

Sun Must Innovate As Well As Litigate to Boost Java

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Sun Microsystems' lawsuit against Microsoft over Java implementation may succeed in some areas. But Sun must do more outside the courtroom to boost Java, such as increase the pace of innovation and marketing.

NEWS ANALYSIS

Event

On 8 March 2002, Sun filed a private antitrust lawsuit against Microsoft to seek remedies for harm allegedly inflicted by Microsoft's anticompetitive behavior with respect to the Java platform. Sun seeks preliminary injunctions requiring Microsoft to:

- Distribute Sun's binary implementation of the Java plug-in as part of Windows XP and Internet Explorer (IE)
- Stop distribution of Microsoft's Java Virtual Machine through separate downloads

Sun seeks a permanent injunction requiring Microsoft to disclose and license proprietary interfaces, protocols and formats and to unbundle tied products, such as IE, the Internet Information Server (IIS) Web server, and the .NET framework.

Analysis

Sun asserts that the distribution of its Java plug-in should be tied to the distribution of Microsoft's Windows XP operating system and IE. Java on the desktop has been limited to intranets and special installations because of the difficulty of integrating it with Microsoft desktop solutions.

However, Sun will have difficulty identifying the monetary damages. Sun must clarify how Microsoft's desktop monopoly damages Sun's server business since Sun doesn't have many revenue-generating desktop Java products. But Sun hasn't linked limited desktop Java and a lack of success on the server. Sun has often claimed that it doesn't aim to make money directly from Java but by exploiting the Java platform. Server-side Java has succeeded extremely well, and Sun claims a direct relationship between the success of server Java sales and desktop Java penetration. Sun may therefore claim Microsoft's practices have adversely affected iPlanet's enterprise products.

Sun seems to have legitimate reason to seek relief on the issue of Java's place on the Microsoft desktop and within Microsoft browsers. Sun does have precedent for at least a partial legal ruling in its favor since it favorably settled a lawsuit against Microsoft in January 2001 for breach of contract in a dispute over licensing Java (see *Gartner FirstTake* FT-12-9653 "Microsoft and Sun Take a Java Break"). However, many will see this new suit as a desperate attempt by Sun to gain legal leverage rather than market leverage against Microsoft and to limit the appeal and success of .NET. Gartner believes Sun has a good chance of winning portions of this lawsuit — much as it did the previous suit — and compelling Microsoft to put Java back into IE and Windows XP. But the more important issue is that lately, in Gartner's opinion, Microsoft has been ahead of Sun in innovation and marketing. Sun must innovate as well as litigate. This approach means aggressively marketing Java and other software against Microsoft and .NET.

Analytical Sources: Daryl Plummer and David Smith, Internet Strategies

Recommended Reading and Reference Materials

- "AOL vs. Microsoft: The Real Prize Is Online Presence" (E-15-3429). The real struggle in the AOL Time Warner lawsuit against Microsoft is about who will control Internet users' online presence. **By Robert Batchelder, David Smith and Thomas Bittman**

- "Microsoft's Latest Legal Setbacks Won't Affect Its Business" (FT-15-2988). Despite continuing legal troubles, Microsoft will continue to do business as usual. **By David Smith**

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