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Statement of VP Almunia on the Google antitrust investigation

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Press room

Brussels, 21 May 2012

In November 2010, the Commission launched an antitrust investigation into allegations that Google had abused a dominant market position. This followed a number of complaints. We have looked at those complaints and at others we received since the opening. And we have conducted a large-scale market investigation. Today I want to update you on the state of play of this on-going case.

But before I tell you more about the preliminary conclusions I have reached, let me first stress one important point. I believe that these fast-moving markets would particularly benefit from a quick resolution of the competition issues identified. Restoring competition swiftly to the benefit of users at an early stage is always preferable to lengthy proceedings, although these sometimes become indispensable to competition enforcement.

In this case, Google Inc. has repeatedly expressed to me its willingness to discuss any concerns that the Commission might have without having to engage in adversarial proceedings. This is why I am today giving Google an opportunity to offer remedies to address the concerns we have already identified.

Our investigation has led us to identify four concerns where Google business practices may be considered as abuses of dominance.

First, in its general search results on the web, Google displays links to its own vertical search services. Vertical search services are specialised search engines which focus on specific topics, such as for example restaurants, news or products. Alongside its general search service, Google also operates several vertical search services of this kind in competition with other players.

In its general search results, Google displays links to its own vertical search services differently than it does for links to competitors. We are concerned that this may result in preferential treatment compared to those of competing services, which may be hurt as a consequence.

Our second concern relates to the way Google copies content from competing vertical search services and uses it in its own offerings. Google may be copying original material from the websites of its competitors such as user reviews and using that material on its own sites without their prior authorisation. In this way they are appropriating the benefits of the investments of competitors. We are worried that this could reduce competitors' incentives to invest in the creation of original content for the benefit of internet users. This practice may impact for instance travel sites or sites providing restaurant guides.

Our third concern relates to agreements between Google and partners on the websites of which Google delivers search advertisements. Search advertisements are advertisements that are displayed alongside search results when a user types a query in a website's search box. The agreements result in de facto exclusivity requiring them to obtain all or most of their requirements of search advertisements from Google, thus shutting out competing providers of search advertising intermediation services. This potentially impacts advertising services purchased for example by online stores, online magazines or broadcasters.

Our fourth concern relates to restrictions that Google puts to the portability of online search advertising campaigns from its platform AdWords to the platforms of competitors. AdWords is Google's auction-based advertising platform on which advertisers can bid for the placement of search ads on search result pages provided by Google. We are concerned that Google imposes contractual restrictions on software developers which prevent them from offering tools that allow the seamless transfer of search advertising campaigns across AdWords and other platforms for search advertising.

I have just sent a letter to Eric Schmidt setting out these four points. In this letter, I offer Google the possibility to come up in a matter of weeks with first proposals of remedies to address each of these points.

If Google comes up with an outline of remedies which are capable of addressing our concerns, I will instruct my staff to initiate the discussions in order to finalise a remedies package. This would allow to solve our concerns by means of a commitment decision – pursuant to Article 9 of the EU Antitrust Regulation - instead of having to pursue formal proceedings with a Statement of objections and to adopt a decision imposing fines and remedies.

This type of process was followed in numerous instances in recent years, for instance in several energy cases (such as the EON electricity case in 2008 and the EON gas case in 2010) or more recently in the IBM case (2011).

Complainants and interested third parties will be duly associated to that process. Any final proposal by Google will be market-tested before it is made legally binding by the Commission.

Should this process fail to deliver a satisfactory set of remedies, the on-going formal proceedings will of course continue, including the possible sending of a Statement of Objections.

I hope that Google seizes this opportunity to swiftly resolve our concerns, for the benefit of competition and innovation in the sector.

This process is without prejudice to the continued investigation of other issues that have been raised with the Commission.