

# EU opens antitrust probe into Microsoft over Teams

July 28 2023, by Daniel ARONSSOHN

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Should the outcome of the EU investigation go against Microsoft, the firm could face a heavy fine or other ordered remedies.

The European Commission on Thursday announced an antitrust probe into Microsoft bundling its Teams communications app with its popular Office suite, on concerns the firm could be cutting out competitors.

The investigation, to see whether the US software giant is "abusing and defending its market position" through the practice, comes as [computer users](#) have widely adopted online meetings since the coronavirus pandemic.

"Remote communication and collaboration tools like Teams have become indispensable for many businesses in Europe," said the commission's antitrust chief Margrethe Vestager.

"We must therefore ensure that the markets for these products remain competitive, and companies are free to choose the products that best meet their needs," she said.

A Microsoft spokesman said the tech giant would cooperate with the commission's investigation.

"We respect the European Commission's work on this case and take our own responsibilities very seriously," he said, adding that the company was "committed to finding solutions that will address its concerns".

Teams is a platform that allows users to communicate through messages, video calls and file sharing.

The trigger for the commission's probe was a July 2020 complaint from Slack, a US start-up competitor to Teams which has since been bought by the company Salesforce.

As its [market share](#) shrank, Slack lodged its complaint with the EU executive.

Other rival communications platforms include Zoom, Google Meet and Cisco Webex.

Microsoft bundles Teams with its cloud-based Office 365 and Microsoft 365 suites, which offer its popular Word, Excel, Powerpoint and Excel programmes.

The commission said that the shift to cloud-based platforms and apps has allowed more players to enter the market, and noted that such software is usually subscription-based, locking users in longterm.

It underlined that the Microsoft cloud-based suites were "well-entrenched", and bundling Teams with them could be "restricting competition" in Europe.

## **AI-enhanced Teams**

"The Commission is concerned that Microsoft may grant Teams a distribution advantage by not giving customers the choice on whether or not to include access to that product when they subscribe to their productivity suites and may have limited the interoperability between its productivity suites and competing offerings," its statement said.

"These practices may constitute anti-competitive tying or bundling and prevent suppliers of other communication and collaboration tools from competing," it said, adding that its probe would be carried out as "a priority".

Should the outcome of the investigation go against Microsoft, the firm could face a heavy fine or other ordered remedies.

There is no defined deadline for the probe to wrap up, with the commission taking more time if needed for complex antitrust cases.

Recently, Microsoft has been introducing artificial intelligence advances into its Teams product.

On its website, the company advertises the changes as making the [user experience](#) faster and helping to "scale your business to achieve more together".

Teams has been part of its Office 365 and Microsoft 365 suites since 2017, taking over from its Skype for business offering.

The company views Teams as an integral element of its range software offerings and the importance of the app has grown exponentially since the pandemic forced office workers into remote working—a habit that holds today.

Microsoft would be loath to see Teams's shine diminished and is likely to argue that nothing prevents users from using Zoom or Slack in its place, alongside or instead of Teams.

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Citation: EU opens antitrust probe into Microsoft over Teams (2023, July 28) retrieved 27 April 2024 from <https://techxplore.com/news/2023-07-eu-antitrust-probe-microsoft-teams.html>

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