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The Microsoft monopoly trial case shows that Microsoft Corporation had monopolized the computer market by instructing the vendors that they should sell Windows software along with other software such as Microsoft Internet Explorer. There are evidences to suggest that Microsoft deliberately tried to avoid competition from other companies such as Netscape. This has resulted in the demand for division of Microsoft into two parts in order to avoid monopolistic practices of the Microsoft Corporation. The US District court gave the judgment against the Microsoft Corporation.

However, the decision of DOJ not to insist on division of the company has saved the future of this company. This case could not stop the monopolistic practices of the Microsoft Corporation. During the initial years of 1990 decade, the federal government had showed interest in the questionable practices of Microsoft. Many competitors of Microsoft including Netscape challenged the attempt made by this company to sell computers along with Windows software and Internet Explorer. This forced the Department of Justice (DOJ) to file a case against the Microsoft in the year 1998. According to DOJ, the Microsoft Corporation had violated the earlier contract according to which Microsoft had agreed to avoid monopolistic practices. It was found that Microsoft had insisted that vendors should sell Windows along with Internet Explorer.

This company claimed that it has benefited the customers because they were able to obtain all essential software in the computer purchased by them. This would imply that customers did not have to look for additional software. However, the Microsoft Corporation had insisted that if the vendors deleted Internet Explorer, their licenses would be canceled. This compelled

the vendors to include internet explorer in the Windows-based machines. This would mean that this company was following monopolistic marketing techniques in order to sell its products. Before the introduction of Internet Explorer, Netscape Navigator had captured 90 percent market share of the Internet browser market. The DOJ and 20 states, which filed case against Microsoft, argued that this company had deliberately included Internet Explorer in their computers in order to destroy the products of other companies such as Netscape.

Although Internet Explorer was given free, cost of its development and production was included in the price of computer and Windows software. The customers who bought Windows-based machines were not able to use other browsers because it was not easy to download other software such as Netscape Navigator and other browsers. In the trial of this case, the government could convincingly establish that downloading of other browsers was a slow process, which frustrated the customers. Since Internet Explorer came along with Windows, the customers did not find any need to download Internet browsers. However, this restricted the options of the customers as they could not test and enjoy the facilities available in other software.

(Brookfield 1998) In this trial, Microsoft Corporation agreed that it was not easy to download other Internet browsers. Before and after this case, there were various cases that were filed on the Microsoft Corporation which shows that this company has been facing legal battle over its monopolistic practices. Recently, the European Commission has asked the Microsoft to

pay a huge fine for its monopolistic practices. Kawamoto 2006) Microsoft had problem with the Sun Microsystems, which had filed case against the former.

Microsoft was forced to pay fine to Sun Microsystems. The Microsoft had deliberately modified software in order to avoid competition from other companies. For example, it has been introducing changes in the Internet Explorer in order to destroy the market of other Internet browsers. The Microsoft has achieved this objective by selling Windows along with Internet Explorer. However, this can be considered as unlawful according to the US anti trust laws. Therefore, this case was filed by the DOJ and a few states that did not agree with the marketing practices of this company.

(Brookfield 1998) A few cases filed in the US courts have proved that Microsoft has been manipulating software in order to improve its competitive ability. For example, Eolas Technologies and the University of California filed a case against Microsoft for illegally copying an important piece of technology. Eola's founder, Michael Doyle claimed that he had invented this new technology and noticed that Microsoft had incorporated these features of its Internet browser.

In 1999, Eolas technologies and the University of California decided to file a case against the Microsoft. Michael Doyle claimed that ultimately Microsoft will have to pay huge damages. This case shows that Microsoft has been indulging in illegal activities. In 2003, a Jury had ordered Microsoft to pay \$521 million. A Chicago federal judge supported this verdict and ordered Microsoft to pay \$45 million in interest. However, the federal courts of appeals gave another chance to the Microsoft to prove that it has not

illegally copied a key element of Internet Explorer. Liedtke 2005) The Microsoft tried to defend its activities by claiming that in a democratic country, it should be allowed to introduce new products. Any company should be allowed to introduce new products.

However, this argument can be challenged because the introduction of these products should not destroy other companies. Microsoft believes that this case has limited its freedom to innovate and introduce changes in the product. However, Microsoft did not, on its own, introduce innovative products such as Internet browser. This browser was originally produced by some other individuals and companies and it was bought by Microsoft and later changes were introduced in these products. Instead of inventing a new browser, the Microsoft had licensed the browser called Mosaic from the Spyglass Company in 1994. The Microsoft employees have modified this software and have marketed this product. The company has been able to increase the sale of Internet Explorer after it packaged this software with Windows.

This shows that Microsoft has been able to sell Internet Explorer due to its marketing techniques and not due to its innovation. Brookfield 1998)

Another argument of Microsoft is that its products were liked by the customers. However, the customers were forced to adjust with Microsoft products as other company products were not easily available. The Microsoft Corporation had deliberately removed the competing software in order to achieve dominant position in the software industry. (Brookfield 1998) When Internet revolution began, the Microsoft was not aware of the potential

popularity of Internet browser as the company had showed interest in interactive TV and other new products. However, when Internet browsers such as Netscape became popular, Microsoft showed interest in Internet browsers and began to sell this product along with Windows.

This shows that Microsoft has emerged as a huge computer company not only on the basis of innovation but due to its marketing techniques. This has destroyed several small companies, which could not survive the monopolistic practices introduced by this company. (Brookfield 1998) The judicial commission had clearly indicted Microsoft Corporation in this case. The US District Judge Thomas Penfield Jackson supported the contentions of the DOJ, which had filed case against Microsoft for anti-competitive practices. Jackson has suggested that Microsoft was able to use its monopoly position in PC operating systems to gain control over other aspects of software industry.

Microsoft's marketing practices has discouraged innovation as such innovative products are shunted out of the market by the Microsoft Corporation by using its monopoly powers. As a result, some innovative products which could have benefited the customers could not reach them. The position of Microsoft has been opposed by the companies such as Netscape, IBM, Intel, Sun, and Apple, which have been attacked by the Microsoft in order to maintain its domination in software industry. Evidence of correspondence between Microsoft officials in the form of e-mails, notes, and memos showed that the company had deliberately destroyed competition. Netscape had almost become bankrupt as the Microsoft

Corporation had freely distributed Internet Explorer web browser along with the Windows.

The Microsoft products cannot be considered as perfect as they suffer from a few limitations. However, due to its monopolistic position, this company has been able to impose its products on the consumers. (McLaughlin 1999) Later, Microsoft decided to appeal to the US Supreme Court, which directed this case to the Circuit Court of Appeals. There have been arguments and counter arguments among the two parties in the court. The federal government had the best opportunity to punish the monopolistic behavior of this software giant. It was also suggested that Microsoft should be divided into two companies: one selling its computer with Windows and the other company marketing other software products. However, the government lost this golden opportunity when in 2001 the President George Bush agreed to reduce punishment of Microsoft by entering into an agreement with the company.

According to this agreement, the company should allow the competitors to market their products and Internet Explorer could stay in the Windows-based machines. After this decision, Microsoft has emerged as the company without competitors as the company has been able to modify its products in order to give competition to other software, which were compatible with Microsoft products. By doing this, the Company has been able to neutralize competition. Obviously, the DOJ did not want to disturb the profitable software industry by breaking up Microsoft into two parts.

The government has protected the interest of this company by not deciding to continue legal proceedings against this company. (Brookfield 1998) As the DOJ refused to appeal against the final decision of the Supreme Court, Microsoft was allowed to dominate the computer industry. The case could not clearly define the law of competition, which has allowed the Microsoft Corporation to use its monopolistic practices to destroy the competition from other companies. Recently, it has been found that Internet Explorer suffers from a few security-related limitations. Many computer experts have advised computer users to switch to other Internet browsers in order to protect their computers.

However, this process is not easy because Internet Explorer is the default browser, and it is difficult to use two different browsers for two different purposes. Therefore, many customers have decided to stay with Microsoft Internet browser. As the writer of the software code, Microsoft has the authority over the use of its software by the customers. The decision of the court has limited the freedom of competition and has consolidated the position of Microsoft. The court had the best opportunity to punish this company for violating anti trust laws. This decision has allowed the Microsoft Corporation to enter into contract with the customers regarding the use of its software by the latter. (Chin 2004) However, outside the US, this company is likely to be challenged in the courts of law.

For example, the European Commission has fined Microsoft for violating anti-trust rules. (Kawamoto 2006) There are evidences to state that Microsoft had illegally tied Windows with other software such as Internet Explorer. The US

DOJ has lost an important opportunity to punish this software giant for indulging in practices that violated anti trust laws. The marketing methods of this company have succeeded in destroying products of other companies such as Netscape. However, Microsoft has been facing several cases in the courts as its marketing techniques have been challenged by other companies. One cannot accept the argument that this trial has limited the freedom of the Microsoft Corporation to introduce innovative products. Nevertheless, after this trial, the Microsoft Corporation has been able to preserve its monopoly.

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