

## EU threatens Microsoft with antitrust fine over web browser (Update)

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The European Commission opened an antitrust probe against Microsoft over charges it was failing to give consumers a choice over which web browser they can use.

The European Commission threatened Microsoft with another big fine on Tuesday after the US software giant failed to give 28 million European customers the ability to choose their web browser.

Microsoft immediately apologised for the "technical error" after 28 million users of the Windows 7 operating system were unable to choose between the company's default Internet Explorer and other browsers.

"While we have taken immediate steps to remedy this problem, we deeply regret that this error occurred and we apologise for it," the US company said in a statement.

In order to ease European Union competition concerns in 2009, the US software giant committed to provide Windows users in Europe a "choice screen" enabling them to choose an alternative web browser until 2014.

But the screen has been missing from a service pack 1 update to Windows 7 since February 2011.

"We have fallen short in our responsibility to do this," Microsoft said.

The European Union's executive arm announced an antitrust probe against Microsoft, which has already been fined hundreds of millions of euros in a separate case.

"We are now opening formal proceedings against the company," European Union Competition Commissioner Joaquin Almunia told a news conference.

"If following our investigation this breach is confirmed, and Microsoft seems to acknowledge the facts here, this could have severe consequences," he said. "If infringements are confirmed, there will be sanctions."

A company that is found to have breached legally-binding commitments can face fines of up to 10 percent of total annual turnover.

Microsoft had stated in a report to Brussels on December 2011 that it was complying with the 2009 commitments, but "market players" later revealed that the company was breaking its pledge, Almunia said.

"I consider that commitments by companies themselves are a good way to solve competition problems... as an alternative to lengthy proceedings," he said. "But this can only work if companies implement these decisions fully."

Microsoft indicated that it believed it was complying with its commitment when it issued the December report, but the company said it later learned that the screen choice was missing from Windows.

The company said it developed software to fix the problem on July 2, one business day after it was discovered.

"We expect to substantially complete distribution of the BCS (browser choice screen) software to the PCs we initially missed by the end of the week," the statement said.

Microsoft also opened its own outside investigation to determine how the mistake happened and offered to extend the time during which the browser choice screen will be available by 15 months.

"We understand that the Commission will review this matter and determine whether this is an appropriate step for Microsoft to take. We understand that the Commission may decide to impose other sanctions," it said.

The commission already fined Microsoft 899 million euros in 2008 for failing to comply with an order to share product information with rivals so that their software can work with Windows.

Last month the General Court, the EU's second highest tribunal, dismissed Microsoft's bid to annul the penalty but cut the US software giant's fine by 39 million euros to 860 million.

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