

# Google is sounding more and more like Microsoft

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Google once famously adopted "don't be evil" as its motto. But the company is now being accused of acting a lot like Microsoft, whose anti-competitive actions gained it the mocking moniker of the "Evil Empire."

European regulators late last month charged Google with abusing its [dominant position](#) in smartphone [operating systems](#) and announced that they would pursue an [antitrust case](#) against the company. There is a certain deja vu quality to the case, because the charges against Google have more than a passing resemblance to those levied against Microsoft in the antitrust case against that company at the turn of the century. And the stakes for other companies and consumers are similar in terms of innovation and competition in the tech industry.

To understand what Google's accused of, you have to understand some basic principles of antitrust law. We may not like monopolies, but it's generally not illegal for a company to hold the dominant position in a particular market. However, companies are generally forbidden from using their monopoly position in one market to try to block competition or to gain dominance in another market.

And that's basically what antitrust regulators at the European Commission contend Google has done.

The commission argues that Google has monopolies in three markets in Europe - Internet search, licensable [mobile operating systems](#) and Android app stores. The company's dominance over mobile operating

systems and app stores in particular gives it enormous leverage over phone manufacturers and wireless network operators, the regulators noted. If those manufacturers want to be competitive, they have to offer Android phones, and those phones have to have Google Play store preinstalled. The regulators allege that Google has illegally tried to exploit that leverage.

If you own an Android phone, you've probably noticed that it has a folder, typically on the home screen, which contains a collection of Google apps, including its search app, the Chrome browser and Gmail. That's no accident.

According to published reports, including from The Information, Google's contracts mandate that phone manufacturers who want to provide access to Google Play and get the latest version of Android must carry a certain number of Google apps, including Chrome, and place them in a prominent position on their phones. In other words, according to the European Commission's case, [phone manufacturers](#) aren't free to pick and choose which Google apps or services to include on their devices or how to feature them. They have to install everything - or they get nothing.

Google's response to the charges is that the company requires the pre-loading of apps to help defray its costs for developing Android, which it offers free to manufacturers. Plus, Google notes, device makers can choose whether or not to use Google's version of Android and can pre-load other non-Google apps. Meanwhile, the company contends, consumers can choose the apps they want, including a whole raft of options that compete with Google's.

But Google's position understates the impact its moves have on competition. Why else would the company insist on having its apps installed and highlighted if it didn't think such moves would give its

services a boost over rivals? As the regulators noted, few consumers install apps that perform the same function as apps they already have.

Google's moves hurt device manufacturers, most of whom are struggling to post profits, by hindering their ability to customize or differentiate their phones. And they're bad for consumers, because competition spurs innovation.

Google is also using its Android and app store dominance to bolster its search monopoly, according to the allegations. To get access to Google Play, device makers must install the company's search app, according to the regulators, and make Google the default search service on their devices.

If you remember the Microsoft antitrust case, all this sounds more than a little familiar. A federal court found that Microsoft similarly used its dominance in operating systems to promote its own applications, notably the Internet Explorer Web browser; block rivals, such as Netscape; and constrain the ability of manufacturers to customize their devices.

That case ended in a settlement that resulted in years of government oversight of the company. While criticized at the time as being too weak, that oversight arguably opened up breathing room for competition, which ironically included Google.

Let me be clear, I'm not anti-Google. Although I don't own an Android phone, I use the company's services every day. I write in Google Docs. I use Gmail for my work and personal email.

But I think Google's services ought to win us over because they address consumer needs - not because the [company](#) is manipulating the market. Google's services earned the loyalty of me and other consumers because they worked better for us than competing services from Microsoft and

Yahoo. I'd like other companies to have the same chance to not only improve on what Google has done, but have a fighting chance to find a market for their products.

That's why it's important for U.S. regulators to step into the fray. It took a broad front of antitrust enforcers in Europe and federal and state governments to rein in Microsoft. If the E.C. allegations are true, a similar effort may be needed for Google.

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