

Google 'open to mediation' in France revenue row

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Google said on Tuesday it was open to the idea of appointing a mediator to help end its bitter row with French news media sites that want to make the US Internet giant pay to display links to their content.

The battle has reached the highest levels of state here, with President

Francois Hollande last month warning that his government would if necessary introduce a bill to force [Internet search engines](#) to pay for [media content](#).

Alexandra Laferriere, an executive in the firm's French branch, said at a conference that the government had proposed nominating a [mediator](#) and that [Google](#) was "open to anybody who can help dialogue between us and editors".

Hollande's remarks in October came following a meeting with Google executive chairman [Eric Schmidt](#).

The firm has said it would exclude French media sites from its search results if France were to adopt the bill requiring search engines to pay to link to news websites.

Italian and German firms have also joined the demand for Google to share some of the [advertising revenue](#) from user searches for news on websites.

Google, which receives four billion hits worldwide every month, has said such a law would "threaten (Google's) very existence".

Laferriere said the US giant had "invested massively in France.

"One hundred and fifty million euros have already been invested. There has also been a contribution to the French ecosystem through support for small businesses and start-ups," she said.

Google is also locked in a billion-dollar [tax](#) dispute with France but its chief Schmidt said he was hopeful of a settlement "by the end of the year."

In an interview to the [New York Times](#), the Google executive chairman appeared to maintain the company view that it does not owe a massive tax bill.

"Whenever you are dealing with government, you want to be very clear about what you will do and will not do," Schmidt said.

"And we don't want to pay for content that we do not host. We are very clear on that."

According to Paris-based news weekly Canard Enchaîné, French tax authorities have made a billion-euro (\$1.3 billion) claim against Google over financial transfers between Google's Irish holding company and its French unit for four tax years.

Google France told AFP it had received no such tax claim, and that it complies with tax laws in all the countries in which it operates.

A Paris appeals court has rejected a request by Google to invalidate the search and seizure of documents by French tax authorities.

According to a court decision dated August 31, the French tax authorities believe that Google, whose European headquarters are based in low-tax Ireland, uses "human and material resources of the company Google France, without making the corresponding tax declarations."

Google reduces the amount of tax it pays in France by funneling most revenue through a Dutch-registered intermediary then to a Bermuda-registered holding Google Ireland Limited, before reporting it in Ireland.

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