

Microsoft faces wide-ranging US antitrust probe

The U.S. Federal Trade Commission (FTC) has launched a sweeping antitrust investigation into <u>Microsoft</u>, scrutinizing its software licensing practices and cloud computing operations, according to a source familiar with the matter. The probe, authorized by FTC Chair Lina Khan ahead of her anticipated departure in January, raises questions about its future direction under a potentially more business-friendly Republican administration following Donald Trump's recent election as president.

At the heart of the investigation are allegations that Microsoft is leveraging its dominance in productivity software to enforce restrictive licensing terms, making it difficult for customers to move their data from its Azure cloud platform to competing services. These concerns, raised by industry insiders and rivals, prompted the FTC to expand its focus to include <u>Microsoft's</u> <u>cybersecurity</u> and artificial intelligence products.



Critics, including competitors in the cloud computing sector, have accused Microsoft of practices that effectively lock customers into its Azure ecosystem. The FTC has reportedly been reviewing such complaints since last year, as part of a broader examination of the cloud computing market.

NetChoice, a lobbying group representing tech companies like Amazon and Google—both Microsoft competitors in cloud computing—has been vocal about what it calls unfair licensing policies and Microsoft's integration of artificial intelligence tools into widely used applications like Office and Outlook. "Given Microsoft's dominance in productivity and operating systems software, the scale and impact of its licensing practices are profound," the group stated.

Microsoft's practices have also drawn scrutiny abroad. In September, Google lodged a formal complaint with the European Commission, accusing Microsoft of charging a 400% premium for customers running Windows Server on rival cloud platforms. Google also alleged that these customers received delayed and more limited security updates compared to those using Microsoft's own services.

The outcome of the FTC's investigation could have significant implications for Microsoft and the broader tech industry, especially as regulators globally continue to scrutinize the competitive dynamics of cloud computing and artificial intelligence.