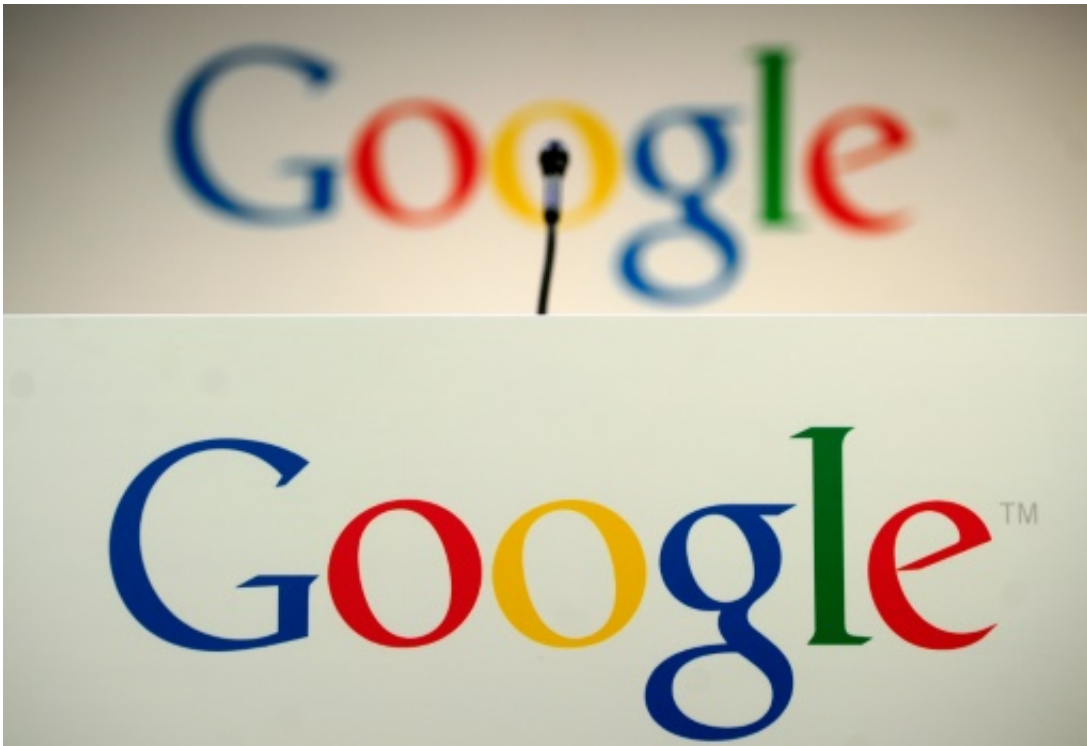


EU case against Google shows contrast with US

April 21 2016, by Rob Lever



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The latest EU antitrust complaint against Google underscores a sharp contrast from the approach taken by the United States, which has largely taken a hands-off approach on emerging technologies.

Some US tech industry leaders and [analysts](#) argue that the European Commission's new filing on the Android mobile operating system shows a lack of understanding of the sector, and could stifle innovation in the fast-evolving market.

"Obviously US [antitrust regulators](#) are not taking action in this area, so the EU appears to be out there," said Daniel Castro, [vice president](#) of the Information Technology & Innovation Foundation, a think tank focused on public policy and the tech sector.

Earlier this week, Canadian antitrust authorities decided against filing charges against Google and its parent Alphabet, saying it found no basis for a complaint.

In Washington, a lengthy antitrust investigation of Google over search advertising was dropped in 2013 after the company agreed to changes allowing more access to competitors.

The EU charges come one year after Brussels took on Google over its search engine, and could lead to changes in the world's most popular mobile smartphone operating system.

EU officials claim Google illegally forces manufacturers to preinstall its market-leading search engine as the default in phones and gives preference to its own mobile applications.

Castro said that the EU complaint fails to show harm to consumers from Android's dominance and that a remedy could end up being worse than the problem.

'Seamless experience'

"The concern on the consumer side is that (a remedy) would dilute the

ability of companies to offer a suite of integrated services," he said.

"Right now Google can pull information from Gmail and notify you about a meeting, or a flight to catch."



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Based on the EU complaint Castro said, Google might be prohibited from these kinds of actions.

"A lot of the next wave of technology is bringing automated services and pulling them together for a seamless experience for the consumer," Castro said.

James Waterworth of the Computer & Communications Industry Association, a trade group that includes Google and other major tech firms, also took issue with the EU complaint.

Waterworth said that Android was developed as an "open" system and has "injected competition into the mobile marketplace," by shifting away from the "proprietary" system used by Apple and BlackBerry.

"Android has also allowed many different mobile phone manufacturers to enter the market more easily without the need to also develop their own operating systems and app development communities," he said.

"As a result, consumers have more choice, not less."

Different markets

A notable difference between the United States and EU is that Android is far less dominant in the American market.

According to the research firm comScore, Android's US market share was 52.7 percent in February while Apple's iOS system held 43.9 percent. That compares with Android's global market share of more than 80 percent.

Jan Dawson of Jackdaw Research said the EU complaint takes a more narrow focus on "licensable" operating systems and that by this measure Android has a share of more than 90 percent in Europe.

This means that "the main class of companies the commission is seeking to protect here is not consumers but (phone manufacturers) and alternative providers of search and browsers," Dawson said in a blog post.

Dawson said the EU action appears aimed at "unbundling" the mobile system in a manner similar to that implemented in the Microsoft antitrust case more than a decade ago.

"The big question here is, of course, whether this would make much of a difference in a world where consumers are already free to install alternatives and set them as defaults if they choose to," he said.

The analyst said that the Microsoft case offers a lesson in caution: "There's a danger that the same thing happens here—the case takes years to complete, and by the time it's completed the competitive dynamics have changed to an extent that things have either sorted themselves out or competitive worries have moved to an entirely different sphere."

Some US activists argue that Washington should follow the lead of Brussels and take on Google.

"Google engages in exactly the same anti-competitive, unfair and abusive practices in the United States," said John Simpson at the activist group Consumer Watchdog.

"Our antitrust enforcers need to step up and do their job instead of letting the Europeans do it for them."

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