



Mr. Pedro Ortún
Enterprise Directorate - General
European Commission
B-1049 Brussels
Belgium

Subject: EU public sector recommendations on open document formats

Dear Mr. Ortún,

Patrick De Smedt, our Chairman in the EMEA region, asked me to respond to your letter of July 19, 2004 concerning the recommendations of IDA Telematics Advisory Committee on open document formats. We both agreed that, as Senior Vice President responsible for Microsoft's Office business, it would make sense for me to address the specific comments and recommendations that you highlighted.

Microsoft welcomes the opportunity to respond to the findings of the TAC and I am pleased to announce the following:

- **Access:** Microsoft agrees with the recommendations to publish and provide non-discriminatory access to future versions of its WordProcessing ML specifications. We will publish a statement on our public web site to make this intent clear.¹
- **Non-XML elements:** Microsoft agrees with the recommendations regarding non-XML formatted elements and will vigorously pursue the work of documenting those elements in XML as we pursue our current work on the next major release of Office.
- **Tools and Services:** Microsoft agrees with the recommendation and is committed to supporting the availability of meaningful documentation, tools and services. We anticipate a wider availability of filters that allow documents based on the WordProcessing ML specification to be read and written to other applications as the public sector, citizens and the broader industry recognize the benefits of this new technology.

With this background, allow me to expand further on the recommendations of the TAC.

Support for non-XML Formatted Components. We acknowledge that a small number of elements out of the overwhelming majority of over 1,600 document elements that have been fully described in the WordProcessing ML specification need to be described in XML. In many cases the elements that are not described in XML are the most technically challenging for us; nevertheless, we are committing today to vigorously pursue this work.

At the same time, I wish to reiterate a point that we made in connection with our original dialogue with the TAC some months ago. Microsoft does not believe that it would be reasonable to entirely exclude all non-XML formatted components from XML formatted documents. We would observe, in particular, that governments and their citizens may need to incorporate media images, video and audio clips, "heavy" objects such as ActiveX controls and Java programs, and other compiled code in XML formatted documents. We also believe the proposed OASIS document format would allow for the incorporation of such elements as well. While the XML specification does not advocate the inclusion of such elements in XML documents, it is so flexible that it allows authors of XML documents to include these sorts of elements.

¹ <http://www.microsoft.com/Office/xml>

Support for Filters. Microsoft agrees with the recommendation of the TAC. We anticipate a wider availability of filters that allow documents to read and write to other applications based on the WordProcessing ML specification whilst maintaining a maximum degree of faithfulness to the content, structure and presentation of the original document. We believe the licensing program we announced in November 2003 was the first step in helping to achieve this objective. Since our announcement, journal articles² have been written on the ease with which such filters may be produced and we have every reason to believe that companies are engaged in writing filters that read and write to the Office 2003 XML reference schemas. We welcome Sun Microsystems' statement that it plans to build filters for WordProcessing ML. We view all of these events as a validation of our program and evidence that the vision we described when we first announced our program is on its way to being realized.

Commitment to Meaningful Documentation, Tools and Services. Microsoft agrees with the recommendation of the TAC. Microsoft hosted a conference in Luxembourg in September 2004 which was attended by many European Union CIOs, CTOs and IT professionals. Information worker scenarios for the public sector and XML solutions were a centrepiece of the presentations. We continue to work closely with many governments across Europe on XML solutions and we are very encouraged by the progress made on eGovernment initiatives and the gains in productivity that can be realized through these solutions. We would be happy to share with the TAC or its individual members the various scenarios and solutions that we know are ready for deployment today.

Support for Various Formats. Microsoft agrees with the recommendation of the TAC. We recognize the desirability of providing information through various formats. This has been a core principle for the Microsoft Office product line since its inception. The product currently supports numerous formats, including both HTML and Rich Text format, which are recognized as industry standards. In Office 2003, Microsoft continued to demonstrate its commitment to this principle by offering native support for XML reference schemas along with a licensing program that enables filters to be produced.

Support for Standardization. Microsoft has a long history of supporting technical standards and we share the Commission's views with respect to the importance of these efforts. Microsoft is deeply engaged in helping to define, publish and implement international standards as evidenced by our contributions to establishing the XML W3C standard and other related XML standards such as WSDL, UDDI and SOAP. It is noteworthy that these standards are, today, laying the foundation for many advances in data interoperability.

At the same time, we believe that open and royalty-free licensing programs have a role to play alongside formal standards efforts in helping achieve our mutual goals relating to interoperability. Our choice of a licensing program here was guided by a few simple principles. The Office XML reference schemas describe in XML the basic data structures that have been in use in Microsoft products for over a decade. A significant part of the usefulness of the schemas comes from the fact that they enable backward compatibility with documents using older Microsoft Office formats and thereby enable customers to transform their existing documents to XML. In other words, we did not start creating the Office XML schemas from a blank slate. To the extent that XML Schemas evolve, we believe it is important to continue to ensure backward compatibility with past versions of Office. Our licensing program enables us to meet these expectations.

We recognize that the manner in which such technologies are made available to the industry is important. That is why we explored many different licensing approaches when we designed our program. Our guiding principle was that we wanted to make our program mirror approaches commonly used in the standards community to achieve the degree of openness requested by customers and the industry. The following elements of our program are the pillars of this approach:

- The technical documentation is available on the Internet for anyone to copy and read
- The schemas are based on the W3C standard for XML

² See, e.g., http://www.javaworld.com/javaworld/jw-07-2004/jw-0712-officeml_p.html.

- The license is royalty-free
- The license is perpetual
- The license is very brief and available to anyone

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We believe these characteristics led Valoris to state the following: "The MS license provides access to the schemas and full documentation to interested parties and is designed for ease of use and adoption. In this regard the MS XML Reference schemas satisfy the requirements [of openness]"³. This view was further confirmed recently by an independent third party analysis of our license program. Erik Stasik, the former director of patents and licensing for Ericsson, reviewed the Office XML licensing program in his recent publication entitled "Strategic Patent Planning for Software Companies."⁴ He concluded "[t]he [Microsoft Office XML Schema] license is relatively straightforward, royalty free, and even less demanding than the license offered under the W3C's patent policy." He further observed that the Microsoft licensing approach "make[s] it more attractive for a small company to develop applications based on the Office Schemas" than the open source Apache license.⁵

We believe the broad acceptance of our program to date and the strong signs of further adoption of the Office XML schemas within the industry demonstrate the effectiveness of this approach.

Support for Custom-Defined Schemas. Microsoft agrees with the IDA-recommendation regarding the importance and desirability of support for custom-defined schemas. We strongly endorse the view that this support is required if users are to benefit fully from the flexibility XML offers. Microsoft is proud to be leading the industry in this area with its native support for custom-defined schemas in Office 2003.

I wish to thank you and the Commission for the opportunity to engage in this dialogue about open document formats. We have learned a lot from this dialogue and found it very useful in helping us think about how to make our products even more useful. We are very encouraged by your acknowledgement that we have made a strong contribution towards interoperability and have helped the public sector improve accessibility to data. We also believe that continuing innovation will lead to significant benefits for both government and citizens in the future and we trust that all parties contributing to the present discussion appreciate that these two dimensions need to be addressed.

In closing I would like to reiterate that Microsoft values the opportunity to work with the European Commission in resolving these important interoperability questions. We are committed to this work and I am at your disposal should you have further questions or if Microsoft can be of further assistance to you.

Sincerely,



Steven Sinofsky
Senior Vice President, Office

Cc: Mr. Chris Capossela, Corporate Vice President
Information Worker Product Management Group

Mr. Patrick De Smedt, Chairman
Microsoft EMEA

³ <http://europa.eu.int/ISPO/ida/export/files/en/1928.pdf> - section 3.4.3, page 50

⁴ Available for sale at: <http://www.althosbooks.com/stpaplforsoc.html>, though we have provided via separate mail a complimentary copy of the report.

⁵ Stasik at 43.