

## Microsoft buys Netscape Web patents from AOL to attack Google

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When [AOL agreed to sell more than 800 patents to Microsoft for a cool 1.1-billion in cold cash](#), it didn't just sell patents. Microsoft seems to have bought, according to [AllThingsD, the "underlying patents for the old \[Netscape\] browser."](#) However, AllThingsD may not have realized just how incredibly vital those Netscape patents are to all Web services and browsers.

There was a time when this deal would have been enormous news. Netscape was once a fierce rival to Microsoft. Indeed, it was Microsoft's illegal attacks on the Netscape browser that led both to Netscape's eventual decline and death and the Department of Justice's taking Microsoft down a peg.

Netscape, today, though is little more than an obscure brand name, a URL and an ISP, which AOL will keep, and little else. Indeed, in [AOL's Security & Exchange Commission 8-K](#) describing the deal, AOL merely states that, in addition to selling Microsoft patents and granting them the right to use all of AOL's other patents, "The transaction is structured as a purchase of all of the outstanding shares of a wholly-owned non-operating subsidiary of the Company and the direct acquisition of those patents in the portfolio not held by the subsidiary." What is "that non-operating subsidiary? That would be Netscape.

Guess what? This is still gigantic news.

Microsoft certainly doesn't have any plans to bring back the Netscape browser. AOL stopped developing it years ago. Its [code-base eventually became the Firefox Web browser](#). Netscape's intellectual property (IP), however also included such universal Web browser mainstays as [Secure Socket Layers \(SSL\)](#), [cookies](#), and [JavaScript](#). It's these old Netscape patents that Microsoft is paying a billion bucks for. And, you know what? For a mere billion Microsoft got a steal of a deal.

For example when Netscape patented SSL back in 1997 the company said it had no plans to start charging developers for the source code or to charge for an SSL license. Will Microsoft will take such an attitude towards letting others use this universal Web security standard? Come on! Will the New York Yankees try not to beat the Boston Red Sox?

Could this deal really be about [Microsoft trying to get a bigger share of the online map and directions business](#)?. Maybe. But, the cookie, JavaScript, and SSL patents are so fundamental to the Web that I have to think they're the real reasons why Microsoft pulled the trigger on this deal.

Indeed, while AOL and Microsoft would like to see this deal go through within 18-days I expect it will take much longer. I expect lawyers are already at work on briefs objecting to the deal to

the Federal Trade Commission (FTC) at this very moment. How ironic is it that more than a decade after United States vs. Microsoft came to its end that Netscape's fate will once more emerge as a legal issue for Microsoft. Still, if Microsoft can get the patents, it will be worth the billion plus all the legal expenses they'll need to pay before the deal is done.

So what will Microsoft do with these core Web patents? My bet is that they'll use them, or threaten to use them anyway, against their top rival: Google. Consider, [Chrome is on its way to overtaking Internet Explorer as the world's most popular Web browser.](#) Microsoft wants Windows 8 to be a major player on tablets and smartphones, and [Google's Android is one of the leaders there](#). What better way to try to trip their opponent than that early 21st century business favorite tactic: the patent lawsuit?

**Summary: Microsoft didn't just buy AOL's patents, they bought what was left of its one time fierce Web browser rival Netscape's intellectual property to use in attacking Google's Android and Chrome.**