Jukka S. Rannila OPINION 1 (17)

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1 2 3 CASE COMP/39.654 – REUTERS INSTRUMENT CODES (RIC SYMBOLS) 4 5 COMP-GREFFE-ANTITRUST@ec.europa.eu 6 7 **European Commission** Directorate-General for Competition 8 9 **Antitrust Registry** 1049 Bruxelles/Brussel 10 11 BELGIQUE/BELGIË 12 13 14 Opinion about the proposed commitments of Thomson Reuters / published in 12 July 2012 15 First of all, a lot of thanks to the Commission of organising this market test. 16 17 18 This opinion represents an opinion of an individual citizen, not any legal entity. 19 20 This opinion does not contain: any business secrets 21 22 any trade secrets any confidential information. 23 24 25 This opinion is public, and it can be added to a relevant Commission web page. 26 27 Annex 2 holds information about disclaimers and copyright. 28 29 30 Best Regards, 31 32 33 Jukka Rannila citizen of Finland 34

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28 July 2012

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PART 1: SOME GENERAL NOTES

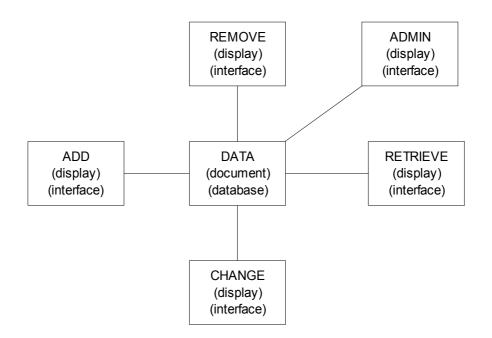
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A simplification of ICT / Some figures

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In the following figure is one simplification of information and communication technology (ICT).



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In all information systems there is following features:

- adding data
 - retrieving data
 - changing data
 - removing data
 - administration of a information system
 - data is contained in document(s) and/or in database(s)

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On the other hand, a computer program (software) is in the heart of all ICT exercises. Without computer program ICT machinery (hardware) would be useless.

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All data will be useless, if there is not technical measures to have a data model. Also data needs in many cases measures about semantic meanings and/or conceptual model.

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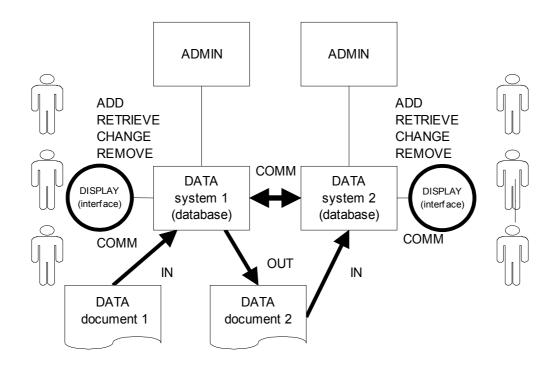
In principle, there is basically two kinds of data containers: document and database. Both document and databases are handled with programs.

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28 July 2012

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	OPEN	CLOSED
1. Device / Machinery		
2. Operating system		
3. Program(s)		
4. Data model / Conceptual model		Reuters instrument codes (RIC)?
5. Document (Standard)		Reuters instrument codes (RIC)?
6. Database (Standard)		Reuters instrument codes (RIC)?
7. Communications (Standard)		
8. Retrieve / Interface		Reuters instrument codes (RIC)?
9. Add / Interface		
10. Remove / Interface		
11. Change / Interface		

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Open to closed – a continuum with several options

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There is one very distinctive differentiator in the ICT field: things can be open or closed. In the table above, there is one small list of options to be selected: either open or closed. There can be some high-profile examples of different open and closed solutions:

Jukka S. Rannila OPINION 4 (17)

www.jukkarannila.fi

28 July 2012

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Operating system: Microsoft

Retrieval: Google Machinery: Intel

All those example companies are related to the competition cases of the Commission.

http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_39530 http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_37990 http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_37792 http://europa.eu/rapid/pressReleasesAction.do?

 $\underline{reference} = SPEECH/12/372 \& format = HTML \& aged = 0 \& language = EN$

It can be said that those three high-profile examples have combinations of open and closed information technology solutions, and they provide those combined solutions as services and/or products.

However, in some cases some closed solutions spread so large, that a specific closed solution can be a bedrock for several other solutions. Also, in some cases even a small change in a specific closed solution can wreak an ICT havoc, since some of the relevant information is closed.

Naturally, there can be ICT havocs also in open solutions – the latest leap second ¹ problem in 2012 caused outages both in closed and open solutions.

Open and closed solutions as business strategies / Antitrust

What is your lock-in? This is a question, which a venture capital representative can raise in negotiations. In lock-in situation the customers are finally locked in to a specific solution.

In some cases these lock-in situations can be very severe, and in some cases there might be de-facto monopolies locking in customers. In some cases there might need for some antitrust action, e.g. by the European Commission.

This case: COMP/39.654 – REUTERS INSTRUMENT CODES (RIC SYMBOLS)

It seems, that the European Commission has concluded, that RICs might constitute a de-facto monopoly locking in customers, and therefore the European Commission is forcing opening parts of the RICs technology.

<u>Proposal: Monitoring of the difference between consolidated real-time data feeds and direct feeds</u>

In the proposed commitments (clauses 1.2.1) there is a clear distinction between:

¹ http://en.wikipedia.org/wiki/Leap_second contains links to leap second problems and solutions.

Jukka S. Rannila OPINION 5 (17)

www.jukkarannila.fi

28 July 2012

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- consolidated real-time data feeds
 - direct feeds

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Previously I have briefly mentioned, that there is difference between direct system-to-system communications and document-to-system communications.

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Proposals:

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- 1. The Commission could continue monitoring the market and gather information about the usage of direct feeds.
- 2. Usage of direct feeds might constitute another monopoly situation.

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- This difference between between consolidated real-time data feeds and direct feeds might seem just a semantic difference. In practical terms, creating systems with direct system-to-system
- communications is totally different compared to creating systems with document-to-system
- 136 communications.

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What I am saying? System-to-system communications and actual system-to-system interoperability is very hard task to complete.

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Therefore, monitoring the market and gathering information about the usage of direct feeds might reveal challenges, which different stakeholders are experiencing with direct feeds.

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May be the Commission has to open a totally new competition case (COMP) in the long run related to the direct feed (system-to-system) problems.

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PART 2: ABOUT LICENCES AND ABOUT TECHNOLOGICAL DESCRIPTIONS

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- 149 Thomson Reuters (TR) Draft Commitment is about "Extended RIC Licence" and about "Third
- 150 **Party Developer RIC Licence**". However, I counted at least sixteen (16) mentions about different
- 151 licences:
 - Extended RIC Licence
 - Third Party Developer RIC Licence
- Transaction Processing Licence (TPL)
 - TR API Licence
 - TR API Development Licence
- Appropriate licence from the relevant third party
- Other real-time data licences
- Desktop licences
 - Desktop licences variant
- 161 Licence for Official Code
- So-called enterprise licences agreements
- Stand-alone licences
- Legacy Thomson Reuters 2000 service licences

28 July 2012

Public / world wide web

• Legacy Thomson Reuters 3000 service licences

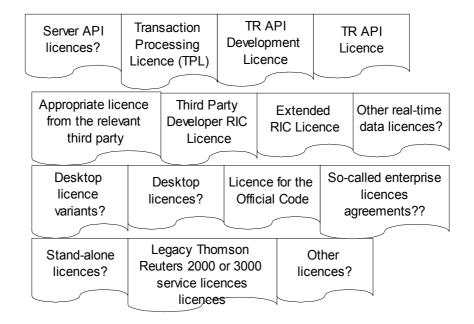
- Server API Licence
- Other licences.

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Naturally, we can have a figure of these different licences.

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However, there is at least following parties processing different licences and agreements. I counted at least following combinations:

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The complexity of different licences can be described in the following figure, where there is different parties:

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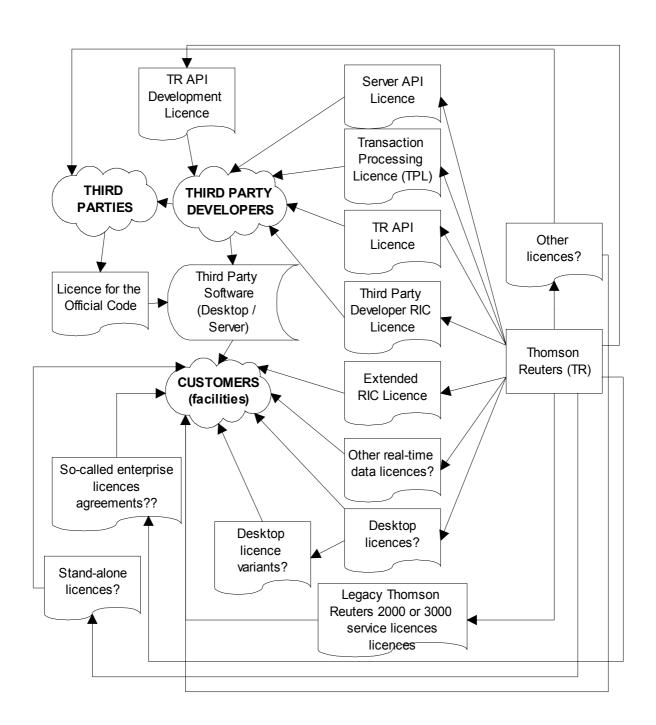
- Thomson Reuters
 - Thomson Reuters customers
- Third-Party Developers
 - Third Parties.

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28 July 2012

Public / world wide web



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This is very complex licence jungle, and I doubt, that a average reader of the draft commitments might not understand the real complexity of licence combinations.

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Proposal:

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- 1. Thomson Reuters could provide a more thorough explanation of different licences for the final commitments, e.g. as an annex
- 2. This more thorough explanation in the final commitments could contain a figure

Possibly all different licences could contain a brief and general explanation

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Thomson Reuters (TR) Draft Commitment is about "Extended RIC Licence" and about "Third Party Developer RIC Licence". However, there is several general mentions about technological details behind the "Extended RIC Licence" and "Third Party Developer RIC Licence"

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I counted at least thirteen (13) mentions about technological details:

before the legal text of a licence.

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- Thomson Reuter direct feed
- Consolidated Real-Time Feed
 - Enterprise platform programming interface
 - View charge interfaces
- 212 TR API

4.

- Reuters Instrument Codes (RIC)
- Multiple Sources
- Software user interfaces
- Interface provided by desktop software
- Server-based applications
- Server API
 - Password-protected API
- Desktop applications

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These different technological details are related to each other in many ways.

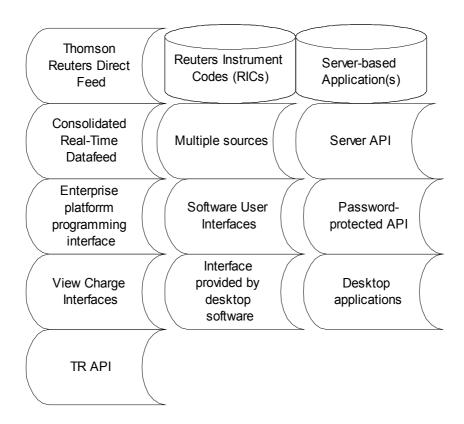
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28 July 2012

Public / world wide web

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The complexity of different technological details can be described in the following figure, where there is different parties:

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- Thomson Reuters
- Thomson Reuters customers
- Third-Party Developers
- Third Parties.

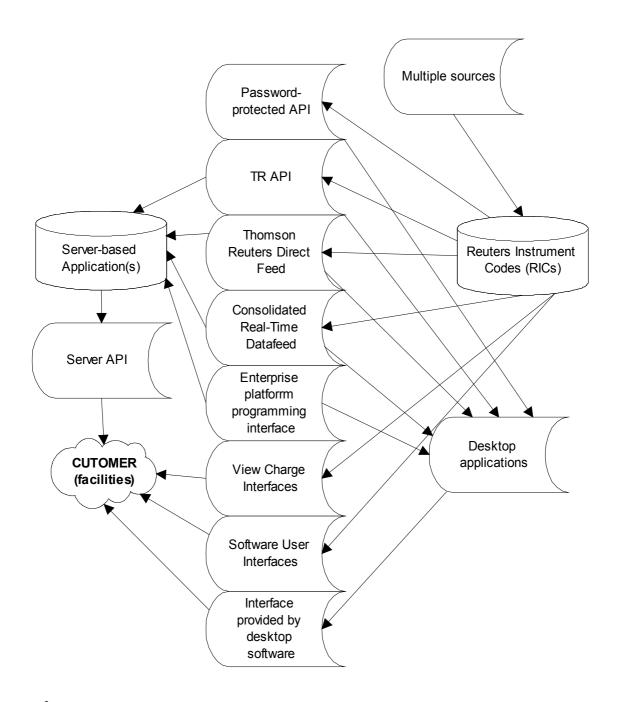
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28 July 2012

Public / world wide web

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Proposal:

- 1. Thomson Reuters could provide a more thorough explanation of technical details for the final commitments
- 248 2. This more thorough explanation in the final commitments could contain a figure explaining relations of different technical details
 - 3. This more thorough explanation need not to go very specific details, but it should give

Jukka S. Rannila OPINION 11 (17)

www.jukkarannila.fi

28 July 2012

Public / world wide web

a general idea of the technological details.

4. Possibly a short description of technological details could be an annex of the final commitments.

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I did not create a figure, which could contain the relations between different technological details and different licences. Therefore I have a small proposal:

256257

Proposal

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- 1. The final commitments could contain a short description of relations between different technological details and different licences
- 2. This more thorough description (between different technological details and different licences) does need not to go very specific details, but it should give a general idea.
- 3. This more thorough description could be an annex of the final commitments.

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PART 3: SOME SPECIFIC NOTES / SOME CLAUSES

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- 269 Clause 1.2.1
- Like said before, market monitoring about direct data feeds could be a wise decision, since systemto-system communications is a hard task in practical terms.

272

- 273 Clause 1.2.2
- There is very vague definition about "validating distributed data". Validating distributed data means, that there must very specific software details defined for these validation task.

276

- 277 Clause 1.2.2
- The general flaw in these commitments is, that Thomson Reuters (TR) does not promise publish highly detailed technological details. When creating software, there must is many tedious and attention-to-detail tasks to be done. Will there be sufficient support for software developers?

281

282 <u>Clause 2.2</u>

- 283 Standard industry practice? The fact is, that there is a constant change in the industry practices in,
- and there can be significant changes to the prevailing "Standard industry practice". Once again,
- there should be some technical information about the "Standard industry practice" in the current

286 form.

287

- 288 Clause 2.2.1
- Legacy systems (e.g. 2000 and 3000 systems)? The hard fact is, that Thomson Reuters (TR) has
- 290 acquired different companies and there is no guarantee about future acquisitions. Then some
- 291 acquired companies might mean new legacy systems and/or new changes to the Consolidated Real-
- 292 Time Datafeed(s). There is not mentioning about the possible changes to the Consolidated Real-
- 293 Time Datafeed(s), possibly after some future acquisitions. Should there be provisions about the
- 294 possible changes to the Consolidated Real-Time Datafeed(s)?

Jukka S. Rannila OPINION 12 (17)

www.jukkarannila.fi

28 July 2012

Public / world wide web

296 <u>Clause 2.3.2</u>

- 297 "... developed using Microsoft Excel".
- 298 This should be "... developed using Microsoft Excel or a equivalent software".

299

- 300 To avoid any doubt, there is several alternative solutions compared to Microsoft Excel (e.g.
- 301 LibreOffice ² software bundle). Microsoft Excel might be a leading software at this point, but the
- 302 mobile revolution (different Mobile Operating Systems and applications on top of operating
- 303 systems) can change the market of software bundles.

304

- 305 <u>Clause 2.4</u>
- 306 This clause seems to be acceptable.
- However, there should be the following two (sub)clauses:

308

- 309 (1) "The European Commission (of EU) is eligible to monitor market situation during this five
- 310 (5) year period and is always entitled to have consultations with Thomson Reuters (TR)
- 311 during the five (5) year period concerning the accepted final Commitment(s)."

312

- 313 (2) "The European Commission (of EU) is eligible to monitor market situation after this five
- 314 (5) year period and is always entitled to have consultations with Thomson Reuters (TR) after
- 315 the five (5) year period concerning the accepted final Commitment(s)."

316

- 317 Clause 2.5.
- This (sub)clause ("Provided that the Eligible Customer genuine business operations in the EEA"?)
- 319 seems to be acceptable.
- 320 However, there should be the following (sub)clause:

321

322 (1) "If there is any confusion and/or any disputes about the status of genuineness of business 323 operations in the EEA, the European Commission (of EU) has the final say about the status of 324 genuineness of business operations in the EEA".

325

- 326 Clause 2.6
- 327 "... part of the Business Activity or Activities"?

328

- 329 The hard fact is, that some Thomson Reuters (TR) customers (part of the Business Activity or
- Activities) will change their structure(s) of parts of the Business Activity or Activities during the
- 331 five (5) year period of the accepted final Commitment(s). Without any doubt, some Thomson
- Reuters (TR) customers will acquire parts of or all of the Business Activity or Activities of some
- other Thomson Reuters (TR) customers.
- In practical terms, the ownership structures of the Thomson Reuters (TR) customers is in a
- 335 continuous flux.

336

337 There should be the following (sub)clause:

- 339 (1) "If there is changes in ownership structures (acquisitions or divestitures) of a specific
 - 2 http://www.libreoffice.org/ (accessed 22 July 2012)

Jukka S. Rannila OPINION 13 (17)

www.jukkarannila.fi

28 July 2012

Public / world wide web

- 340 Thomson Reuters (TR) customer, the specific Thomson Reuters (TR) customer and Thomson 341
 - Reuters (TR) will negotiate the amount of Extended RIC Licences in good faith."

342

- Clause 2.7 343
- There is the following subclause "In the absence of such an increase in the subscription, any 344
- 345 Extended RIC Licence with zero Eligible RICs will automatically expire 2 years after the expiry of
- the Commitment." 346
- 347 Interesting.....

348

349 There could be the following (sub)clause:

350

- 351 (1) "In the case of possible expiry after this two year period, pursuant to the Commitments,
- Thomson Reuters (TR) will inform the specific Thomson Reuters (TR) customer about the 352
- expiry of the Extended RIC Licence". 353

354

Some customers might not fully understand the expiry conditions of the Extended RIC Licence, and 355 possible misunderstoodness might cause some problems. 356

357

- 358 <u>Clause 2.11</u>
- 359 This is repetition from the previous clauses.

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(1) Short description of TPL could be part of the figure and explanation of different licences and technological details, e.g. an annex.

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PART 3: SOME GENERAL NOTES AFTER SOME SPECIFIC NOTES

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Information services provided by Thomson Reuters?

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It might be self-evident, but Thomson Reuters should provide at least following information services:

370 371

Web page(s) explaining licences and terms mentioned in the final accepted commitments.

373 374

- RSS feed related to the licences and terms mentioned in the final accepted commitments.
- Customer and third-party discussion area.

376 377 378

375

These information services should be running during the time frame of the final accepted commitments.

379 380 381

PART 4: YET ANOTHER MARKET TEST?

Relevant e-mail list(s).

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384 It is totally understandable, that Thomson Reuters and various stakeholder groups might feel

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Jukka S. Rannila OPINION 14 (17) www.jukkarannila.fi Public / world wide web 28 July 2012 frustrated after the second round of market tests. However, especially my general notes about licences and/or general technological descriptions might cause some problems, since there was so many licences and technological details mentioned. Obvious option is, that Thomson Reuters creates a very well-revised web page(s), which will go through those (infamous) details of licences and/or technology. May be that well-revised web page does not need to be market tested, if Thomson Reuters gives assurances, that all questions (even highly-detailed questions and/or "stupid questions") are answered in due time – as promised and specified in the final accepted commitments. IF Thomson Reuters creates well-revised web page(s) with discussion and feedback (related to licences and technologies mentioned in the commitments) mechanisms, the Commission needs to follow the level of satisfaction with different stakeholder groups – e.g. yearly basis. However, this second market test might result some more relevant information, and the Commission can always use the market test mechanism once more. PART 5: Good luck!!!! Good luck with the final version of the commitments!! This opinion/answer was quite sporadic, and therefore the Commission has a hard task to assess all answers to this second market test. If there is anything to ask, I can always clarify my opinions. Jukka Rannila citizen of Finland

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Jukka S. Rannila OPINION 15 (17)

www.jukkarannila.fi 28 July 2012 Public / world wide web

425 426 **ANNEX 1** 427 428 My opinions to the previous and relevant consultations – there consultations were mostly organised by the Commission of the Europan Union. 429 430 431 General page to all consultations – both in English and in Finnish: 432 http://www.jukkarannila.fi/lausunnot.html 433 434 435 EN: Opinion 1: Review of the rules on access to documents http://www.jukkarannila.fi/lausunnot.html#nro 1 436 437 438 EN: Opinion 2: Schools for the 21st Century 439 http://www.jukkarannila.fi/lausunnot.html#nro 2 440 441 EN: Opinion 3: The future of pharmaceuticals for Human use in Europe- making Europe a Hub for 442 Safe and Innovative medicines 443 http://www.jukkarannila.fi/lausunnot.html#nro 3 444 445 EN: Opinion 5: Consumer Scoreboard, Questionnaire for stakeholders http://www.jukkarannila.fi/lausunnot.html#nro 5 446 447 448 EN: Opinion 6: Consultation on a Code of Conduct for Interest Representatives 449 http://www.jukkarannila.fi/lausunnot.html#nro 6 450 451 EN: Opinion 8: European Interoperability Framework, version 2, draft http://www.jukkarannila.fi/lausunnot.html#nro 8 452 453 454 EN: Opinion 9: CAMSS: Common Assessment Method for Standards and Specifications, CAMSS proposal for comments 455 456 http://www.jukkarannila.fi/lausunnot.html#nro 9 457 458 EN: Opinion 15: Collective Redress 459 http://www.jukkarannila.fi/lausunnot.html#nro 15 460 EN: Opinion 17: Opinion to Antitrust Case No. COMP/C-3/39.530 461 462 http://www.jukkarannila.fi/lausunnot.html#nro 17 463 464 EN: Opinion 18: Opinion Related to the Public Undertaking by Microsoft http://www.jukkarannila.fi/lausunnot.html#nro 18 465 466 467 EN: Opinion 19: Official Acknowledgement by the Commission 468 http://www.jukkarannila.fi/lausunnot.html#nro 19

Jukka S. Rannila OPINION 16 (17)

www.jukkarannila.fi

28 July 2012

Public / world wide web

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471 EN: Opinion 20: SECOND Opinion Related to the Public Undertaking by Microsoft

472 http://www.jukkarannila.fi/lausunnot.html#nro_20

473

474 EN: Opinion 21: Opinion about the European Interoperability Strategy proposal

475 http://www.jukkarannila.fi/lausunnot.html#nro 21

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477 EN: Opinion 23: Public consultation on the review of the European Standardisation System

478 http://www.jukkarannila.fi/lausunnot.html#nro_23

479

480 EN: Opinion 27: Public Consultation on the Modernisation of EU Public Procurement Policy

481 http://www.jukkarannila.fi/lausunnot.html#nro_27

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483 EN: Opinion 28: Consultation on the Europe 2020 Project Bond Initiative

484 http://www.jukkarannila.fi/lausunnot.html#nro 28

485

486 EN: Opinion 30: Internet Filtering

487 http://www.jukkarannila.fi/lausunnot.html#nro 30

488 NOTE: Organised by the European Committee for Standardization (CEN)³

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490 EN: Opinion 32: COMP/C-3/39.692/IBM – Maintenance services

491 http://www.jukkarannila.fi/lausunnot.html#nro 32

492

493 EN: Opinion 34: REMIT Registration Format

494 http://www.jukkarannila.fi/lausunnot.html#nro 34

495 NOTE: Organised by The Agency for the Cooperation of Energy Regulators (ACER) ⁴

496 497

EN: Opinion 35: Exploiting the employment potential of the personal and household services

498 http://www.jukkarannila.fi/lausunnot.html#nro 35

^{3 &}lt;a href="http://www.cen.eu/">http://www.cen.eu/ (Accessed 2 July 2012)

^{4 &}lt;a href="http://www.acer.europa.eu/">http://www.acer.europa.eu/ (Accessed 2 July 2012)

Jukka S. Rannila OPINION 17 (17)

www.jukkarannila.fi

28 July 2012

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500 <u>ANNEX 2</u>

501 DISCLAIMERS 502

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Use of broken English

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http://creativecommons.org/licenses/by-nd-nc/1.0/fi/legalcode
The English explanation is in the following web page:
http://creativecommons.org/licenses/by-nd-nc/1.0/fi/deed.en



⁵ Based on the Finnish three-party system there is a phenomenon called extreme-centre in Finland. The 2011 parliamentary elections in Finland challenge the three-party system, since three "old" parties were not traditionally as the three largest parties. The is now a "new" party as the third largest party. We all must remain being interested about this new development in Finland.