



## COMPETITION APPEAL TRIBUNAL

### **NOTICE OF AN APPLICATION TO COMMENCE COLLECTIVE PROCEEDINGS UNDER SECTION 47B OF THE COMPETITION ACT 1998**

**Case No: 1731/7/7/25**

Pursuant to Rule 76(8) of the Competition Appeal Tribunal Rules 2015 (S.I. 2015 No. 1648) (the “Rules”), the Registrar gives notice of the receipt on 12 May 2025 of an application to commence collective proceedings, on an opt-out basis, under section 47B of the Competition Act 1998 (the “Act”), by Alexander Wolfson (the “Proposed Class Representative/PCR”) against (1) Microsoft Corporation, (2) Microsoft Limited, and (3) Microsoft Ireland Operations Limited (together, the “Respondents/Proposed Defendants”). The Proposed Class Representative is represented by Stewarts Law LLP, 5 New Street Square, London EC4A 3BF (Reference: Kate Pollock, Stuart Carson and Marc Jones).

The Proposed First Defendant is a NASDAQ-listed technology company. The Proposed Second Defendant is majority owned by the First Proposed Defendant, and is a private limited company registered in England & Wales, responsible for marketing and negotiating relevant licenses for UK customers. The Proposed Third Defendant is majority owned by the First Proposed Defendant, is registered in the Republic of Ireland, and is a regional operation centre which supports Microsoft’s operations in Europe, the Middle East and Africa.

Microsoft is the world’s leading developer of software designed to run on personal computers and servers. Its software includes the Microsoft Windows line of operating systems, and the Microsoft Office line of productivity program suites that include word processing, spreadsheet, presentation and email and database applications. Before developing a subscription model for selling licenses to relevant products, Microsoft sold licenses on the basis that purchasers would be entitled to use versions of the software to which the license applied in perpetuity. Such licenses are known as Perpetual Licenses.

The PCR alleges that since at least 1 October 2015 Microsoft engaged in a course of conduct that had the purpose or effect of limiting the number of pre-owned Perpetual Licenses (“POLs”) that became available for sale. The products in question are versions and editions of Windows, Office and client access licenses. The strategy is alleged to include:

- (a) the negotiation and conclusion of contractual terms with certain UK customers pursuant to which those customers were given discounts on their new subscription licences that either expressly prevented or impeded those customers from offering for sale the Perpetual Licenses that they would no longer require; and
- (b) other conduct aimed at dissuading at least Microsoft’s enterprise customers from selling surplus Perpetual Licenses to third parties.

The PCR alleges that Microsoft engaged in this strategy to undermine the competitive threat posed by sales of POLs to its new licences. In particular, the PCR contends that the infringing conduct substantially limited the supply of POLs for resale, and thereby:

- (a) impeded the ability of proposed class members (“PCMs”) to access POLs as a lower-priced alternative to purchasing new licences; and
- (b) undermined a significant competitive constraint on Microsoft’s pricing of new licences, meaning that Microsoft could charge more for Perpetual Licenses and subscription licenses than it would have done but for the infringing conduct.

It is alleged that the infringing conduct has caused PCMs to suffer loss and damage in that:

- (1) PCMs paid higher prices for POLs and new licences than they would have paid absent the infringing conduct;
- (2) PCMs acquired fewer POLs and more new licences than they would have done absent the infringing conduct; and
- (3) PCMs sold fewer POLs than they would have sold absent the infringing conduct.

The Application alleges that Microsoft had a position of dominance in one or more of the markets for personal computer operating systems, personal computer productivity suites and/or Microsoft client access licenses. It is alleged that the conduct described above constituted an abuse by Microsoft of its dominant position contrary to section 18 of the Act (the “Chapter II Prohibition”) and (prior to 1 January 2021) Article 102 of the Treaty on the Functioning of the European Union (“Article 102 TFEU”).

The Application seeks to combine claims arising from the alleged abuse on behalf of PCMs.

The PCMs are UK domiciled persons who purchased relevant licences in the UK during the period between 1 October 2015 and 12 May 2025. Relevant licences are defined in the claim form and include new Perpetual Licences or subscription licenses, or POLs for Microsoft products including versions of Microsoft Office and Windows. The Proposed Class is said to comprise an estimated 2.3-2.7 million members. A preliminary estimate is that aggregate damages are between £1.3 billion and £3.5 billion, accounting for interest.

The PCR submits that the Claims are suitable to be brought in collective proceedings because the principal issues in the proceedings are common issues, brought on behalf of an identifiable class, and the claims could not realistically be brought on an individual or opt-in basis.

Mr Wolfson submits that he will act fairly in the interests of PCMs, and that it would be just and reasonable for him to act as class representative because:

1. he is a barrister with significant experience in complex litigation and is well qualified to assess evidence and advice that he receives about the case;
2. he is not a member of the proposed class and has no interest that conflicts with the interests of the proposed class;
3. he will be supported in the conducting of the proposed proceedings by an experienced legal and economic team of professional advisors, and an experienced advisory panel.
4. he has adequate funding for the claims and will be able to pay the Proposed Defendants’ recoverable costs, if ordered to do so.

The relief sought in these proceedings is:

1. Damages to be assessed on an aggregate basis;
2. Simple interest;
3. The PCR’s costs; and
4. Such further and other relief as the Tribunal may see fit.

Further details concerning the procedures of the Tribunal can be found on its website at [www.catribunal.org.uk](http://www.catribunal.org.uk). Alternatively, the Tribunal Registry can be contacted by post at Salisbury Square House, 8 Salisbury Square, London EC4Y 8AP, or by telephone (020 7979 7979) or email ([registry@catribunal.org.uk](mailto:registry@catribunal.org.uk)). Please quote the case number mentioned above in all communications.

*Charles Dhanowa CBE, KC (Hon)*  
Registrar  
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