



GLOBAL SCRUTINY

**LAW ENFORCEMENT AGENCIES AROUND THE
WORLD ARE INVESTIGATING GOOGLE**

GOOGLE UNDER INVESTIGATION

Google has become the focus of antitrust investigations around the world, including:

- The U.S. Attorney General of Texas (along with U.S. State Attorneys General from New York, California, Ohio, Mississippi and Oklahoma) is investigating whether Google uses its dominant positions to harm rivals by manipulating its search results and paid search advertisements;
- The South Korean Fair Trade Commission is investigating Google's business practices, specifically in mobile search, and has raided Google's offices in September 2011 and May 2012.
- In April 2011, *Bloomberg* broke the story that the U.S. Federal Trade Commission is preparing a full-scale antitrust investigation into Google's dominance on the Internet search industry. The FTC has since hired Beth Wilkinson as outside counsel, signaling it may be ready to go to court soon.
- French regulators (CNIL) are leading the European investigation into Google's privacy policy.
- Brazil's Justice Ministry is examining anticompetitive complaints against Google and its privacy policy.
- The Argentinian Competition Commission is investigating Google's search and search advertising practices.
- The Competition Commission of India is investigating Google's alleged abuse of dominant position with its AdWords business. In July 2012, CCI launched a fresh inquiry into allegations Google's anti-competitive practices.

EUROPEAN COMMISSION INVESTIGATES GOOGLE

FEBRUARY 2010: The European Commission launched a wide-ranging antitrust investigation into allegations that Google is abusing its dominant market position by manipulating search results.

NOVEMBER 2010: European Commission opened a formal antitrust investigation into Google's practices to determine if it acted in violation of Article 102 of the TFEU, signaling that it will conduct "an in-depth" review "as a matter of priority."

APRIL 2012: According to *The New York Times*, "The European Commission could bring charges against the U.S. company for abusing its dominance in the search and advertising market in the next few weeks."

MAY 2012: The European Commission outlined four concerns over Google's practices and gave the company "a matter of weeks" to propose a workable solution.

JULY 2012: According to Commissioner Almunia, the Commission and Google will enter technical discussions after Google agreed to address the four concerns he previously expressed.

EUROPEAN COMMISSION INVESTIGATES GOOGLE

WHAT ARE THE ISSUES?

1. Deceptive display: “In its general search results, Google displays links to its own vertical search services differently than it does for links to competitors.”
2. Unauthorized content scraping: “The way Google copies content from competing vertical search services and uses it in its own offerings.”
3. Exclusivity in advertising agreements: “Agreements between Google and partners on the websites of which Google delivers search advertisements. [...] The agreements result in de facto exclusivity.”
4. Portability of ad campaign data: “Restrictions that Google puts to the portability of online search advertising campaigns from its platform AdWords to the platforms of competitors.”

A FULL-SCALE U.S. INVESTIGATION

APRIL 2011: Bloomberg broke the story that the U.S. Federal Trade Commission is preparing a full-scale antitrust investigation into Google's dominance on the Internet search industry.

JUNE 2011: The Wall Street Journal reported that the FTC is “poised to hit Google Inc. with subpoenas, launching a broad, formal investigation into whether the Internet giant has abused its dominance in Web-search advertising.” On June 24, 2011 Google confirmed the investigation.

AUGUST 2011: Google settled with the Department of Justice for \$500 million for knowingly selling illegal ads to foreign pharmacies.

OCTOBER 2011: The FTC charged Google with deceptive tactics and violating its own privacy policy during the launch of Google Buzz.

MARCH 2012: The FTC and a group of State Attorneys General opened investigations into Google for bypassing users' privacy settings on Apple's Safari web browser.

JUNE 2012: The FTC fined Google a record \$22.5 million in the Safari privacy case.

U.S. STATE ATTORNEYS GENERAL INVESTIGATING

SEPTEMBER 2010: Texas State Attorney General Greg Abbott launched a broad antitrust investigation into the fairness of Google's search practices.

DECEMBER 2011: As of December 2011, six states are investigating Google including Texas, New York, California, Ohio, Mississippi and Oklahoma.

JUNE 2012: Texas AG Abbott sued Google after it “failed to fully comply with earlier investigative subpoenas to produce documents around the state’s antitrust investigation of Google’s search and advertising practices.”

WHAT'S THE ISSUE?

- According to press reports, the Texas investigation centers on whether Google manipulates supposedly objective search results in order to “**thwart competitors and advance its own businesses.**”

U.S. CONGRESS FOCUSES ON SEARCH COMPETITION

On Dec. 19, 2011, the bipartisan leadership of the Senate Antitrust Subcommittee – Chairman Kohl (D-WI) and Ranking Member Lee (R-UT) – issued a five-page letter expressing strong support for the FTC’s ongoing investigation into Google’s business practices.

“Our interest is to ensure robust competition in this vital market... We are motivated by a strong desire to protect the Internet’s openness, competitiveness and capacity for innovation... We are committed to ensuring that consumers benefit from robust competition in online search and that the Internet remains the source of much free-market innovation.

We therefore urge the FTC to investigate the issues raised at our Subcommittee hearing to determine whether Google’s actions violate antitrust law or substantially harm consumers or competition in this vital industry.”

INVESTIGATIONS AROUND THE WORLD

FTC and State AG Investigations



EC Investigation

French Regulators (CNIL) Are Leading the European Investigation Into Google's Privacy Policy

South Korean Antitrust Authorities are Investigating Allegations of Google's Anticompetitive Conduct in Mobile Search

The Competition Commission of India (CCI) Is Investigating Google's Alleged Abuse of Dominant Position with AdWords and Alleged Anticompetitive Practices

Brazil's Justice Ministry is Examining Google's Privacy Policy and Anticompetitive Complaints from Online Businesses

Argentinian Competition Commission is Investigating Google's Search and Search Advertising Practices

COMPLETE INVESTIGATION TIMELINE

Investigations into Google around the world include:

- May 2007: The U.S. Federal Trade Commission opened an antitrust investigation into Google's DoubleClick acquisition. The FTC closed its antitrust investigation in December 2007 saying it would monitor the markets closely.
- November 2008: The U.S. Department of Justice challenged Google's proposed agreement with Yahoo! Google was forced to abandon the deal.
- April 2009: The U.S. Department of Justice expressed serious concerns with Google's proposed Book Search settlement. Federal Judge Denny Chin said the deal "would further entrench Google's market power in the online search market."
- August, October 2009: The U.S. Federal Trade Commission investigated ties between the Boards of Directors of Apple and Google, which led to Eric Schmidt and Arthur Levinson's resignations from Apple's Board.
- August 2009: Italy's Antitrust Authority announced it was beginning an investigation into Google's possible abuse of its dominant position in the Italian search engine market.
- January 2010: The German Federal Cartel Office informed Google of antitrust complaints from German newspaper publishers and Ciao, an online map publisher.
- March 2010: The U.S. Federal Trade Commission investigated ties between the Google and Amazon, leading to John Doerr's resignation from Amazon's Board of Directors.
- May 2010: The FTC concluded its antitrust investigation of Google's acquisition of AdMob.
- June 2010: The French Competition Authority ruled preliminarily that Google discriminated against Navx, following its complaint that its ads were removed without warning from AdWords in 2009 and that Google acted anticompetitively.

COMPLETE INVESTIGATION TIMELINE

Investigations into Google around the world include:

- September 2010: The U.S. Attorney General of Texas opened an investigation into whether Google uses its dominant positions to harm rivals by manipulating its search results and paid search advertisements. Attorneys General from New York, California, Ohio, Mississippi and Oklahoma followed with similar investigations.
- September 2010: Skyhook Wireless sued Google for patent infringement and claimed Google was “using compatibility as a club” to force phone makers to do what it wants.
- October 2010: The French Competition Authority concluded its Navx investigation and imposed transparency requirements on Google.
- November 2010: The European Commission announced a wide-ranging antitrust investigation into Google’s potential abuse of its dominant position in online search and search advertising with an unprecedented number of complainants (14).
- December 2010: The French Competition Authority said Google is “dominant” in France and that the FCA could apply limits to its activities.
- December 2010: Japan’s Fair Trade Commission approved Google’s Yahoo! deal but promised to monitor the alliance for any violations of anti-monopoly laws.
- March 2011: “Wisconsin Senator Herb Kohl, a vocal Google critic and the head of the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, indicated that Google would be the subject of scrutiny by his committee in the 112th Congress.”
- March 2011: A U.S. District Court judge in Manhattan rejected the Google Books settlement in his opinion and agreed with the DOJ. Both stated that the deal “would further entrench Google’s market power in the online search market” if allowed to go forward.

COMPLETE INVESTIGATION TIMELINE

Investigations into Google around the world include:

- April 2011: The South Korean Fair Trade Commission received antitrust complaints against Google from NHN and Daum Communications.
- April 2011: The DOJ challenged Google's acquisition of ITA Software, concluding that, as proposed, it would have violated antitrust law.
- April 2011: The FTC prepared a full-scale antitrust investigation into Google's dominance on the Internet search industry.
- June 2011: The DOJ reviewed Google's \$400 million acquisition of Admeld to evaluate antitrust implications.
- June 2011: Press outlets reported that State Attorneys General in New York, Oklahoma, California and Ohio had opened antitrust investigations into Google's "dominance of the Internet search engine industry."
- August 2011: The DOJ charged that Google knowingly accepted illegal ads from online pharmacies. Google paid \$500 million to settle the charges.
- October 2011: The FTC charged Google with using deceptive tactics and violating its privacy policy during the launch of Google Buzz and now requires Google to obtain users' consent before using their information.
- October 2011: The Attorney General of Mississippi issued a civil investigative demand (a form of subpoena used in antitrust investigations) and opened an investigation into Google's activity.
- December 2011: Senators Kohl (D-WI) and Lee (R-UT) issued a letter to FTC Chairman Jon Leibowitz Monday expressing their concerns about Google's anticompetitive business practices.

COMPLETE INVESTIGATION TIMELINE

Investigations into Google around the world include:

- January 2012: The Paris Tribunal de Commerce found that Google had abused its dominant position in maps by excluding competitors. The court found Google liable for €500,000 in damages.
- February 2012: The Commission Nationale de l'Informatique et des Libertes (CNIL) opened an investigation into Google's privacy policy, saying there were "strong doubts about the lawfulness and fairness of such processing, and its compliance with European data protection legislation."
- March 2012: The Federal Trade Commission, a group of State Attorneys General (including New York and Connecticut) and the European Union opened investigations into Google's evasion of Apple's Safari web browser privacy settings.
- March 2012: The Justice Ministry of Brazil probed Google for details about its privacy policy and could launch an official investigation into the company's use of private information.
- April 2012: Google revealed the Argentina Competition Commission opened an investigation into Google's search practices and search advertising business.
- May 2012: Press reports indicate that the Competition Commission of India (CCI) finds "prima facie evidence" Google abused dominant position with Adwords and has asked its investigation arm to "probe the alleged discriminatory practices by global search engine Google relating to its AdWords."
- May 2012: The European Commission outlined four areas of concern: 1) the way Google displays results; 2) that Google uses unauthorized content from competitors; 3) anticompetitive agreements between Google and partners on the websites of which Google delivers search advertisements; and 4) the portability of online search advertising campaigns.
- June 2012: Texas AG Greg Abbott sued Google for withholding about 14,500 documents during the state's investigation of whether Google has abused its dominance.

COMPLETE INVESTIGATION TIMELINE

Investigations into Google around the world include:

- July 2012: The Competition Commission of India announced a fresh inquiry into Google's alleged anticompetitive practices and abuse of dominance after CUTS International, a consumer advocacy group, filed a complaint.
- July 2012: EC Commissioner Almunia said the Commission would enter technical discussions with Google after the company agreed to address the four areas of concern outlined by the Commission.
- August 2012: The FTC fined Google a record \$22.5 million for violating an earlier settlement and misrepresenting its privacy policy to users of Apple Inc.'s Safari web browser.

LEARN MORE AT WWW.FAIRSEARCH.ORG