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Microsoft

## [A \\$2.2 Billion "Slap on the Hand" Coming to Microsoft?](#)

*Courtesy of the EU Antitrust Commission?*

In the never-ending saga of Microsoft antitrust "slaps on the hand," the Redmond company might receive the healthiest financial penalty yet from the European Union Antitrust Commission. A reported fine of \$2.2 billion is currently cooking by the EU Antitrust regulators, and could be served as early as February 26, 2008, according to sources who wished to remain anonymous, cited by [Bloomberg](#). The new financial penalties are intimately connected with the landmark 2004 antitrust decision against Microsoft for the bundling of Windows Media Player in the Windows operating system and for the refusal of sharing information on Windows server protocol technology. The initial conclusion was enforced by the ruling from the EU Court of First Instance in Luxembourg, at the end of 2007. Initially, Microsoft was fined no less than 497 million Euro, and the financial penalty was increased to a total of 775 million Euro (approximately \$1.1 billion) by a subsequent 280.5 million Euro fine. In March 2007, the EU Antitrust Commission threatened Microsoft with millions of Euro in daily fines, starting with December 2005, for its failure to comply with the 2004 antitrust ruling. Microsoft did implement a Windows server protocol licensing program, but the EU Commission argued that the prices demanded by the company were too high in comparison with the small amount of innovation comprised by the technology. On February 21, 2008, Microsoft made what it referred to as a strategic move designed to implement modifications in its technology and business practices, all for the sake of expanding interoperability. However, if the EU Commission does decide on a new fine, it will do so in regard to Microsoft's failure to comply with the 2004 antitrust ruling, and nothing more. "In March 2004, the European Commission issued a competition law decision that, among other things, ordered us to license certain Windows server protocol technology to our competitors. In March 2007, the European Commission issued a statement of objections claiming that the pricing terms we proposed for licensing the technology as required by the March 2004 decision were 'not reasonable.' Following additional steps we took to address these concerns, the Commission announced on October 22, 2007 that we were in compliance with the March 2004 decision and that no further penalty should be imposed as from that date. The maximum amount of the potential fine for violation of the March 2004 decision as of October 22, 2007 was €1.5 billion," reads an excerpt from the regulatory filing of Microsoft with the United States Securities and Exchange Commission.