



Image title: alfaview welcomes the European Commission's statement of objections regarding Microsoft's bundling of Teams and Office 365.

Karlsruhe, June 25, 2024

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The video conferencing provider alfaview welcomes the European Commission's formal notification to Microsoft of its antitrust objections regarding the bundling of Teams and Office. The Statement of Objections represents an important step in the ongoing proceedings concerning Microsoft's abuse of dominance in the markets for cloud-based productivity software through the bundling of Office 365 with the communication and collaboration software Teams. With the notification, the Commission details why Microsoft's conduct, despite interim measures for partial unbundling of both services, violates European competition law. The notification forms the basis for a later prohibition and fine decision.

The Commission's proceedings stem from complaints by the video conferencing providers Slack and alfaview. According to alfaview, Microsoft gives its video conferencing service Teams an antitrust-violating distribution and competitive advantage by integrating the service into Office 365 without allowing alternative providers a comparable embedding. This integration eliminates the need for Office 365 users to download alternative video conferencing offerings, including those from alfaview, which has resulted in significant competitive disadvantages for the service.

Prof. Dr. Thomas Höppner, lawyer and partner at the law firm Hausfeld, which represents alfaview before the Commission, further explains:

„The bundling of Teams with the Office Suite allows Microsoft to leverage its market power from the productivity software market into the distinct market for enterprise communication services, without having to face competition from rival video conferencing providers like alfaview. Instead of allowing fair competition, where users can consciously choose the service that best meets their individual needs and the market develops according to their preferences, Microsoft uses bundling to pre-select for users of its Office Suite. This bundling gave Teams an unprecedented global presence on PCs virtually overnight, as the service was able to achieve the same market penetration as Office 365 automatically, without having to compete on merit with rival products.“

Following the initiation of the proceedings, Microsoft made several commitments to partially unbundle the services. However, alfaview shares the Commission's view that these measures are insufficient, as they maintain the bundling in essential parts. Direct talks between Microsoft and alfaview also failed to result in a solution that would address the competition concerns. Consequently, the Commission has now moved the proceedings to the next phase.

Niko Fostiropoulos, CEO and founder of alfaview, further explains:

„The partial unbundling carried out by Microsoft is insufficient in many respects and does not create a fair competitive environment. Instead of a complete unbundling of Teams, business customers and the educational segment, which together make up the largest share of users, remain largely unaffected by the unbundling measures. Additionally, Microsoft offers existing enterprise customers who opt out of Teams in the overall package only a minimal discount of € 2. This does not provide sufficient incentives to switch to another video conferencing service. As a result, the supposed unbundling is largely ineffective.“

The issue of bundling at Microsoft remains highly relevant beyond this proceeding and requires continued close observation. Earlier this year, Microsoft began integrating its AI service Copilot into its products, thereby repeating its long-standing bundling practice. In a statement, alfaview has already highlighted the antitrust concerns regarding the integration of Copilot into Microsoft's products. Today's development in the proceedings concerning the bundling of Teams with the Office Suite has far-reaching implications for the company and its partnership with OpenAI, given Microsoft's similar approach with Copilot. It remains to be seen what conclusions Microsoft will draw from this.

About alfaview

alfaview is a powerful SaaS video conferencing provider that is offering a GDPR-compliant video conferencing and AI collaboration solution for professional use. Developed in 2010, alfaview has been used successfully within the group for the implementation of training courses in professional development. Due to its success, since 2016, the software has also been commercially available to third parties on the market.

With the alfaview video conferencing solution, audio-visual meetings and events can be held with up to 1,000 people. In addition, live events with over 10,000 people are possible via alfaview. The application includes AI-driven voice logging and language translation as well as other intelligent communication and collaboration features.

alfaview is the only high-performance GDPR-compliant AI-supported conferencing and collaboration platform on the market. The company develops its software based on the latest processes and algorithms in the field of artificial intelligence and machine learning.

Only ISO 27001-certified data centres located and headquartered in Germany are used to provide the services. The video and audio streams as well as the servers are encrypted according to current standards (TLS) in accordance with the latest guidelines of the German Federal Office for Information Security. alfaview runs steadily and without latency on all common platforms (MS-Windows, macOS, Linux, iOS, iPadOS and Android as well as via various browsers), regardless of the number of participants). The reliability of alfaview has been 99.9 % since 2016.

The group of companies employs 500 people and is headquartered in Karlsruhe, Germany.