UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

UNITED STA	ATES OF AMERICA,))	
	Plaintiff,)	
	v.)	Civil Action No. 98-1232 (TPJ)
MICROSOF	Γ CORPORATION,)	
	Defendant.)	
))	
STATE OF N Attorney Ge <u>et al.</u> ,	IEW YORK, <u>ex</u> <u>rel</u> . eneral ELIOT SPITZER,)))	
	Plaintiffs and Counterclaim-Defendants,)))	
	v.)	Civil Action No. 98-1233 (TPJ)
MICROSOFT CORPORATION,)	
	Defendant and Counterclaim-Plaintiff.)))	

FINDINGS OF FACT

These consolidated civil antitrust actions alleging violations of the Sherman Act, §§ 1 and 2, and various state statutes by the defendant Microsoft Corporation, were tried to the Court, sitting without a jury, between October 19, 1998, and June 24, 1999. The Court has considered the record evidence submitted by the parties, made determinations as to its relevancy and materiality, assessed the credibility of the testimony of the witnesses, both written and oral, and

ascertained for its purposes the probative significance of the documentary and visual evidence presented. Upon the record before the Court as of July 28, 1999, at the close of the admission of evidence, pursuant to FED. R. CIV. P. 52(a), the Court finds the following facts to have been proved by a preponderance of the evidence. The Court shall state the conclusions of law to be drawn therefrom in a separate Memorandum and Order to be filed in due course.

I. BACKGROUND

1. A "personal computer" ("PC") is a digital information processing device designed for use by one person at a time. A typical PC consists of central processing components (e.g., a microprocessor and main memory) and mass data storage (such as a hard disk). A typical PC system consists of a PC, certain peripheral input/output devices (including a monitor, a keyboard, a mouse, and a printer), and an operating system. PC systems, which include desktop and laptop models, can be distinguished from more powerful, more expensive computer systems known as "servers," which are designed to provide data, services, and functionality through a digital network to multiple users.

2. An "operating system" is a software program that controls the allocation and use of computer resources (such as central processing unit time, main memory space, disk space, and input/output channels). The operating system also supports the functions of software programs, called "applications," that perform specific user-oriented tasks. The operating system supports the functions of applications by exposing interfaces, called "application programming interfaces," or "APIs." These are synapses at which the developer of an application can connect to invoke pre-fabricated blocks of code in the operating system. These blocks of code in turn