



# NEWS

## AMERICANS FOR TAX REFORM

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## E.U. Microsoft Ruling Will Stifle Innovation & Reduce Transatlantic Growth

*European Union Court rules American company must share innovation with European competitors*

**WASHINGTON, D.C.** – According to a European Union court judgment handed down today, Microsoft Corp. must immediately share with its competitors trade secrets about how its software communicates with servers.

The case against American software pioneer had been brought by six international competitors, but Microsoft had reached a settlement with all but one plaintiff. The 91-page decision upholds a severe anti-trust ruling issued in March by the European Competition Commission that fined the Microsoft \$666 million dollars and also ordered that it remove windows audio and video players from its operating systems. The court decision also throws out hope for a compromise, and goes far beyond the scope of the 2002 with United States Department of Justice.

**“The European Union’s decision against Microsoft is a glaring example of the worst kind of Big-Government hyperactivity,”** said ATR President Grover Norquist. **“The EU has gone far beyond the scope of any legitimate anti-trust concerns and is punishing Microsoft simply for being the most successful software company in the world.”**

Microsoft must now share much of its innovative software technology with its competitors so they can profit from Microsoft’s hard work. They must also produce windows operating software for European consumption without Windows media players, sticking the company with the burden of developing multiple operating systems, and costing the Microsoft tens of millions of dollars in lost sales and administrative fees.

The U.S. DOJ’s 2002 ruling required Microsoft to allow PC users to disable windows media players and install software for other companies as their proprietary media software. Microsoft had hoped to reach a similar compromise, or at least be given time for a comprehensive study of the implications of the March ruling, but this today’s decision makes that very unlikely.

**“The European Union has gone too far in its case against Microsoft.”** continued Norquist. **“EU regulators should come to their senses and reopen anti-trust negotiations with Microsoft so a common sense compromise can be reached. Competition in the software industry can be protected without ravaging one the most important and innovative companies of the past twenty years.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at [cbutler@atr.org](mailto:cbutler@atr.org). ###