On behalf of their hundreds of members, the undersigning European press associations have come together to express their joint concerns regarding Google's proposed remedy package, as in a number of ways, it seems likely that the proposed remedies would actually make things worse.

On 25 April 2013 Google's proposals to close the Commission's competition investigation on Google's online search were published. The Commission will have to decide whether the proposed commitments bring the identified concerns to an end, in which case the Commission will make the commitments binding on Google and close the investigation without a prohibition decision or a fine.

The Commission has made several preliminary findings:
- In the European Economic Area Google is and has been dominant in online search and search advertising for several years, with a market share above 90% in most countries.
- It is unlikely that another web search service will replace Google as there are significant barriers to entry and network effects in online search and search advertising.
- Google has abused its market dominance, in particular through the preferential treatment of own services and the unauthorised use of third party content such as reviews or news.

Google denies any wrongdoing but is proposing several commitments to bring the investigation to an end. In particular, Google proposes to label preferred links to its own sites in search results and to provide website operators with the option to block their websites from access by Google.

Executive Summary

Google's proposals are clearly ineffective and it is difficult to see how they could be improved to a point at which they suffice to end manipulation and content theft, and restore competition.
- The proposals manifest Google's preferential ranking and visual highlighting of own services rather than excluding such conduct.
- The proposed labelling solution will, if anything, lead to more clicks to Google's services.
- Paid Rival Links provide Google with an additional tool to further strengthen its dominance.
- Google will still be free to use valuable third party content widely and without consent.
- The proposed options to block Google's use of content make websites virtually invisible.
- The proposals do nothing to promote competition in online search or ancillary markets.

The undersigning associations call upon the Commission to reject Google's current proposals or any altered commitments that do not achieve the following minimum requirements:
- equal search and display criteria for all websites, including Google's own services = holding all services, including its own, to exactly the same standards, using the same crawling, indexing, ranking, display, and penalty algorithms;
- no use of content from press publishers (newspaper, magazine and online publishers) beyond what is truly indispensable for navigation purposes in the horizontal search without prior consent;
- an option to mark information on an item-by-item-basis in a machine-readable way in order to express permissions and restrictions for use of that respective content;
- no direct or indirect punishment of websites that restrict the use of their content; and
- no preferential treatment of news aggregators towards online press portals.
The Commission has been negotiating a settlement with Google since May 2012. Considering the result so far, unless Google comes up with new commitments that fulfil the criteria set out above very soon, we expect the Commission to issue a Statement of Objections immediately.

A. Google's proposals regarding the abusive preference of its own services

The Commission found that Google abusively promotes its own specialised search services (Google Shopping, Places, News etc.) in its general web search by displaying those links higher and with greater visibility than links to other potentially more relevant sites. This practice diverts traffic away from competing sites and towards Google's own services. As a remedy Google proposes to label the preferred links to its services so that users do not confuse them with generic (organic) search results. Additionally, Google proposes to display links to rival search services ("Rival Links") near to links to those Google services which Google directly monetises.

1. Display of Google's paid-for search services – Google Shopping

Abusive design at present:

<table>
<thead>
<tr>
<th>Image of DSLR Camera with Google Shopping results</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Image of DSLR Camera with Google Shopping results" /></td>
</tr>
</tbody>
</table>

Google's remedy proposal:

<table>
<thead>
<tr>
<th>Image of DSLR Camera with Google Shopping results (Sponsored)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image2" alt="Image of DSLR Camera with Google Shopping results (Sponsored)" /></td>
</tr>
</tbody>
</table>

As described by the Commission, the abuse of market dominance in this typical example lies in the fact that Google presents the product information that merchants have uploaded to Google Shopping (here for cameras) in order to be displayed (against payment) as first search results and as the only results with descriptive images and price information. All competing shopping portals are displayed without an image and below the Google Shopping results. They appear inferior, which makes Google Shopping much more attractive as a commercial intermediary for merchants. Google achieves this result by using separate mechanisms for its own services which promote links to own services to the top, even if they are less relevant to the search query than other links.

To remedy the described abuse, Google proposes a new heading ("Google Shopping results" instead of "Shopping results for") and a notice "(i) Sponsored" above the box framing the promoted search results. In addition, Google includes three "Paid Rival Links" below the links to its own services. Since Google receives payment from merchants for inclusion in Google Shopping, Google expects those "Rival Links" to be paid for too: competing search providers will have to bid in an auction to be displayed as a "Paid Rival Link". If their bid is successful and a user actually clicks on their link they will have to pay the offered price subject to a minimum reserve price fixed by Google.
**Criticism:** The proposal does not address the overarching concern since Google reserves the right to rank links to its own services higher and with greater visibility.

The central abuse of dominance lies in Google's diversion of traffic to its own services by ranking links to its sites higher than links to competing services, even if they are objectively more relevant to the search query. Google's proposals do not bring an end to this. They are explicitly founded on the premise that Google may still rank and display its own services "based on mechanisms that do not apply in an equivalent manner to links to non-Google websites"\(^1\).

**Labelling is no solution since users care more about the position than the text of a result.**

Over the past years users, Google made users believe that Google ranks results solely on the basis of relevance. They click the first search results roughly twice as often as the respective subsequent result, even if the text is objectively less relevant to their query. That even applies if the first results are ads, since a large percentage of Google users are not aware of the difference between ads and organic search results\(^2\), even though "ads" are labelled as such and separated from organic search results more clearly than the Google-links are in the commitments proposal. Thus, as long as Google is still allowed to display the links to its own sites higher than any other links and to add images that catch the user's eye, it is illusionary to assume that the re-labelling of the heading for those links will have any significant effect on users' decisions and competition. "\(^*\)Consumer decision-making (and click-through rates) are driven more by the architecture of the search results page (i.e., the location of the shopping region) than by the Google label as such."\(^3\)

**Google's demand that rivals shall pay for the "privilege" to appear below Google-links would be the final death-blow to competition.**

The auction model for "Paid Rival Links" imposes costs on rivals which Google itself does not have to bear but which actually create a new source of revenues. If the proposals are accepted, in the future Google will earn from both the traffic it diverts to its own services and the traffic it leads to "Rival Links". By doing so, Google will take a large share of all of its competitors' profits. The payment also creates a further incentive to ask more content providers to pay for the inclusion of their content in search results (as currently in the area of shopping), since this would open the door to the lucrative "Paid Rival Link" model.

---

1 Google's Commitments to the Commission, April 3, 2013, Definition of "Google Specialised Results Links", para 21.
2 See Bunnyfoot (2/2013): 41% of Google users were not aware that AdWord ads were paid for, considering them as most relevant results, [http://econsultancy.com/uk/blog/62249-40-of-consumers-are-unaware-that-google-adwords-are-adverts](http://econsultancy.com/uk/blog/62249-40-of-consumers-are-unaware-that-google-adwords-are-adverts)
3 This is the result of an empirical study on labelling solutions: Hyman/Franklyn, Search Neutrality v. Search Bias: An Empirical Perspective on the Impact of Architecture and Labelling, May 2013. The study concludes: "Tweaking the Google Shopping label to make it crystal clear that it includes paid content does not affect the frequency of click-through."
2. Display of Google products in mobile search – Google Shopping

**Abusive design at present:**

![Google Shopping result as first search result](image1.png)

**Google's remedy proposal:**

![Alternative display of Google Shopping results](image2.png)

In this example of a shopping-related mobile search, the abuse of dominance again lies in the display of the Google Shopping result as first search result below the ad. As a remedy, Google proposes a new heading of "Google Shopping results". In contrast to searches on larger devices (see previous screenshot), the three "Rival Links" will not be displayed directly but are only accessible via a link labelled "Other sites".

**Criticism: Google can make the display of "Rival Links" as un/successful as it wishes.**

Google reserves the right to add new companies to the pool of rivals from which it chooses links to be displayed as "Other site" on its own initiative (see Annex 1, I1g). By adding many websites with poor search functionalities to the pool of rival providers, Google could easily diminish the user experience with "Rival Links". The more often users click on an "Other site" with irrelevant search results, the less likely they will make the same "mistake" again.
3. Display of ad-financed Google services – Google Maps

**Abusive design at present:**

Google's remedy proposal:

In the area of local search the identified abuse of dominance lies in the fact that Google displays a map from Google Maps as the first search result (and indeed the only graphic), followed by information from Google Maps (Google reviews and contact information), which in turn links to Google Maps. For instance, every click on "Google reviews" or a pin leads the user to Google Maps.

As a remedy, Google proposes to amend the layout by changing the wording of the first link ("Google Places Search (i)" instead of "Places for") and the last link ("More Google Places near" instead of "More Places near"), adding a frame and displaying three "Rival Links".

**Criticism: Ambiguous and meaningless links to competitors' search results lists below Google's own answers are no equal treatment.**

The self-preference continues if Google displays the answers to a search query directly (e.g. a map, an image, a price or an address), while all competing services are only displayed as simple blue links or even just as "Other sites". Users have no reason to click once more in order to get to the information from rivals, if Google displays the answer from its own special service directly on its general search results page. Google maintains the advantage of delivering the first answer, while all rivals' information is at least one additional click away.
4. Display of Google services without ads or paid inclusions – Google News

**Abusive design at present:**

Google's remedy proposal:

The abuse here lies, *inter alia*, in the fact that whenever users search for topics of current interest, Google presents a special news results box that promotes Google News above all other news sources or general search results (here: www.barackobama.com and Wikipedias). The results box is further highlighted by the fact that it contains the only link with an image to catch the user's eye.

The first link ("News results for") and the last link ("More news results for") in the news results box lead users to Google News. The links in between do indeed lead users to the mentioned external news sources (New York Times and Reuters). However, since the linked-to articles are taken from Google News, in order to be included in this attractive results box, a news portal must have first granted Google News free use of its articles, quasi as a type of "consideration", by not technically preventing the display of content in Google News. This leaves press publishers hardly any choice but to accept Google News's use of their content, if they want to be found in the general web search for any topic of current interest.

As a remedy, Google merely proposes a new wording for the two links that lead to Google News. Since, as of today, Google does not receive money for the inclusion of articles in Google News and does not place any ads either, it is not proposing to include "Rival Links" to competing news aggregators. However, the payment for "Rival Links" creates an incentive for Google to accept payments for inclusion or ranking in Google News and to then add "Paid Rival Links" for aggregators to news results boxes in the general web search; a move that would promote news aggregators over online press portals even though the former usually merely scrape the original content from the latter.

**Criticism: Google's proposals are insufficient from the outset, since they only address the preferential display of specialised search services and allow the active demotion of rivals.**

The proposals only limit Google's preferential treatment of specialised search services. The proposals do not ban Google from promoting all its other services such as the social network Google+ or YouTube videos through the general (horizontal) search.

Neither do the proposals prevent Google from actively demoting rivals in search results, even though the demotion of rivals and the promotion of own services are two sides of the same coin. Google can still push its services to the top and demote rivals to the bottom of every results page.
B. Google's proposals regarding the abusive use of third party content

As another abuse of dominance the Commission has identified the fact that Google uses original content from third party websites without their consent. One prominent example is Google News, a service without a single journalist which, since 2007, has been referring traffic to Google's general search (worth $100 million just one year later\(^4\)) by copying the most relevant text extracts and pictures from press publishers' websites, without their consent. According to the Commission Google "thereby benefits from the investments of competitors, sometimes against their explicit will". This practice reduces incentives to invest in original content, since users have no motive to visit competing sites if Google's search already provides them with all of the information.

Use of press publishers' content in the example of Google News:

To remedy the abuse Google proposes to offer website owners the (single) option to disallow the display of all content on a website (i.e. an entire domain, not a sub-webpage) in special Google services via a "Notice Form" which Google will implement within 30 working days. In addition, Google proposes:

a) operators of product and local search sites can block certain data (reviews, contact details and opening times) on a webpage from Google's index but only to a maximum of 10% of the readable text which leaves 90% of the information at Google's free disposal;

b) newspaper publishers (it is presumed that that means all publishers displayed by Google News, which, however, are all press publishers including magazine and newspaper publishers) have the option, on a "webpage-by-webpage basis" (i.e. for every webpage accessible via a URL but not for individual items on the page), to aa) exclude the entire content from display in Google News; bb) specify a particular date when the content should no longer be displayed there; and cc) prevent the display of snippets, without preventing the display of result links on Google News.

Criticism: Google dictates content providers unpractical and burdensome technical steps to prevent Google's unauthorised use of content and imposes the costs on them. Google still avails itself of the

---

\(^4\) CNN Money, v. 22.7.2008, http://tech.fortune.cnn.com/2008/07/22/whats-google-news-worth-100-million/ ("What's Google News worth? $100 million"). "Google News is free and has zero ads. So what's it worth to Google? About $100 million. That's the figure Google vice president Marissa Mayer [...] threw out during a [...] conference. [...] The online giant figures that Google News funnels readers over to the main search engine, where they do search that do produce ads. [...] Think of Google News as a $100 million search referral machine". That also illustrates that Google's attempt to distinguish between Google services that directly monetise traffic (via ads or paid inclusions) and those that do not, spurious.
right to use all content found online, even if protected by copyright, in its own services without prior consent. Rather than requesting consent prior to the use of third party content in its various services, Google expects rightsholders to pro-actively instruct every operator of a website on which the rightsholder’s content can be found, to perfectly implement the technical tools which Google provides to website operators but which at closer sight are neither practical nor sufficient. Thereby Google shifts the burden to prevent unauthorised use of content to the content providers, which turns the relationship between abuser and victim on its head.

In the face of Google’s monopoly position an opt-out solution makes no sense. An opt-out, as proposed by Google, can only be helpful if there are alternatives to opt-in elsewhere. As long as content providers have no choice other than to be present on Google if they want to be found online, the "offer" to block Google is not a viable option. Content providers are dependent on Google displaying links to their content but not on the display of the content itself. Google's proposals however, do not enable content providers to adequately distinguish between the linking to and the actual display of content.

The offered opt-out solutions merely repeat the options that already exist but which do not prevent the abuse of dominance. Apart from the solution for operators of product or local searches, all proposed options for an opt-out have been available to publishers via the "Robots Exclusion Protocol" as implemented by Google for some time now\(^5\). Indeed, "editors have always had the ability to prevent their appearing on Google News by simply contacting the Google News Help Center"\(^6\). Google has relentlessly emphasised the existence of those tools to deny any wrongdoing, both in the competition investigation and in copyright proceedings. Nevertheless the Commission has identified an abuse of dominance and several member states have launched initiatives for a stronger protection of content against search engines. Either Google has previously claimed opt-out options to deny any wrongdoing that actually did not exist, or Google is now dressing up long existing options as new commitments.

The proposals do not fulfil the minimum needs of content providers to differentiate between the various types of use and to communicate usage rights adequately. Google's proposals do not enable content providers to express in advance precisely which of their content can be used for which types of use and by which provider and service. Nor can they communicate the extent and the terms and conditions of the allowed use. Rather, Google's options only leave them with the choice between "all or nothing", a rock or a hard place. In particular, the proposals do not enable content providers to block the use of a particular item that is jointly presented with other items on a particular webpage separately. Thus, if there are several articles on one webpage, as in the case of the homepage of most press portals, these articles can only be blocked jointly from Google's access, not separately.

---

<table>
<thead>
<tr>
<th>Publishers still cannot block</th>
<th>...without also blocking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google from crawling a particular item (e.g. an article) on a webpage (URL)</td>
<td>all other items on that webpage (due to the webpage-by-webpage restriction)</td>
</tr>
<tr>
<td>Google News</td>
<td>&quot;News to..&quot; search results blocks (news-universals) in general web search, since those blocks are fed by Google News. The preferential display of news taken from Google News in the web search makes opting out of Google News economically infeasible (see under B 4.).</td>
</tr>
<tr>
<td>Google News</td>
<td>Google Alert (since the service uses Google News)</td>
</tr>
<tr>
<td>Snippets</td>
<td>instant-previews in general web search (since previews can only be blocked together with snippets)</td>
</tr>
<tr>
<td>Google Web Search</td>
<td>all affiliates using the Google index, e.g. AOL, GMX, MySpace, T-Online.de</td>
</tr>
</tbody>
</table>

---

\(^5\) The Robots Exclusion Protocol was signed in 1996. Option \(\text{b}a)\) stands for the Meta Tag \(<\text{meta name="googlebots-news" content="noindex">}, which Google, according to its own statements, has implemented since December 2010. Option \(\text{bb})\) refers to: \(<\text{meta name="googlebots" content="unavailable after: Date Time"}>\) and option \(\text{cc})\) refers to \(<\text{meta name="googlebots-news" content="nosnippet">}\) which Google claims it has been implementing since 2011.

\(^6\) Italian Competition Authority, AGCM, case A420 – FIEG - Federazione Italiani Editori Giornali/Google, Prov. n. 21959, 2011, p. 3.
Google only offers operators of product and local search the option to mark particular information on their websites for an opt-out. Due to its restriction to 10% of the readable text, the benefit of the option as such is negligible. However, the proposal suggests that Google could technically implement a mechanism that allows publishers to express usage rights in a differentiated way – even within one and the same webpage – as has been demanded by publishers for many years. Google, however, offers publishers only simplistic opt-out variations and for no reason even wants to limit them to newspapers which of course needs to be amended to also include magazines and pure online publishers, i.e. to "press publishers".

To add insult to injury, Google clarifies that it may continue to use all of the content that has previously been crawled, including the content from websites that have opted out. Nor is there any other obligation to compensate for the damage caused and the competition advantages gained.
AKM - Aikakausmedia / Aikakauslehtiin Liitto
(Finnish Periodical Publishers' Association)
Mikko Hoikka, Executive director
mikko.hoikka@aikakausmedia.fi
Tel.: +358 9 2287 7229

A.L.E.J. - Association Luxembourgeoise des Editeurs de Journaux
(Luxembourg Newspaper Publishers' Association)
Alvin Sold, President
asold@tageblatt.lu
Tel.: +352 547131 201

ARi - Asociación de Revistas de Información
(Spanish Magazines Association)
Yolanda Ausín Castañeda, Directora General
yausin@revistas-ari.com
Tel.: +34 91 360 49 40

aede - Asociación Editores de Diarios Españoles
(Spanish Association of Daily Newspaper Publishers)
Irene Lanzaco, Deputy Director General
Irene.lanzaco@aede.es
Tel.: +34 91 425 10 85

Unie vydavatelu (Czech Publishers' Association)
Jozef Sabla, Director
sabla@unievydavatelu.cz
Tel.: +420 222 329 730

FIEG - Federazione Italiana Editori Giornali
(Italian Federation of Newspaper and Periodical Publishers)
Isabella Splendore, Head of Legal and International Affairs
splendore@fieg.it
Tel.: +39 06 46201434

Mediebedriftenes Landsforening
(Norwegian Media Businesses' Association)
Randi S. Øgrey, Executive Director
randi@mediebedriftenes.no
Tel.: +47 22 86 12 10

NNI - National Newspapers of Ireland
Frank Cullen, Co-Ordination Director
fcullen@cullencommunications.ie
Tel: +353 1 668 90 99

NS - The Newspaper Society
Catherine Courtney, Legal Counsel
catherine_courtney@newspapersoc.org.uk
Tel: +44 20 7632 7400

NDP - Nieuwsmedia
(The Dutch News Media Association)
Tom Nauta, Director
t.nauta@ndpnieuwsmedia.nl
Tel.: +31 20 430 91 71
IWP - Izba Wydawców Prasy  
(Polish Chamber of Press Publishers)  
Maciejem Hoffman, Director General  
info@iwp.pl  
Tel.: +48 22 828 59 30

PPA - Professional Publishers Association  
Mark Burr, Head of Public Affairs  
mark.burr@ppa.co.uk  
Tel: +44 02074044166

SL - Sanomalehtien Liitto  
(Finnish Newspapers Association)  
Jukka Holmberg, Executive director  
jukka.holmberg@sanomalehdet.fi  
Tel.: +358 9 2287 7304

SMPA - sverigestidskrifter  
(The Swedish Magazine Publishers Association)  
Kerstin Neld  
kerstin.neld@smpa.se  
Tel.: +46705804108

TU - Titningsutgivarna  
(Swedish Media Publishers’ Association)  
Per Hultengård, VD  
per.hultengard@tu.se  
Tel.: +46 8 692 46 46

UPP - Union des Editeurs de la Presse Périodique  
(Belgian Periodical Publishers’ Association)  
Luc De Potter  
luc.depotter@upp.be  
Tel.: +32 (0)2/414.12.35

SCHWEIZER MEDIEN  
(Swiss Media)  
Urs F. Meyer, Managing Director  
urs.meyer@schweizermedien.ch  
Phone: +41 44 318 64 64

VÖZ - Verband Österreichischer Zeitungen  
(Austrian Newspaper Publishers' Association)  
Gerald Grünberger, Managing Director  
office@voez.at  
Tel.: +43 1 533 79 79

24 June 2013