Google in crosshairs of the wary and watchful

December 1 2010, by Glenn Chapman

Europe launched a full-frontal attack on Internet king Google on November 30, 2010, launching an antitrust probe after complaints the Silicon Valley giant abused its dominant position in the online search market. Google said it would cooperate with the probe.

Google's unabashed ascension to the Internet search throne has caused some to doubt the sincerity of its "Don't be evil" motto and made it a prime target for market watchdogs.

The latest headache for the firm came Tuesday when European Union officials announced an antitrust probe into accusations by rivals that the Silicon Valley giant was rigging the online search market.

Smaller companies accused Google of "unfavorable treatment" of their services in both unpaid and sponsored search results, the crucial listings that make the Web navigable.

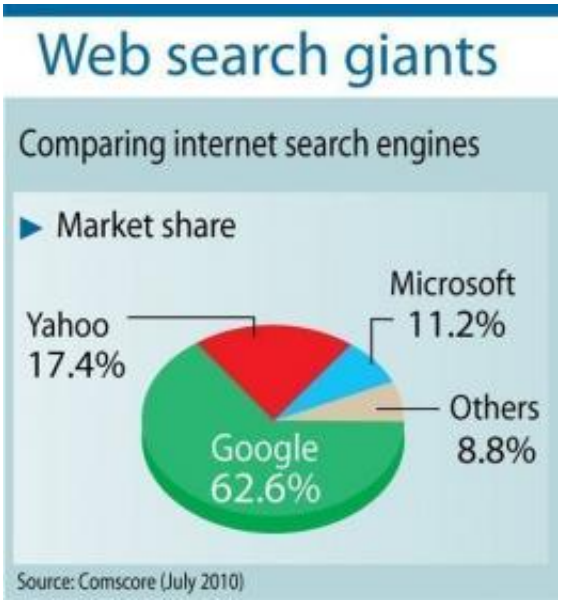
EU competition authorities are also probing whether Google's own services -- including YouTube video, book-scanning project or telephony -- are getting "preferential placement" when users punch in search queries, some of which may lead to consumer spending.

"It's insane," SearchEngineLand.com editor-in-chief Danny Sullivan wrote of the accusations in a post at the website.

"If you step back from the rhetoric, the political jockeying, the concerns that Google is just too big so let's use any argument to stop it -- if you logically think about this argument from a user perspective -- it makes no sense," Sullivan said.

Google's job is to direct people to websites with the information they seek, not to route traffic to other online search engines, he argued.

What does make sense, according to analyst Rob Enderle of Enderle Group in Silicon Valley, is that Google is paying a price with regulators and the public for behaving as though it can do what it wants and get away with it.



Graphic comparing search engine market share of Yahoo!, Google and Microsoft. European Union officials have announced an antitrust probe into accusations by rivals that the Silicon Valley giant Google was rigging the online search market.

"Arrogance is what is getting them on the map with the governments," Enderle said of Google. "It is the arrogance that gets people looking at them like they are doing something wrong."

Google's drive to make the entire world's information available on the Internet ran it afoul of authors and publishers of books it craved for an online digital library. A settlement to that clash is still in the works.

Google sparked concerns about privacy by sending out camera-equipped vehicles to snap pictures to augment its online mapping service.

That controversy catapulted to concerns about law-breaking after it was revealed that "Street View" vehicles inadvertently snatched data from open wireless Internet networks while gathering images.

Doubts about Google's priorities have been fed by seemingly cavalier comments by its chief executive Eric Schmidt, according to Enderle.

The result has been an impression that Google has drifted from a path of righteousness to behaving badly, and that makes them a ripe political target.

"When a firm gets as much money as Google has as quickly, they don't get the maturity and the result is they get into trouble," Enderle said. "The reality is money doesn't protect you from everything."

Google's plan to form an alliance with Yahoo! was abandoned after US antitrust regulators expressed concerns.

Google's recent purchase of mobile device advertising firm AdMob underwent intense scrutiny by US regulators. A deciding factor in the deal being cleared was likely Apple's acquisition of a rival mobile ad business.

Google's effort to buy ITA Software, which specializes in online searches for airfares, is being opposed by a Fair Search alliance of businesses that fear it will have unfair influence on the airline travel industry.

The EU probe "underscores why the FairSearch.org coalition is urging the Justice Department to challenge Google's proposed acquisition of ITA Software to protect consumers and competition in the online travel market," said Tom Barnett, a lawyer at travel website Expedia.

Google faces government regulators hardened and honed by years of battle with former top technology world whipping boy Microsoft, according to Enderle.

Google co-founders Larry Page (L) and Sergey Brin launched the search engine in 1998. Google has become a "litigation magnet" also in part because its

business depends largely on providing people access to content that it doesn't own, according to the analyst.

Microsoft, in turn, learned from its own experience how to sic regulators on Google, the analyst said.

"Microsoft had to build this huge antitrust machine," Enderle said. "When that died down, what did you think they were going to do except create holy hell for the people who went at them?"

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Google senior vice president of product management Susan Wojcicki and vice president of engineering Udi Manber on Tuesday posted an online message defending the fairness and transparency of the firm's search service.

"We've always focused on putting the user first by providing the best possible answers as quickly as possible," they said.

"Given our success and the disruptive nature of our business, it's entirely understandable that we've caused unease among other companies and caught the attention of regulators."

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