consider the packaging label that may be applied. Its application could be driven by an inventory control system, which connects to a CRM app, a database or two, some business logic, supply chain interactions, and some raw processing and networking agility as well. The point is that being able to label represents a serious degree of infrastructure backing its use: an infrastructure that only few vendors, HP being one of them, have the breadth and depth of ability to deliver. The imaging/printing delivery would be almost trivial by itself, but is made possible by many invisible and highly valuable IT investments.

In a very different yet analogous way the HP Compliant Document Capture for SEC17a represents a coalescing of disparate communication parts such as fax, email, scanned documents, and couriered mail. Being able to provide a regulatory compliant documentation store is a solution that we believe will only grow in importance over time. The technical acumen necessary to integrate and manage multiple communication media far exceeds that of what a "printer company" would possess.

Overall, we believe it will take some time to fully understand the implications of HP's Print 2.0 on the marketplace. Although this is about printing at one level, it implies much more. This is about making information available to be printed, which is a far more complicated task that involves integration of digital content as well as physical world content. Add to this the need for access controls, information management, regulatory compliance, and a host of other industry-specific and generic business operational issues, and we can quickly see that the opportunity could be great. HP, through its considerable investments in computing, imaging, and networking technologies, is one of a very select few vendors who could make an announcement such as this with any credibility. It will be exciting to watch just how much transformation the company will be able to bring to bear on integrating the still often segregated worlds of electronically stored and printed information.