Report: EU antitrust unit exploring broader local search complaint against Google

The European Commission is asking local search competitors in Europe whether Google's algorithm changes and other practices are hurting them, according to a questionnaire seen by Reuters.

If the answer is "yes," the EC could bring what would be the fourth antitrust action against Google. Two of those cases have yielded nearly $8 billion in fines against the company. A third, involving AdSense agreements, is still pending.

New focus on travel, hotels and restaurants. According to Reuters, the EC sent questionnaires to unnamed Google competitors in local search last month asking about the period from 2012 to 2017 with a focus on travel, hotels and restaurants. It reportedly asks about algorithm changes (e.g., Panda) and the local One Box and whether they've had an adverse impact on rivals' businesses. The EC also has apparently asked whether Google is using any of their content (e.g., reviews) in the One Box.

TripAdvisor and Yelp have been among Google's fiercest critics in the U.S. and Europe. Earlier this year, Yelp asked the EC to bring a new antitrust case in local generally against Google.

Local part of the original investigation. Local search, maps and travel were part of the original antitrust investigation into Google in Europe, but the scope of the official statement of objections (antitrust complaint) was reduced to cover just shopping search when it was filed in 2015. At that time

the EC explicitly stated that it was reserving the right to pursue charges related to "the alleged more favourable treatment of other specialised search services" at some later point.

In June 2017, the EC fined Google for alleged abuse of market position in shopping search. Google has appealed the decision but the EC and Google have been sparring since that time as Google has sought to make changes in search results that afford "equal treatment" to shopping engine competitors.

European comparison engines have continued to complain that Google's reforms are not working for them. However, the EC said recently that it believed the reforms were in fact working.

Google won the Streetmap case. The logic behind the shopping search decision is very analogous to what might happen in local generally. However, in an interesting 2016 civil case in the UK, that country's High Court of Justice ruled against Google Maps competitor Streetmap, which had argued that the insertion of Google Maps at the top of search results (i.e., One Box) had deprived it of traffic and revenue.

The UK court disagreed saying that the Google Maps One Box was "not reasonably likely appreciably to affect competition in the market for online maps." That decision will have no bearing on the EC, however.

Why it matters. It's highly likely that the questionnaire will yield complaints from Google rivals. And based on what we've seen historically and on public statements from competition commissioner Margrethe Vestager, it's very likely that a fourth antitrust case is one the way. That would mean another large fine for Google, another appeal and another contentious remedy that would need to be implemented.

About The Author

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