

The microsoft started
integrating its internet
browser



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The true definition of monopoly is A firm that is the sole seller of a product without close substitutes. Microsoft has been found guilty of violating anti trust laws and has therefore has been called a monopoly, but does it hold to this definition of a monopoly? The main case as stated in our book is in 1998 the US Justice Department objected when Microsoft started integrating its Internet browser into its Windows operating system, claiming that this would impede competition from other companies, such as Netscape. First I believe that you have to ask is there no other product that is a close substitute? While yes Microsoft does have a majority of the share of business in the computer software world, there are other options. With the new versions of Windows that have Internet Explorer already installed on them, it is also possible to get Netscape as well; Microsoft does not prevent people from using it.

On a personal note, I have both Netscape and Internet explorer on my PC, and use both equally as much. But on another side, is Microsoft using business practices that are forcing the market down and making it unfair for other businesses? On June 4, 1999, the New York Daily News reported about a corporation, Bristol Technologies, that is suing Bill Gates for denying it (Bristol Technologies) access to software blueprints — called “ source code” — behind Windows NT technology that Bristol needs to develop a software product, Wind/U. Software creators use Wind/U as a bridge between Windows and Unix, another operating system.

Also in the February 17, 1999 edition of the Bangkok Post an unnamed Microsoft executive said that well, yes, the company threatened Intuit Corp like a mafia jukebox salesman if Intuit used Netscape. These types of actions

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only strengthen the argument that Microsoft is participating in anti-trust practices. And in the Denver Rocky Mountain News on April 16, 1999 Bill Joy, who is the co-founder and chief scientist of Sun Microsystems Inc, and the developer of such programs as Java and Unix, was quoted as saying that "The (monopoly) behavior they're engaging in is classic. On the flip side, in the January 20, 1999 edition of PC Dealer it was reported that during the trial of Microsoft, economist Richard Schmalensee, who is the dean of the Sloan School of Management at the Massachusetts Institute of Technology, made the argument for Microsoft that the software giant's defense is its refusal to accept it holds a monopoly because of the potential competition that threatens it from platforms other than operating systems. Schmalensee concluded the market was not based on operating systems, a definition that lies at the heart of the government's case, but on a platform on which any other software could run.

The government has found that Microsoft has violated these antitrust policies and the solution that the government came up with was that the company should be broken into several different parts, such as what was done to the oil monopoly many years ago. Though there are some who think that may not be the best course of action, including some of Microsoft's chief rivals. The following is an excerpt from the Global News Wire regarding that, Bill Gates got a boost from an unexpected corner on Friday, with two bitter arch rivals conceding that the US government should not go too far in penalizing Microsoft. At a conference in San Jose, two of the most visible anti-Microsoft ringleaders, Sun president and chief executive Scott McNealy and Oracle chairman and chief executive Larry Ellison both suggested that the

government need not take drastic remedial steps against Microsoft.

Speaking at the “ Outlook Conference”, organized by the San Francisco Bay Area Council, Larry Ellison suggested that market forces would push Microsoft away from its dominant position.

“ The PC will become a peripheral product to the Internet, regardless of the anti-trust trial,” said Ellison. He predicted that this would lead to a market dominated by open standards, not monopoly: “ The Microsoft monopoly will be broken.” Scott McNealy, speaking later the same day, also predicted the imminent demise of the PC. But he believes that continued government scrutinies, not market forces, were still needed to break Microsoft’s hold over the market. After all of these different arguments and viewpoints, I have come to one opinion on the issue of Microsoft. Do I believe that Microsoft violated anti-trust laws and they tried to make the market unfair? Yes. But, do I believe that Microsoft is a monopoly, based upon the definition given to us in our textbooks? No. They may hold a large part of the market, and many people use their systems, but there are other options to using Microsoft.