

Prague, 17 January, 2017

Mr. Anatoly N. Golomolzin  
Chairman of the Commission  
Federal Antimonopoly Service (FAS) of the Russian Federation  
Sadovo-Kudrinskaya Street, 11  
Moscow, Russia 125993

Dear Sir,

**Subject: Case of Violation of Antimonopoly Laws, No. 1583/16**

Avast is aware that FAS has opened an investigation into Microsoft's conduct in the antivirus program market. Our company is a developer of antivirus program products that are sold and distributed in Russia. Around 14 million users in Russia use Avast's software for protection on the Windows operating system. However, Microsoft is employing a variety of anticompetitive means to leverage its dominance in PC operating systems and increase the use of its own antivirus program, Defender, at the expense of third party alternatives, competition and user choice.

For example, prior to migrating to Windows 10, users are offered a compatibility scan to ensure their system and applications are suitable for upgrade. This scan is independent of the upgrade process itself. Previously, upgrades of Windows would trigger a second scan at the time of upgrade to ensure that nothing has changed or that the user has not neglected to upgrade the necessary applications. This second scan would warn the user to take the necessary measures to preserve installed third party programs by upgrading them as necessary. Windows 10 does not offer the scan at the time of upgrade, resulting in applications that have not been upgraded being removed from the system, including antivirus programs that have commercial value or paid subscriptions. The result of this scenario is Windows Defender being enabled and set as the default security program.

Moreover, Microsoft is restricting the ability of antivirus companies to communicate with their subscribers during a key period in the life of a subscription-based antivirus product,



when the product has expired and the user should be warned to renew their subscription. Microsoft is confining user notifications to the hardly noticeable Windows Action Center hidden in the system tray in the bottom corner of the computer screen. These restrictions are imposed on expiry to two day's post expiry, a period when the majority of users renew their antivirus product subscription.

In addition, new requirements that Microsoft says it will impose in February 2017 add several additional steps to the installation of a third party antivirus product, and these additional steps are not intuitive. The impact of the additional steps will be to discourage users from installing third party alternatives to Defender. It will lead to further loss of users for third party antivirus companies and gains in market share for Windows Defender.

The Windows Defender interface is also purposefully designed in a number of ways to encourage users to uninstall their existing antivirus products and enable Windows Defender. Antivirus products offer a range of protections not included in Windows Defender and uninstallation will remove these additional layers of protection creating unnecessary risk in the protection of the user's device.

Windows Defender's increasing dominance will be at the expense of the smaller antivirus companies that are integral to the protection that consumers currently take for granted. If allowed to continue, many of those companies will be forced to close. Independent research, using Microsoft's own data, shows a correlation between lower virus infection rates when there is a diversity in antivirus providers. Security attacks come from so many different sources in so many countries that one company cannot hope to provide the necessary protection to address the multitude of threats. The strong protection that consumers and businesses receive today is a direct product of a diverse marketplace which has resulted in competition and innovation.

Equally concerning is that among the competing antivirus providers, Microsoft Defender is least qualified to provide strong protection. Independent test results show that Windows Defender offers limited basic protection to consumers, and it is typically in last or near last

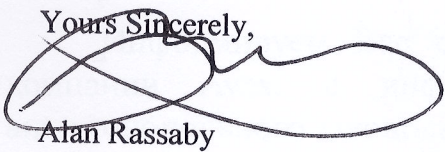


place in those tests. Despite this, Microsoft has been messaging users through Windows 10 with misleading information suggesting that they provide the best solution for antivirus in an attempt to convert users to Defender.

In Avast's opinion, Microsoft's actions significantly restrict competition within the antivirus software market, and Microsoft is abusing its dominant position within the PC operating systems market in order to limit market access by producers of independent programs, and to advance its own antivirus product, Windows Defender.

We support AO Kaspersky Lab's complaint regarding Microsoft's abuse of its dominant position and request that the points above be considered as part of your investigation.

Yours Sincerely,



Alan Rassaby

Executive Director and General Counsel

