

Google prepares for long battle in EU antitrust case

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Google Inc. probably faces a lengthy process in challenging antitrust charges by the European Union, but the Internet search giant might be able to avoid paying hefty fines or making big changes to its business.

"I don't think this is going to lead to some draconian effect" for Google, said David Balto, an antitrust lawyer in Washington and former policy director at the Federal Trade Commission.

Still, Google has its work cut out in countering European regulators' claims that the company is abusing its online-search prominence to the detriment of its rivals, antitrust experts said.

The case, announced Wednesday by Margrethe Vestager, the European competition commissioner, "is a very big deal," said Jonathan Handel, a lawyer at Century City [law firm](#) TroyGould.

"They're looking at a big fight," Handel said of Google, and "they're facing large numbers" in terms of potential fines if a settlement can't be reached.

The European Commission accused Google, which reported \$66 billion in revenue last year, of exploiting its huge share of the search market to favor its own comparison-shopping services over those offered by competitors.

Google's search engine is more dominant in Europe than in the United

States, with the company holding a 90 percent share in most EU nations.

Vestager's office also opened a separate investigation into whether Google improperly leveraged its widely used Android mobile operating system to hinder competitors' software and products.

In the EU's most recent high-profile antitrust battle with a U.S. technology giant, a case against Microsoft Corp., the process took a decade and ended up costing the company \$2.1 billion in fines.

In the Google case too, "the process in Europe could end up taking a long time, though it is always possible that Google and the European Commission will reach a negotiated resolution," said Robert M. Cooper, an antitrust lawyer with the law firm Boies, Schiller & Flexner in Washington.

But Balto said his reading of the EU's complaint "shows there isn't that much of a gap between the approach to running the system that Google has and what the EU is looking for."

"They're not looking for a way to break up Google or to regulate its (search) algorithm," he said. "What they're seeking is a system to make sure that the best results are properly displayed" for both consumers and Google's rivals.

Google disputed the EU's claims and said it looked forward to making its case in the coming weeks.

"Google will be able to address the objections point by point," said Mario Mariniello, a former economist with the European Commission's competition arm who is now a research fellow at Bruegel, a think tank in Brussels.

"The (EU's) objections are laid down in a very systematic way," he said. "Google will see their analysis. Afterward, Google will assess how strong the commission's case is and then consider whether there's a possibility to settle."

Others suggested that Google not risk a drawn-out battle.

"I would absolutely settle," said Robert Fellmeth, executive director of the Center for Public Interest Law at the University of San Diego. "The European Union is a big market and the EU likely is going to win in the courts" if Google appeals an adverse judgment. The company has to "nip this in the bud."

In navigating its way through the process, Google will have to grapple with political and cultural differences that could influence whether, or how quickly, it can find common ground with EU regulators.

"The U.S. advantage in that (technology) field is so enormous, it's caused a lot of ill feeling in Europe," said Curt Hessler, an adjunct professor teaching competition and Internet law at the University of California, Los Angeles. "And that political problem is what Google is wrestling with."

TroyGould's Handel agreed that "these kinds of cases are very political."

"On the one hand, there's the perspective that (Google) got there because they fought the good fight and that's what capitalism is all about," Handel said. "But on the other hand, once a company gets that big, is abuse inherent in the way things are handled?"

One factor that could prompt both sides to reach a settlement sooner than later is rapid change in technology that could make the current dispute irrelevant.

"What's difficult for antitrust regulators is that they're always chasing the tail of a fast-moving technological market," Handel said. "There's always this issue of what the relevant market is going to be and whether it will change."

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