Judge rules Microsoft violated antitrust laws



Stevan Morgain/Associated Press A Microsoft employee works on his computer in front of the MSNBC building yesterday in Redmond, Wash. A U.S. District Court judge ruled yesterday Microsoft violated antitrust laws.

By Eun-Kyung Kim ASSOCIATED PRESS WRITER

WASHINGTON, D.C. — Humbling a proud giant of the computer age, a federal judge ruled yesterday that Microsoft Corp. violated U.S. antitrust laws by keeping "an oppressive thumb" on competitors during the race to link Americans to the Internet.

In a sweeping verdict against the empire that Bill Gates built, U.S. District Judge Thomas Penfield Jackson said Microsoft violated the Sherman Antitrust Act, just as Standard Oil and AT&T did in earlier antitrust

He concluded that the company was guilty - as the federal government, 19 states and the District of Columbia had alleged in the case that began in October 1998 - of "unlawfully tying its Web browser" to its Windows operating system that dominates the computer market worldwide.

"Microsoft placed an oppressive thumb on the scale of competitive fortune, thereby effectively guaranteeing its continued dominance" in the market, Jackson wrote.

The verdict affirms Jackson's previous ruling in November that the software giant is a monopoly, one that illegally used its power to bully competitors, stifle innovation and hurt consumers in the process.

The judge's ruling can be appealed, delay-

company would pursue that avenue.

While Microsoft "did everything we could to settle this case, we believe we have a strong case on appeal," Gates said. " ... This ruling turns on its head the reality that consumers know: that our software has helped make PCs accessible and more affordable to millions of Americans.

The decision opens the door for the federal government to seek drastic penalties against Microsoft.

The options range from breaking up the company that made Gates a billionaire to forcing it to share its proprietary software code with competitors. Jackson also paved the way for states to seek penalties under their own anti-competition laws.

"Microsoft maintained its monopoly power by anti-competitive means and attempted to monopolize the Web browser market," the judge wrote in a ruling that caused a recordplunge in the NASDAQ market even before its release.

Microsoft stock dropped by more than \$15 a share to close at \$90.87½, costing Gates about \$12.1 billion in paper losses.

The Justice Department vowed to press the ase until consumers are rewarded.

"Microsoft has been held accountable for its illegal conduct by a court of law," Attorney General Janet Reno said. "Thanks to this rul-

ing its impact for years, and Gates said the ing, consumers who have been harmed can now look forward to benefits."

Reno's antitrust chief, Joel Klein, said he was still open to a settlement but that it would have to redress the violations cited in yester-

day's ruling. "Microsoft's anti-competitive actions trammeled the competitive process through which the computer software industry generally stimulates innovation and conduces to the optimum benefit of consumers," Jackson wrote. The allegations stem from a lawsuit filed by the Justice Department and 19 states and the District of Columbia against the Redmond, Wash.-based company.

Jackson wrote that Microsoft made arrangements with computer manufacturers and Internet providers that "successfully ostracized" Navigator, a browser made by Microsoft rival Netscape Communications, in favor of the company's Internet Explorer.

Microsoft adopted "aggressive measures" to ensure that access providers would encourage the use of Explorer over Navigator, Jackson wrote, adding, "There are no valid reasons to justify the full extent of Microsoft's exclusionary behavior.'

Both sides tried to postpone a ruling by working the last four months through a courtappointed mediator. The talks collapsed over the weekend, prompting Jackson to release his verdict

Mass. enacts strict gun regulation

By John McElhenny ASSOCIATED PRESS WRITER

BOSTON — Massachusetts put the nation's strictest gun regulations into effect yesterday, using consumer-protection rules to ban cheap "Saturday night specials" and require childproof locks on any gun sold in

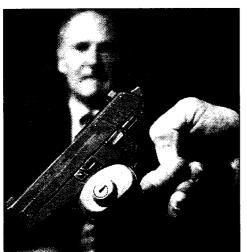
The state will contact gun manufacturers and sellers within 15 days to inform them of the regulations, which also require safety warnings with each gun, tamper-resistant serial numbers, and indicators on semiautomatic handguns that tell if a bullet is in the

"Massachusetts now has the most comprehensive and toughest gun laws in the nation," said John Rosenthal of Stop Handgun Violence Inc.

The Gun Owners' Action League said the new enforcement is unnecessary because strict federal and state regulations are already in place. In an unprecedented legal maneuver, then-Attorney General Scott Harshbarger wrote the rules in 1997, bypassing the Legislature. He relied instead on the attorney general's broad powers to regulate consumer products. Those powers do not specifically mention guns.

Thirty-four other states have passed legislation that would allow them to regulate handguns as they would other consumer products, but Massachusetts is the first to actually impose such regulations.

Attorney General Thomas Reilly said



Charles Krupa/Associated Press

Lt. Det. Mark Delaney of the Massachusetts State Police holds a handgun with a trigger lock during a news conference yesterday in Boston.

investigators will begin spot checks of gun stores within 15 days. Reilly said he is applying consumer protection standards to guns, just as the state already does with toys, automobiles and other products.

The Gun Owners' Action League said that educational programs sponsored by gun owners have succeeded in significantly reducing firearms accidents, despite an

increase in gun ownership.

League spokesman Kevin Sowyrda accused the attorney general of exploiting fire the gun.

the issue to increase his own popularity. "This is an assault on veterans and an

assault on gun owners," he said. The National Rifle Association declined to

Also yesterday, the Maryland House was expected to take up legislation requiring built-in locks on all new guns sold. The bill has already passed the Senate, and the gov-

ernor is eager to sign it. The new Massachusetts regulations go further than changes announced last month by gunmaker Smith & Wesson. The company, under threat of a federal lawsuit, agreed to provide external safety locks on all of its handguns within 60 days and built-in locks within two years.

One of the Massachusetts requirements is that serial numbers be tamper-resistant, either placed inside the gun, such as in the barrel, or imprinted so that they can only be read with an infrared detector.

Another requirement is that the guns have a lock, such as an attached key-operated lock or a combination lock built into guns that blocks the barrel. Another is that semiautomatic handguns have a so-called load indicator, a device already installed in some guns, that tells if a bullet is in the chamber.

A built-in child-proofing mechanism would also be required, which could include increasing the trigger-tension to at least a 10-pound pull, changing the firing mechanism to make it inoperable for child-sized hands, or requiring a series of motions to

Ecstasy seizures increase, suggest national epidemic

ASSOCIATED PRESS WRITER

NEW YORK — A lawyer arriving from Paris is stopped at John F. Kennedy International Airport for a routine customs inspection. Discovered in the false bottom

of his bag are 21,000 ecstasy pills. An Israeli is overheard on a wiretap arranging illicit deliveries of ecstasy to Manhattan hotels. Investigators seize 300,000 pills worth \$7.5 million and make 32

A young ultra-Orthodox Jew. about to be sentenced in Brooklyn, laments accepting a free flight to Belgium in exchange for returning with luggage laden with a designer drug - again, ecstasy.

Authorities cite these recent cases and others as proof that New York City has become the epicenter of a national boom in illegal imports of ecstasy, the synthetic "psychedelic amphetamine" also known as MDMA, or simply "E."

Seizures of the innocent-looking tablets - some are embossed with smiley faces, shamrocks or Playboy bunny ears — have multiplied like rabbits. U.S. Customs reports it confiscated 3.5 million pills throughout the country in fiscal 1999, compared to 750,000 in 1998; the total has already reached 4 million this year.

In the New York City area alone, the totals were 1.3 million pills in 1999, up from 48,400 in 1998.

Agents have discovered ecstasy stashed in airmailed packages, and in imported cars and antique furniture. But mainly, it's smuggled in luggage carried by couriers from Europe, where pills are produced for less than a dollar for sale in a youthful and expanding U.S. market for up to \$40 a piece, authorities said.

Using undercover officers and cooperating suspects, authorities have learned that the New York imports serve a vast Northeast market Federal officials, who asked not to be

identified, said New York appeared to be the

largest American gateway for ecstasy based on number of pills seized. Other major entry points include Miami and Orlando. Memphis — a hub for international air deliveries — is the main supplier

for California.

The multimillion dollar profit potential has attracted an eclectic collection of traffickers working in varied locales, as evidenced by the Feb. 24 arrest of notorious mob turncoat Salvatore "Sammy the Bull' Gravano for his alleged role in an ecstasy ring in Phoenix, and the seizure of 30,000 pills carried by an air traveler to Cincinnati three weeks later.



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