Microsoft's Acquisition Of GitHub Is Not 'Anticompetitive'

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In a recent **Wall Street Journal article**, attorney Adam Candeub claims, "Microsoft's $7.5 billion **proposed acquisition** of GitHub raises anticompetitive concerns." He wants federal **antitrust** authorities to block it. But his arguments are unconvincing.

GitHub is one of several online services for managing repositories of code created with Git, a free open-source command-line tool invented by Linus Torvalds, the creator of LinuX. "According to a 2016 GitLab survey," reports **Technology Advice**, "98% of developers use open-source tools, and 92% of developers prefer Git as their version-control (software)" rather than other control languages such as Mercurial (which Facebook uses) and Subversion.

This makes GitHub essential for collaborative software projects. More than 1.8 million businesses and organizations use GitHub and most pay $7 to $21 per user per month. But there are many alternatives. Competing products include GitLab, Bitbucket (owned by Atlassian which markets tools for teams of coders), SourceForge, Launchpad, and Beanstalk.

Google Cloud Source Repositories also host Git projects, as does Amazon Web Services' Code Committ and Microsoft's own Visual Studio Team Services. GitHub is the current favorite, but **there is no shortage of competition**. As **Peter Bright** wrote at ARS Technica, GitHub had to be bought by somebody because it is rapidly burning through its venture funding and losing too much money to be a viable IPO.

Candeub argues that, "With GitHub, Microsoft could restrict a crucial platform for its rivals, mine data about competitors' activities, target ads toward users, or restrict free services. Its control could lead to a sort of surveillance of innovative activity, giving it a unique, macro-scaled insight into software development." Seriously?

Some of those alleged threats are fanciful if not impossible. Others make no business sense. Take a closer look at each of these things Candeub imagines Microsoft might do with GitHub:

1. "Restrict a crucial platform for its rivals." Limiting access would greatly diminish GitHub's value to its current user base and its marketability to new enterprises, thus reducing GitHub's future income. Microsoft is buying GitHub to sell it, not wreck it.

2. "Mine data about competitors' activities" through some "sort of surveillance." According to its privacy statement, "GitHub employees do not access private repositories unless required to for security reasons, to assist the repository owner with a support matter, or to

maintain the integrity of the service." If GitHub employees nonetheless snooped into code being developed by Microsoft competitors, GitHub would quickly lose its security reputation and therefore its best-paying enterprise users.

3. "Target ads toward users." There are no ads on GitHub and adding them would be suicidal. SourceForge used to be the leading Git repository, notes <u>Klint Finley</u> in *Wired*, but ever since "DHI Holdings acquired it in 2012, users have lamented the spread of third-party ads" leading many to "abandon ship." If Microsoft put up ads on GitHub, then paying customers would likewise abandon ship. "The decentralized nature of Git," notes Finley, "does make it far easier to migrate projects to other hosts, such as GitLab, an open source alternative to GitHub that you can run on your own server." <u>Bitbucket</u> also invites developers to an easy "6 steps away from importing your GitHub repositories."

4. "Restrict free services." GitHub is already very restrictive about free services. GitHub is not free if you want to maintain several *private* code repositories, or if you want to use some of its useful add-on tool and integrations. It's only truly free for *public* repositories, which people set up for projects whose source code they deliberately want to share or solicit collaboration. Free public repositories have zero privacy. They are mainly for personal use, not for professionals or enterprises

Candeub claims Microsoft company has "the largest share of the software market," which is plausible only if we ignore open-source software and the apps on iPhones and Android phones. Since most open-source software and cellphone apps are free, they are not part of any market where Microsoft competes. He alludes to Microsoft's large market capitalization, which is an irrelevant red herring.

Microsoft's current value to shareholders has nothing to do with open-source software development. Microsoft's VSCode is a popular free code-authoring tool among open-source developers but, unlike GitHub, it's free. Finally, he makes an offhand analogy with Facebook's acquisition of Instagram and Google's acquisition of YouTube, adding a dubious claim that those deals thwarted innovation in social media and search.

But Facebook was already a supplier of an ad-supported social media platform and Google was already a supplier of an ad-supported search engine. By contrast, GitHub is a paid service (not ad-supported) unrelated to Microsoft's core business, except that Microsoft is a major customer of GitHub.

More Competition, Not Less

A more relevant analogy would compare Microsoft acquisition of GitHub to Oracle's acquisition of MySQL, which is an open-source relational database used in countless applications. There was a lot of fear and consternation when that acquisition happened, but Oracle continues to offer the free, "community" edition of MySQL alongside commercial and "enterprise" editions and hasn't done anything to make MySQL less attractive or restrictive to use.

Interestingly, though, at roughly the same time some justifiably paranoid developer proactively forked MySQL and made MariaDB, a totally free project that functions identically. A similar

thing happened with Redhat Linux: The CentOS Linux distribution is a totally free fork of Redhat's commercial product.

GitHub is not a monopoly, and Microsoft's acquisition of GitHub does nothing to change that. If anything, it might boost competing services.

A review of "**Top GitHub Alternatives** to Host Your Open Source Project" in the Open Source portal *It's FOSS* opines that because "some open-source people are strictly anti-Microsoft, Microsoft taking control of GitHub would surely prompt the open-source developers to look someplace else." Microsoft is well aware of that possibility and is quite unlikely to do anything foolish to reduce the value of its expensive new acquisition.

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