

# DELL DEALS

Dear Linux Magazine Reader,



Joe Casad, Editor in Chief

The same few companies are always in the news. Every month we hear new revelations about SCO, Red Hat, Microsoft, and Novell. This month, however, a new dancer stepped into the chorus line. The company of the month was definitely Dell.

If you haven't been following recent events, you may be asking, "What does Dell have to do with Linux?" Actually, Dell has a lot to do with Linux now that they have agreed to sell comput-

ers pre-installed with Ubuntu 7.04. This announcement was met with great enthusiasm in open source circles. Hardware configuration is one of the most challenging issues facing Linux, and if a major supplier like Dell agrees to solve all the problems in advance, it can only be good news.

Unfortunately, this wasn't the only Dell deal in the headlines. The honeymoon lasted only a few days, and, just as this magazine went to print, Dell announced that it was signing onto Microsoft's cross marketing deal with Novell. As you probably know by now, the Novell/Microsoft deal has been roundly denounced by the Linux community because it implies that Linux violates Microsoft patents and provides selective indemnification for these alleged violations as a sales perk that is totally contrary to the spirit of the GPL.

Critics quickly suggested that the two announcements were part of the same strategy – that Microsoft wouldn't let Dell sell Ubuntu unless they agreed to also sell Novell's SLES, which Microsoft has been pitching as part of the Novell deal. Although the events are undoubtedly related, I resist the urge to automatically adopt a context in which Microsoft is all knowing and all powerful.

You could look at these announcements differently and say, "Microsoft is conceding that Dell is making a move toward Linux, and their only hope is to make sure their own favorite version of Linux stays on Dell's radar." This is perhaps a bit simplistic, since Microsoft's motives are obviously far more complex, but the point is that Microsoft may not really have so much control. It helps to step back and consider the principal bargaining chip Microsoft has over Dell: the price of a copy of Windows. With the tight margins of the PC retail industry, even a small change in the cost of a single component can cause a

significant change in profitability. Microsoft sets the price of Windows through individual contracts with vendors like Dell. Still, Dell has some chips of its own. No matter how you look at it, the fact that Dell is pre-installing Linux on retail PCs *cannot* help the price of Windows and *can only hurt* the price of Windows.

The story gets even more interesting if you consider the other Dell event in the news. Dell announced that they are going to continue to offer Windows XP on some of their models, thus thwarting Microsoft's effort to move the entire consumer market to Windows Vista. This announcement seem to reinforce the reports that many of us have heard informally – that Windows Vista comes with too many problems and not enough benefits to justify the effort of an upgrade.

Is the Novell/Microsoft deal a problem? Yes. It certainly is. Is it more of a problem because Dell is involved? I'm not so sure. Microsoft has to unload 70,000 SLES certificates per year over the next five years, and we all knew they were going to be selling them to someone. The best thing would be if the Free Software Foundation succeeds in crafting a version of the GPL that rules out selective patent agreements like the Novell/Microsoft pact. An even better thing would be if the US Congress would permanently fix the fiasco of software patents. In the meantime, downward pressure on the price of Windows can only bring more freedom.

Joe

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