

## Department of Instice

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## **MICROSOFT ANTITRUST FINAL JUDGMENT EXPIRES MAY 12**

The Department of Justice issued the following statement today marking the May 12, 2011, expiration of the final judgment the department obtained as part of its historic Microsoft antitrust case:

WASHINGTON – As a result of the Department of Justice Antitrust Division's efforts in the Microsoft case and final judgment, the competitive landscape changed allowing the marketplace to operate in a fair and open manner bringing about increased innovation and more choices for consumers. The final judgment also prevented Microsoft from continuing to engage in exclusionary behavior that was harmful to American businesses and consumers.

The Microsoft final judgment, which has been in effect since 2002, was designed to eliminate Microsoft's illegal practices, to prevent recurrence of the same or similar practices and to restore the potential for competition from software products known as "middleware." To that end, the judgment protected the development and distribution of middleware – including web browsers, media players and instant messaging software – thereby increasing choices available to consumers.

The final judgment proved effective in protecting the development and distribution of middleware products and prevented Microsoft from continuing the type of exclusionary behavior that led to the original lawsuit. Microsoft no longer dominates the computer industry as it did when the complaint was filed in 1998. Nearly every desktop middleware market, from web browsers to media players to instant messaging software, is more competitive today than it was when the final judgment was entered. In addition, the final judgment helped create competitive conditions that enabled new kinds of products, such as cloud computing services and mobile devices, to develop as potential platform threats to the Windows desktop operating system.

Since the entry of the final judgment, there have been a number of developments in the competitive landscape relating to middleware and to personal computer (PC) operating systems generally that suggest that the final judgment accomplished its goal of fostering competitive conditions among middleware products, unimpeded by anticompetitive exclusionary obstacles erected by Microsoft.

The Microsoft final judgment was unique in creating a technical committee empowered to assist the department, the U.S. District Court for the District of Columbia and a group of states

involved in the case. Given the technical nature of Microsoft's obligations under the final judgment, the technical committee members and their staff proved invaluable to the enforcement of the final judgment.

## Background

In 1998, the department and attorneys general for 19 states plus the District of Columbia, filed suit against Microsoft alleging violation of the antitrust laws. The core allegation in the original lawsuit, upheld by the U.S. Court of Appeals in June 2001, was that Microsoft had unlawfully maintained its monopoly in PC operating systems by excluding competing middleware that posed a nascent threat to the Windows operating system. Specifically, the court of appeals upheld the district court's conclusion that Microsoft engaged in unlawful exclusionary conduct by using contractual provisions to prohibit computer manufacturers from supporting competing middleware products on Microsoft's operating system, prohibiting consumers and computer manufacturers from removing access to Microsoft's middleware products in the operating system, and reaching agreements with software developers and third parties to exclude or impede competing middleware products.

The Department of Justice worked extensively with two groups of plaintiff states (the New York Group and the California Group) with similar final judgments in this matter. The level and depth of cooperation between the department and the states is a model for federal-state civil law enforcement.

Certain provisions in the Microsoft final judgment expired in November 2007. Other provisions relating to Microsoft's obligation to make certain interoperability information available to third parties have twice been extended with Microsoft's consent. As these issues have now been resolved, it is appropriate for the final judgment to expire.

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