

Microsoft sets out its online principles

Four basic guidelines for company's internet services emerge in wake of row over censorship of websites in China

**KARLIN LILLINGTON
IN LISBON**

Microsoft has drawn up four principles for offering services like web searches, e-mail and weblogs - personal online journals - in foreign countries that it believes will enable it to operate with greater transparency and responsibility.

The principles - the first of their kind from a company offering online services - are a clear response to scathing criticism levelled at Microsoft rival Google last week, when it launched a search site in China that censors results in compliance with Chinese government demands.

In the furore, Microsoft and Yahoo also came under attack, as both companies also censor searches done through their existing Chinese search sites.

In addition, Microsoft removed a Chinese weblog with content the government disliked, while Yahoo handed over information from a Chinese journalist's e-mail account which resulted in his imprisonment.

Announced by Microsoft senior vice-president and senior counsel Brad Smith at Microsoft's government leaders' forum in Lisbon, the principles emerged from "a new set of questions and important topics in China and around the world".

Microsoft - which has 35 million weblogs on its MSN site, read by 100 million people - "has been forced to think anew" about

how it provides such services in countries like China, he said.

Echoing a line taken by Google's own senior policy counsel Andrew McLaughlin last week, Mr Smith said: "We have the over-

riding belief that it is better to provide this technology. No technology is perfect, but it is overwhelmingly a technology that does good."

However, in a veiled reference

to the criticisms from last week, he added: "But we know that it doesn't answer all the questions people have."

With immediate effect, Microsoft will run such services interna-

tionally using four principles based on transparency, he said.

● Microsoft will only act to remove content or hand over information when required to do so by a legally binding notice.

"We will act when we have a legal duty to do so. We indeed have no choice, as we must abide by laws in the country in which we operate," he said.

● The company will only remove the content in the country within which it is legally bound to do so. The censored content will be viewable by the internet audience elsewhere, he said.

"We will ensure that the rest of the world continues to have access to the content in question."

This is a direct reversal of the approach taken with the Chinese blogger.

● Microsoft will "let users know what is happening and why". Instead of seeing a notice that states only that content has been removed, users will see one that will state the reason why, such as due to a government order.

● Microsoft has committed itself to collaborating with "all stakeholders" to generate an agreed set of principles on such issues in future.

"These are principles that no company can form by itself, or no country. They must emerge from a broad dialogue."

Mr Smith said that technology companies no longer have "the luxury of working alone" on such issues.

"Internet isolationism is not an option if we're going to tackle the challenges that lie ahead," he added.

Dublin start-up is first beneficiary of technology licensing programme

**KARLIN LILLINGTON
IN LISBON**

Enterprise Ireland and Dublin technology start-up company SoftEdge Systems are the first beneficiaries of a programme that allows governments and small-to-medium enterprises (SMEs) to commercialise technologies that Microsoft has developed but will not market itself.

Microsoft senior vice-president and senior counsel Brad Smith announced the Irish collaboration and extension of Microsoft's IP Ventures programme at its post-Davos Microsoft government leaders' forum in Lisbon yesterday.

"We often create things we are uncertain how to use," he said. "We created the IP Ventures programme to take technologies we thought were useful and valuable, and license them to other companies."



**Microsoft senior vice-president
Brad Smith: Irish collaboration**

SoftEdge Systems is to use a photo-editing technology developed by Microsoft's Beijing research centre in its multimedia document creation software, which only went to market in September last year.

SoftEdge chief executive

Vikas Sahni said his company licensed the source code for the technology, which makes it easy to cut out and manipulate objects in a photograph - for example, to highlight a single person in a group photograph and remove the background around that person.

Microsoft is evaluating all the projects in its US and international research labs as possible licensing opportunities for SMEs. The company is working through government business development agencies, asking them to consider the shortlist and then match prospective companies to projects.

Mr Smith said Enterprise Ireland was the first agency to respond and consider the match-making potential of the programme.

SoftEdge's multimedia software, which runs on top of Microsoft's Office document suite, will feature the Microsoft

imaging technology from June.

Enterprise Ireland chief executive Frank Ryan said last May that the agency had already devised a new strategy to support SMEs in licensing property from larger companies.

So when Microsoft announced IP Ventures last year "we moved in right away. We were all dressed up and ready for this venture. We're very pleased that the first company for IP Ventures is an Irish company", he said.

Mr Smith said the SoftEdge agreement was a good example of the global impact that the programme could have.

"A research advancement in China that moved through the company in the US, found its way to the government in Ireland and moved to a small company with an Indian chief executive, that is now shipping a product," he said. "It's a story of opportunity."