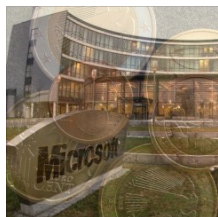


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By: Marius Oiaga, Technology News Editor



Microsoft Gets Crushed in Europe

The company has to cough up 497 million euros

This week debuted with a bang of bad news for the Redmond company from over the pond. The antitrust authorities in Europe have won their face-off with Microsoft. Today, September 17, the European Court of First Instance in Luxembourg (Grand Chamber) found that Microsoft abused its dominant market position leveraging the Windows operating system's monopoly as an unfair advantage over its rivals. The Court of First Instance rejected the Redmond company's appeal filed following the 2004 antitrust decision delivered by the European competition regulators. "On 23 March 2004 the European Commission adopted a decision finding that Microsoft had infringed Article 82 of the EC Treaty by abusing its dominant position by engaging in two separate types of conduct. The Commission also imposed a fine of more than EUR 497 million on Microsoft," reads a fragment of the information released by the Court of First Instance in the wake of the new verdict, designed to essentially uphold the EU Commission's decision. Back in 2004, the European Commission fined Microsoft a total of 497 million Euros due to monopolistic business practices involving the bundling of Windows Media Player in the Windows client platform, and the company's refusal to offer competitors "interoperability information" for the work group server operating system. "The Commission required Microsoft to disclose the 'specifications' of its client/server and server/server communication protocols to any undertaking wishing to develop and distribute work group server operating system [...] and to offer for sale a version of Windows without Windows Media Player," the Court of First Instance stated. Microsoft indeed started delivering copies of the Windows client without Windows Media Player in Europe. This practice continued with the availability of Windows Vista. Still, because the Redmond company was also permitted to sell full versions of the Windows platforms alongside stripped ones, end users went for the complete package. In this sense, the EU Commission's ruling was a failure. "The Court finds that the Commission did not err in assessing the gravity and duration of the infringement and did not err in setting the amount of the fine. Since the abuse of a dominant position is confirmed by the Court, the amount of the fine remains unchanged at EUR 497 million," the Court of First Instance added. Until the time of this article, Microsoft failed to issue an official response to the decision of the Court of First Instance. The company has a total of two months to file an appeal to the ruling.