

EU gives Google 'weeks' to satisfy competition concerns (Update)

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European Union anti-trust chiefs say they had asked Google to come up with "remedies" to satisfy Brussels concerns the Internet search king has abused its dominant market position.

European Union anti-trust chiefs asked Google Monday to quickly offer "remedies" to satisfy Brussels' concerns the Internet search king has abused its dominant market position -- or else face heavy penalties.

"If Google comes up with remedies" within "a matter of weeks," Competition Commissioner Joaquin Almunia told a news conference, the EU will negotiate "instead of having to pursue proceedings and fines."

Almunia said he had written to Google's Eric Schmidt with this timetable for action after an 18-month probe, and hinted that the case could be

closed early if Google made the right noises by way of reply.

The alternative would be legal action that, depending on the severity and duration of infractions claimed, could result in fines worth up to 10 percent of Google's turnover -- meaning record EU penalties.

Google's Brussels-based spokesman Al Verney indicated that the company would resist some of the EU's demands.

"We've only just started to look through the Commission's arguments," he said.

"We disagree with the conclusions but we're happy to discuss any concerns they might have.

"Competition on the web has increased dramatically in the last two years since the Commission started looking at this and the competitive pressures Google faces are tremendous.

"Innovation online has never been greater," he emphasised.

The European Commission launched its antitrust investigation in November 2010, looking into allegations that Google had abused a dominant market position following complaints from rivals.

Microsoft-owned Internet portal Ciao was an early complainant, with a total of 14 plaintiffs now attached to the case.

Almunia said the probe had identified areas of significant concern in Brussels, notably: "preferential treatment" in the hierarchical presentation of search results; doubts over Google's full respect of copyrights; and "restrictions" written into advertising contracts and the "portability" of advertising across different Internet platforms.

"Should this process fail to deliver a satisfactory set of remedies, the ongoing formal proceedings will of course continue," Almunia said, with a possible next legal step being a formal statement of objections.

Almunia said remedies suggested would have to be "market-tested" before legal proceedings could close, and added that other aspects of Google's business models remain subject to unrelated probes -- referring to complaints by online travel retailers like Expedia and issues surrounding Google's mobile operating platform Android.

The EU spent a decade fighting with Microsoft in a series of related cases, and appeared to be signalling that it was minded to reach a quicker negotiated outcome in this case.

Not least with technology analysts warning that the pace of technological change within the IT sphere makes lengthy pursuits even more cumbersome.

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