



Conversation with Margrethe Vestager, European Commissioner for Competition [Friends of Europe/flickr](#)
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The European Commission has [fined Google](#) €2.42 billion for what it claims is an abuse of its dominance as a search engine.

The case, dating back to 2010, centres on Google's shopping service that prominently displays comparisons of prices and products as a result of searches for that product. Competitor comparison services are subjected to Google's algorithms that pushes them down the list of search results meaning that they are never seen by customers. Google Shopping (as the service is called) is not subject to these algorithms and is always displayed prominently at the top of the page.

Even without the search ranking, because Google controls the formatting of the search page result, the prominent display of images of products that are directly displayed would mean that customers would very likely not bother looking at any other service.

The fine results from the European Commission deciding that Google is dominant as a search engine in all of the affected countries of Europe, exceeding 90% of all searches. Because of this dominance, European law holds that companies can not abuse this position by restricting competition.

Google's ability to place its comparison service above their competitors' has effectively resulted in this service seeing large increases in traffic, matched by significant falls in traffic to rival services.

Google's [response](#) to the European Commission's decision was to basically claim that they did this because that is what their customers, both advertisers and end consumers, want from Google.

Google Senior Vice President and General Counsel Kent Walker, [further claimed](#) that rival comparison services were losing out, not to Google, but to companies like Amazon. He pointed to an article

[claiming](#)

that 50% of US consumers surveyed went directly to Amazon to search for products.

This was a bizarre, but perhaps unsurprising, defence against what is a major indictment against Google. Firstly, it completely ignores the fact that Google has specific responsibilities as a monopoly service in Europe. Secondly, it presents no credible defence based on actual evidence of what happened to competitors in Europe as opposed to the US. To claim that they are only doing what their customers want them to do is really no defence for conducting illegal activity.

Google obviously benefits directly by having its comparisons used because essentially it is a way of packaging ads that it benefits from directly. Allowing users to go to a different site to get these comparisons would mean losing revenue for Google.

Google has been given 90 days to respond to the European Commission's demands, or face penalties of up to 5 percent of the average daily global revenue of Alphabet, its parent company. Much more significant however, is the fact that Commissioner Margrethe Vestager stated that Google is now liable for civil actions that can be brought before the courts of the Member States by any person or business affected by its anti-competitive behaviour. The new EU Antitrust Damages Directive makes it easier for victims of anti-competitive practices to obtain damages.

But there is more. Google is still being investigated for its anti-competitive behaviour with regards to the Android operating system, favouring its own apps over those of the companies that license the technology. There is also another case regarding Google's AdSense advertising that is potentially unfairly locking out third party websites from using ads from competitors of Google.

It is up to Google to suggest how it would comply with the EU's ruling, and there would be a variety of ways it could do so without impacting the benefits it claims users get from the current display of price comparisons. One way would be to have a separate function that allows for a range of different price comparison services to be highlighted in some way separate from general search results. This could be done in such a way as to not necessarily favour Google's

Google's defence for breaking EU law? Our users wanted us to do it

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own service.

The matter is far from over however. Google may appeal this decision, or the way that it should be implemented, and this could drag the proceedings on for [years](#) . A 2009, €1.17 billion fine by the European Commission against Intel regarding its rebates for PC manufacturers is coming up for a [judgment](#) relating to its latest appeal.

The Google case highlights how far Google and the other dominant tech companies will go to dominate entire areas of commerce. For Google, its competition is with Amazon, Apple and Facebook. The very much smaller search comparison sites are simply a minor annoyance they would prefer to ignore.

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