What is WINSOCK.DLL?
It is a file used to make PPP (Point to Point Protocol) connections.

Why Rename the Winsock.dll?
There are many different flavors of WINSOCK.DLL file. Many developers have created different versions of the same file in order to support different options. The problem with this is that in order for the PPP connection to operate properly the application (e.g., WinCIM, Mosaic, etc.) needs to have access to the file named WINSOCK.DLL.

The installation program has detected that you already have a WINSOCK.DLL file in your Windows directory. In order for WinCIM to set up your PPP connection properly it wants to have its version of the WINSOCK.DLL. The installation program wants to rename the WINSOCK.DLL file currently on your system and put its version in the Windows directory (see the message dialog for the new name).