

# TOWARD A RECONSTRUCTION OF MICROSOFT VS. EUROPEAN COMMISSION DISPUTE USING THE THEORY OF FREE COMPETITION

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## **Abstract:**

Between 2004 and 2008, Microsoft was fined by the European Commission with 1.67 billion Euros for abuse of dominant position and tying products on the European operating system market. The paper delivers a short history of the case, and analyzes both Microsoft and European Commission actions from the perspective of free competition theory. According to this theory, the competition is a transfer of property titles between owners of property, and an aggression occurs whenever a property is invaded without the owner's consent. Consequently applied, it follows that Microsoft, in spite of the accusations claimed by the European Commission, it has no responsibility because there was no crime committed. Following economic arguments embodied in the free competition theory, we will argue that Microsoft had satisfied its consumers with competitive products (Windows OS and Windows Media Player) who in return validated its dominant position on OS market. Also, the paper concludes that any incrimination should be based on a determined prejudice, which in Microsoft case was not proved and it has no economic foundations.

**Keywords:** monopoly price, abuse of dominance, fine, market price, free competition, property rights

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