

16 October 2007

By: Marius Oiaga, Technology News Editor



## **Microsoft Gives Up on Antitrust**

### *Appeal in South Korea*

Microsoft has long been a landmark of monopoly worldwide. But this detail is about to change as the Redmond company has evolved, following the various antitrust rulings against it both at home and abroad. In this context, Microsoft has suffered antitrust scrutinies not only in the U.S. but also in the European Union as well as in South Korea. While on home soil, the Redmond company got nothing more than a slap over the hand from the local antitrust regulators, even though it was found guilty of monopolistic behavior, in Europe and South Korea, Microsoft was less lucky. On both markets, the company's monopolistic practices, designed to leverage the dominance of the Windows operating system, were the cause of financial penalties along with decisions impacting the architecture of the product. Back in 2004, the European Commission slapped Microsoft with a fine of 497 million Euros for the way the Windows near-monopoly was used to gain an unfair advantage in the workgroup servers and media players market. Microsoft was subsequently ordered to strip Windows Media Player from Windows and to make available interoperability protocols to competitors. While in Europe Microsoft paid the fine, and indeed dropped Windows Media Player from Windows, delivering unbundled copies of the operating system, the company failed to make available the complete set of technical documentations for Windows protocols and received a new financial penalty. Additionally, Microsoft also lost the appeal against the EU Commission's 2004 antitrust ruling in the Luxembourg Court of First Instance. In South Korea Microsoft was ordered to pay a fine of \$35.4 million (32.5 billion won) for the monopolist abuse synonymous with the bundling of its instant messaging client and media player with the Windows operating system. Microsoft appealed the decision, but following the latest ruling against in Europe, the Redmond company apparently decided to cut its losses and drop the appeal. In this manner Microsoft decided to fully accept the Korean Fair Trade Commission's antitrust decision that extended beyond the simple fine to the order to unbundled the instant messenger client and media player software from Windows. Microsoft officially confirmed the move. At this point in time, the Redmond company is still undecided over a potential appeal against the conclusions of the Luxembourg Court of First Instance, that backed almost completely the EU antitrust watchdog.