



Antitrust: Commission opens investigation into possible anticompetitive practices by Microsoft regarding Teams

Brussels, 27 July 2023

The European Commission has opened a formal investigation to assess whether Microsoft may have breached EU competition rules by tying or bundling its communication and collaboration product *Teams* to its popular suites for businesses *Office 365* and *Microsoft 365*.

Microsoft is a global technology company offering productivity and business software, cloud computing and personal computing. **Teams** is a cloud-based communication and collaboration tool. It offers functionalities such as messaging, calling, video meetings, file sharing and brings together Microsoft's and third-party workplace tools and other applications.

The coronavirus outbreak accelerated a shift to remote working as well as businesses' transition to the cloud and the adoption of cloud-based software for communication and collaboration. The transition to the cloud has enabled the emergence of new market players and business models offering customers the ability to use multiple types of software from different providers, without the need to maintain an in-house data centre. Cloud-based software, including the products under investigation, are typically distributed on a subscription basis.

Microsoft includes *Teams* in its well-entrenched cloud-based productivity suites for business customers *Office 365* and *Microsoft 365*. The Commission is concerned that Microsoft may be **abusing and defending** its market position in **productivity software by restricting competition** in the European Economic Area ('EEA') **for communication and collaboration products**.

In particular, 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.

These practices **may constitute anti-competitive tying or bundling** and prevent suppliers of other communication and collaboration tools from competing, to the detriment of customers in the European Economic Area ('EEA').

If proven, the behaviour under investigation may breach EU competition rules, which prohibit the abuse of a dominant position (Article 102 of the Treaty on the Functioning of the European Union ('TFEU')).

The Commission will carry out its in-depth investigation as a matter of priority. The opening of a formal investigation does not prejudice its outcome.

Background

On 14 July 2020, Slack Technologies, Inc. submitted a complaint against Microsoft, alleging that Microsoft illegally tied *Teams* to its dominant productivity suites.

[Article 102](#) TFEU prohibits the abuse of a dominant position that may affect trade within the EU and prevent or restrict competition. The implementation of this provision is defined in the Antitrust Regulation ([Council Regulation No 1/2003](#)), which can also be applied by the national competition authorities.

[Article 11\(6\) of the Antitrust Regulation](#) provides that the opening of proceedings by the Commission relieves the competition authorities of the Member States of their competence to apply EU competition rules to the practices concerned. Article 16(1) further provides that national courts must avoid adopting decisions which would conflict with a decision contemplated by the Commission in proceedings it has initiated.

The Commission has informed Microsoft and the competition authorities of the Member States that it has opened proceedings in this case.

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an

antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the companies concerned cooperate with the Commission and the exercise of the rights of defence.

More information on the investigation will be available on the Commission's [competition website](#), in the public [case register](#) under the case number AT.40721.

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Quotes:

Remote communication and collaboration tools like Teams have become indispensable for many businesses in Europe. 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. This is why we are investigating whether Microsoft's tying of its productivity suites with Teams may be in breach of EU competition rules.
Margrethe Vestager, Executive Vice-President in charge of competition policy - 27/07/2023

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