

# European regulator close to settlement with Google

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Google holds about 70 percent of the search engine traffic in the US and 90 percent in Europe

European regulators appeared to be nearing a settlement with Google in their probe over whether the Internet search-and-advertising giant is unfairly stifling competition.

Joaquin Almunia, the top antitrust official at the European Commission,

the EU's executive arm, said there had been a "significant improvement" in the concessions Google was willing to make in order to avoid a fine. The Commission has been investigating Google since 2010 over complaints that it gives undue preference to its own services in [search results](#) and negotiates unfair advertising deals.

Among the most notable of Google's proposed concessions—which Almunia briefly explained for the first time publicly Tuesday—is a move that would allow Google's competitors to display their own logos next to their services and take up more space on Google result pages.

Google made a first round of concessions in July 2012, but the EU found them to be insufficient after a year of debate.

"Now, with the significant improvements on the table, I think we have the possibility to work again and seek to find an effective solution," Almunia told EU lawmakers at a conference in Brussels.

A settlement is not a foregone conclusion, however.

Google is now testing the impact that its changes will have when introduced, and the Commission and competitors such as Microsoft and Yelp will have the opportunity to respond.

Almunia will then decide whether to continue working on a settlement, which he said would come in early 2014, or to make formal objections, which would likely mark the beginning of a lengthy court battle and possible fines for Google.

Microsoft paid around 2.2 billion euros (currently \$3 billion) in fines during a decade of conflict with the Commission over abuses of its market dominance—many of which now appear irrelevant, given the fast pace of technological change.

Thomas Vinje, Legal Counsel and Spokesman for FairSearch Europe, an umbrella group of companies lobbying against Google that includes Microsoft and Oracle, said it was difficult to comment until the full details of the Google proposal were known.

"It is essential...that Google applies the same rules to its own services as it does to others when it returns and displays search results," he said in an email.

He said he hoped the Commission will give competitors a chance to examine Google's proposal thoroughly so they can conduct their own assessments of what the market impact will be.

From the start of his appointment, Almunia has said he prefers negotiation rather than lengthy court battles and fines.

"(My job is about) consumer welfare, innovation and choice, not about protecting competitors," Almunia said Tuesday. He said consumers deserve having choice in online search and advertising "now, and not after many years of litigation."

Google lawyer Kent Walker said while the company thinks its system is already fair, the Commission had "insisted on further, significant changes to the way we display search results."

"While competition online is thriving, we've made the difficult decision to agree to their requirements in the interests of reaching a [settlement](#)," he said.

Earlier this year, the U.S. Federal Trade Commission closed an investigation into Google after the company agreed to remove restrictions on its AdWords program that were making it difficult for marketers to manage Internet advertising campaign across various

platforms. The FTC found that Google's search result displays—even if they harmed [competitors](#)—were aimed at pleasing users, not stifling competition.

But Google's dominance is even stronger in Europe, where it controls around 80 percent of the total market and more than 90 percent in some countries, compared with just 67 percent in the U.S., according to data from comScore.

Almunia also mentioned other concessions Google has offered, which include giving websites more control over what parts of their sites turn up in Google results. In the past, Google had insisted that websites either opt out of inclusion in its search results or allow Google to determine what a site's most relevant content is and how it is displayed in Google search results.

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