

# EU defends action against Intel after report leaked

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A US computer chip giant Intel factory is pictured in Leixlip, near Dublin, Ireland in July 2009. The EU Commission on Saturday defended its record-busting anti-trust action against Intel, following a report that it missed evidence which could have boosted the US computer chip giant's case.

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EU antitrust regulators fined [Intel](#) a record 1.06 billion euros (1.45 billion dollars) in May, claiming the [chip maker](#) abused its stranglehold on the [semiconductor market](#) to crush its main rival.

However, the European Union Ombudsman is set to deliver a report to the European Commission accusing it of "maladministration", according

to US media reports.

Commission spokesman Alain Bloedt on Saturday defended the EU action in the case which Intel is challenging, raising the spectre of a new antitrust saga between Brussels and a US technology giant after Microsoft's years of European legal battles.

"The commission can reassure you that it surely respected Intel's right of defence," Bloedt told AFP.

The EU's executive arm however would not comment in detail on an ombudsman's opinion which was not yet published, he added.

EU Ombudsman P. Nikiforos Diamandouros will berate the commission for not formally recording an account of a meeting with a senior Dell executive, who rated the performance of Intel rival Advanced Micro Devices as "very poor", the Wall Street Journal reported.

Such an opinion could imply that Dell chose to buy and use Intel's chips on merit rather than because they were commercially pressured to do so.

The European Commission, Europe's top competition watchdog, charged Intel with using illegal loyalty rebates to squeeze rivals out of the market for central processing units (CPUs) -- the brains inside personal computers.

The Santa Clara, California-based company dominated the 22-billion-euro (30-billion-dollar) market for the ubiquitous x86 CPUs with a 70-percent share during the more than five years it was accused of breaking EU antitrust rules.

"Intel has harmed millions of European consumers by deliberately acting to keep competitors out of the market for [computer chips](#) for many

years," EU Competition Commissioner Neelie Kroes said in May.

The commission said Intel had used wholly or partially hidden rebates to get PC makers such as Acer, Dell, HP, Lenovo and NEC to buy all or almost all their CPU supplies from Intel instead of AMD.

Intel has defended the rebates, arguing that computer makers approach the company seeking price reductions.

EU [antitrust regulators](#) also accused Intel of paying computer manufacturers to halt or put off the launch of products containing microchips competing with Intel's x86.

The commission ordered Intel to cease any of the ongoing practices which it deemed to break EU rules.

Intel did not hesitate in challenging the commission's ruling.

Intel's fine topped the previous record 899 million euros Microsoft was ordered to pay last year for failing to cooperate with the European Commission in its antitrust battles with the US software giant.

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