RUSSELS, May 15 — The head of European operations for Microsoft said today that money from a special fund intended to capture deals with governments and large institutions could be spread throughout Europe.

"We have a consistent approach across Europe," said Jean-Philippe Courtois, Microsoft's chief executive for Europe, the Middle East and Africa. "We would obviously use that either in Western Europe or Eastern Europe."

Mr. Courtois did not identify the countries where the fund has been used. "I'm not going to tell you country A, B and C," he said.

Mr. Courtois made his comments in response to an article today in The International Herald Tribune and The New York Times, which reported on an e-mail message circulated among top Microsoft executives last year about protecting sales of Windows and other desktop software.

The message, from Orlando Ayala, then in charge of worldwide sales at Microsoft, described the special fund, whose purpose is to make sure that potential customers do not choose Linux, a competing operating system that comes from the "open source" developer community. The message authorized managers to offer Microsoft software for personal computers at a discount or even free if a deal appeared in jeopardy.

Mr. Courtois said the fund was not illegal. "What we do is lawful, is in compliance with the law," he said.

Some of Microsoft's rivals accused the company today of abusing its dominant position by offering the discounts.

"I can't imagine any justification for what looks like exclusionary discounts," said Thomas Vinje, a partner in the Brussels office of Morrison & Foerster, which represents an association of Microsoft competitors like Sun Microsystems, AOL Time Warner and Oracle.

Mr. Vinje said these discounts could present "a strong case of abuse of dominant position."

European law bans dominant companies from offering discounts if they are intended to block competitors from the market.

A separate e-mail message described another fund to be used by Microsoft managers to offer discounts for deals involving consulting services.

http://www.nytimes.com/2003/05/16/technology/16SOFT.html?pagewanted=print&position=5/16/03
Amelia Torres, a spokeswoman for the European Commission, which oversees European antitrust issues, declined to comment on the commission's position.

"I can't prejudge what the commission will or will not do," she said.

The commission is conducting an antitrust investigation into Microsoft related to its server software and Windows Media Player.

At least three companies have been fined in recent years for offering illegal discounts, according to the commission.

Mr. Courtois said the discount program also offered cheap or free software to developing countries. The e-mail message circulated to Microsoft executives did not mention charity.

Other Microsoft e-mail messages show a sense of urgency among some Microsoft employees in facing the threat from Linux. While no company owns Linux, many competitors of Microsoft are promoting it as an alternative to Windows.

"Rest assured that the Linux threat is VERY real," Chris O'Rourke of Microsoft's education department told his colleagues in an e-mail message in August. "On second thought, don't rest. Worry a lot. Linux is real. Linux is happening."

Mr. Vinje, the lawyer, said, "If a Linux company came up with examples of how it was beaten to contracts by Microsoft, this might show a pattern of behavior." But, he added, "Customers are unlikely to speak out because they are afraid of Microsoft."

Reinhard Weirauch, a spokesman for SuSE Linux, Europe's largest Linux seller, said the company's department that focused on sales to governments and institutions could not show with certainty any cases where it suspected Microsoft had used steep discounts to win a deal.