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The Monopoly Has Just Begun

Insidiously, incrementally, Microsoft is getting more and more of me. That has me worried.

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By [Stewart Alsop](#)



Stewart Alsop

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It probably comes as no surprise to FORTUNE readers that I am worried about Microsoft, since I complain endlessly about the company's software. But after the recent court decision rejecting many of Judge Thomas Penfield Jackson's findings, I'm really worried. The justices seem to have spent a lot of time thinking about how to reprimand Jackson, and very little time thinking about the future of computer users. Unleashed, Microsoft is going to ensure that its monopoly grows stronger and stronger, and as it does so, running Windows is going to become rougher and rougher for users, who have no choice but to play by Microsoft's rules.

A couple of recent experiences suggest to me that Microsoft is really enjoying its monopoly, and that it wants to make the most of that position. These experiences bode ill for the future: They both involve Passport, a Web-based resource Microsoft introduced long after the events that the government complained about in the court battle, and show just how far the company's reach might yet extend.

Amazon.com sent me an e-mail promotion for a digital copy of a book I wanted to read. The book could only be read with Microsoft Reader, software for viewing e-books. I decided to buy the e-book, but Microsoft forced me to register with its Passport service to activate Reader. The ostensible reason is that Microsoft keeps track of the digital rights to each copy of the book.

This is fine, except that in order to read the book, I had to divulge a bunch of personal information to Microsoft. And Passport is designed by Microsoft as a single central database that serves up your personal data whenever you use a browser to buy something from an online vendor. I like more control over when and to whom I offer my data, so I use a software program called Gator to store my data and passwords. But since I could only get this electronic book by registering with Passport, I registered, reluctantly, and gave Microsoft as little personal data as I could.

My second experience happened a couple of months later. I bought a Macintosh computer, and a copy of Microsoft Office 2000 for the Macintosh. I thought I could download a copy of MOM, as it is known, but that's not possible. It's too big to download, even if you have the kind of broadband connection we enjoy at our home, the Digital Manor. So I bought the retail package at Microsoft's online store and had it shipped.

Guess what? When the software arrived, I had to use Passport to register as a user. I was free, of course, not to register—but in that case Microsoft would not support the product. And heck, even if I felt like resisting, why bother? I'd already registered with Passport earlier, so what was the harm in registering again and forking over a bit more of my personal data? So I went ahead and used Passport to register myself as a legal and supported user of Microsoft Office for Macintosh.

Insidiously, incrementally, Microsoft is getting more and more of me.

And over time, Microsoft is going to collect more and more information about what I buy and what I do. I don't really have a choice. It is very nearly impossible to use any computer without using Microsoft's software, and increasingly that means that it is very nearly impossible to avoid handing over your personal information to the company.

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And this situation is just going to get worse, because Microsoft does have a monopoly, and it is using that monopoly to aggressively expand its dominance of computers--personal computers, office servers, handheld computers, even set-top boxes--and its dominance of the Web and Web services delivered through its Internet Explorer browser.

The fact that Microsoft is roping in all this personal data becomes more worrisome when you consider that the company is getting more aggressive about what it does with its platform. Take Windows XP, this fall's version of the foundation of the monopoly, the Windows operating system. According to numerous reports, XP is easy to use and reliable; according to those same reports, it also integrates software that manages digital music, video, and photography, and brings instant messaging and other basic communications services directly into the operating system. I get these reports regularly, because I have several portfolio companies that help consumers and distributors with digital music and photography, communications services, and other media issues.

I'm not particularly worried about the competitive threat that Microsoft poses to my portfolio companies, since my companies are focused exclusively on those businesses and will ultimately do a better job. But I do know that as Microsoft continues to add more and more into the operating system and applications it sells, it will get increasingly difficult for me to avoid providing the company with more and more of my personal data.

This gets to the heart of why I'm really starting to worry. Microsoft is encroaching on the consumer side, increasingly using its position between us and every computer to make sure that it has the data to know who we are and what we're buying. Microsoft is also encroaching on the industry side, as it expands the functionality of its software to such a degree that there are fewer and fewer areas of the software business that it does not control, even if it doesn't excel in those areas.

I don't know how far Microsoft will take this. The company knows my e-mail address, my physical address, and my telephone number, and it would like to know even my birthday--at the Passport Website I was told that I must supply my birth date for Passport to comply with "current law." I guess I'll keep breaking that law, whatever it is. The so-called Passport Public Profiles, which are created with the details you provide, are stored not at www.passport.com but at another site, profiles.msn.com. I don't think this means much, since both sites are owned, lock, stock, and barrel by Microsoft. But it does demonstrate that your Passport data can be spread around Microsoft's properties pretty much as the company desires.

Microsoft is so well positioned that it makes the other tech behemoth of the moment--AOL Time Warner (parent of FORTUNE's publisher)--seem like an appealing underdog. Microsoft wants to rule in instant messaging, and AOL has been fighting back mean and nasty. Even so, most of us are rooting for AOL, because we'd like to maintain a little competitive balance. But what if Microsoft wins that battle? What if AOL has to license Microsoft Instant Messaging in a year or two? That's when it may start to feel as if we've all capitulated to a Microsoft world. That's when it will be clear that the judges who shot down Jackson's ruling were not doing the right thing for consumers in this new economy.

I'm not saying I know the right remedy. Breaking Microsoft into two companies didn't address the issue. But the decisions of the appellate court may give Microsoft the leeway to practice world domination. That worries me.

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