

Microsoft, Calif. municipalities to settle

May 3 2006



A tentative \$70 million settlement was announced Tuesday to resolve antitrust claims brought on by Californian local government entities against Microsoft.

The class-action suit filed in August 2004 alleged that Microsoft "engaged in anticompetitive conduct and used its market power to overcharge members of the government class."

Though settling, Microsoft has denied the state's allegations.

The suit was filed on behalf of Townsend and Townsend and Crew,

counsel for the City and County of San Francisco, the city of Los Angeles, and counties of Santa Clara, San Mateo, Los Angeles and Contra Costa.

"This antitrust settlement will provide state and local governments with a fabulous opportunity to obtain their choice of a wide variety of computer products sold by any competitor in the market," Richard L. Grossman, attorney for the government plaintiffs, said in a statement.

If agreed upon by both parties and approved by the court, the \$70 million settlement will be divided among state and local government so as to obtain cash refunds upon the purchase of any brand of qualifying computer hardware and software.

"We value our relationship with these cities and counties and are pleased to reach a settlement that allows us all to focus on the future," stated Tom Burt, corporate vice president and deputy general counsel for Microsoft.

So far, the plaintiffs have approved the basic terms of the settlement in the case, which is pending before the Honorable J. Frederick Motz in the U.S. District Court in Maryland, but are still in negotiation of a final settlement agreement with Microsoft.

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