



Commission sends Statement of Objections to Microsoft over possibly abusive tying practices regarding Teams

Brussels, 25 June 2024

The European Commission has informed **Microsoft** of its preliminary view that Microsoft has breached EU antitrust rules by tying its communication and collaboration product *Teams* to its popular productivity applications included in its suites for businesses *Office 365* and *Microsoft 365*.

Microsoft, based in the US, 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, and file sharing, and brings together Microsoft's and third-party workplace tools and other applications.

Suppliers of business application software, including Microsoft, are increasingly distributing this software as **software as a service** ('SaaS'), i.e., software hosted on cloud infrastructure of the supplier's choice. In principle, cloud computing enables new market players to offer SaaS solutions and customers to use various software from different providers. However, Microsoft has a suite-centric business model combining multiple types of software in a single offering. When *Teams* was launched, Microsoft included it in its widely used cloud-based productivity suites for business customers *Office 365* and *Microsoft 365*.

The Commission's investigation

The Commission preliminarily finds that Microsoft is **dominant worldwide** in the **market for SaaS productivity applications for professional use**.

The Commission is concerned that, since at least April 2019, Microsoft has been **tying Teams with its core SaaS productivity applications**, thereby restricting competition on the market for communication and collaboration products and defending its market position in **productivity software** and its suites-centric model from competing suppliers of individual software.

In particular, the Commission is concerned that Microsoft may have granted *Teams* a **distribution advantage** by not giving customers the choice whether or not to acquire access to *Teams* when they subscribe to their SaaS productivity applications. This advantage may have been further exacerbated by interoperability limitations between *Teams'* competitors and Microsoft's offerings. The conduct may have prevented *Teams'* rivals from competing, and in turn innovating, to the detriment of customers in the European Economic Area.

If confirmed, these practices would infringe Article 102 of the Treaty on the Functioning of the European Union ('TFEU'), which prohibits the abuse of a dominant market position.

After the Commission opened proceedings in [July 2023](#), Microsoft introduced changes in the way it distributes *Teams*. In particular, Microsoft started offering some suites without *Teams*. The Commission preliminarily finds that these changes are insufficient to address its concerns and that more changes to Microsoft's conduct are necessary to restore competition.

The sending of a Statement of Objections does not prejudice the outcome of an investigation.

Background

The Commission opened its ongoing investigation on 27 July 2023 following a complaint by Slack Technologies, Inc, which is now owned by Salesforce, Inc. On 20 July 2023, the Commission received a second complaint regarding Teams by alfaview GmbH, which raised similar concerns regarding the distribution of Teams. Today, the Commission has decided to open proceedings against Microsoft also with regard to alfaview GmbH's complaint. Today's Statement of Objections concerns both investigations.

[Article 102](#) of the TFEU prohibits the abuse of a dominant position. The implementation of these provisions is defined in [Regulation No 1/2003](#), which can also be applied by the national competition authorities.

A Statement of Objections is a formal step in Commission investigations into suspected violations of EU antitrust rules. The Commission informs the parties concerned in writing of the objections raised against them. The parties can examine the documents in the Commission's investigation file, reply in writing and request an oral hearing to present their comments on the case before representatives of the Commission and national competition authorities.

If the Commission concludes, after the company has exercised its rights of defence, that there is sufficient evidence of an infringement, it can adopt a decision prohibiting the conduct and imposing a fine of up to 10% of the company's annual worldwide turnover. The Commission may also impose on the company any remedies which are proportionate to bring the infringement effectively to an end.

There is no legal deadline for the Commission to complete antitrust inquiries into anticompetitive conduct. 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 numbers AT.40721 (Microsoft Teams) and AT.40873 (Microsoft Teams II).

IP/24/3446

Quotes:

"We are concerned that Microsoft may be giving its own communication product Teams an undue advantage over competitors, by tying it to its popular productivity suites for businesses. And preserving competition for remote communication and collaboration tools is essential as it also fosters innovation on these markets. If confirmed, Microsoft's conduct would be illegal under our competition rules. Microsoft now has the opportunity to reply to our concerns."
Margrethe Vestager, Executive Vice-President in charge of competition policy - 25/06/2024

Press contacts:

[Lea ZUBER](#) (+32 2 29 56298)

[Sara SIMONINI](#) (+32 2 298 33 67)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)