

EUROPEAN UNION - ABUSE OF DOMINANT POSITION

Commission sends a Statement of Objections to Google on Android operating system and applications

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Google has undoubtedly gained a place in the European competition law news. The European Commission seems to even acknowledge this fact as it created a new special title, "Google inquiries," on its news web page dedicated to its antitrust activities.

Indeed, Google is under close scrutiny from the European Commission. The company has already received a Statement of Objections on April 15, 2015, following the collapse of the commitment procedure, in which the Commission claims that Google may have abused its dominant position in the market for general Internet search services by favoring its own comparison-shopping product in its general search results pages. A new supplementary

Statement of Objections was delivered to Google on July 14, 2016 in this case in an attempt to reinforce the Commission's preliminary conclusions.

On the same day, a second Statement of Objections was sent to Google. The Commission informs the company that it reached a preliminary conclusion that Google abused its dominant position also in the field of online advertisement, by artificially restricting the possibility of third-party websites to display search advertisements from Google's competitors.

In another inquiry relating to the Android operating system and applications opened in April 2015, the Commission also sent a Statement of Objections to Google on April 20, 2016.

The Commission's preliminary analysis provides that Google may be abusing its dominant position by forcing device manufacturers and mobile network operators to use its Android operating system and install its applications in order to protect and expand its dominant position in the market for Internet searches using mobile devices.

The Commission states that Google holds a market share of 90% or more in the market for general Internet search services in most EU Member States. The Commission also considers that Google holds a dominant position in both the market for licensable smart mobile operating systems and the market for app stores used with the Android mobile operating system.

First, the Commission's preliminary findings state that manufacturers wishing to pre-install Google's app store for Android, Google Play Store, on their mobile devices are compelled by Google to install Google Search as well and to set it as the default search engine on those devices. In addition, manufacturers wanting to pre-install Google Play Store or Google Search also have to install Google's Chrome Browser.

Second, should a manufacturer wish to pre-install Google's proprietary apps, including Google Play Store or Google Search, on any of its devices, Google would, according to the Commission's preliminary findings, require it to enter into an anti-fragmentation agreement. Such agreement would force the manufacturer to refrain from selling devices running on alternative versions (forks) of Android that are not developed by Google.

Finally, third, according to the Commission's preliminary findings, Google may have granted significant financial incentives to some of the largest smartphone and tablet manufacturers, as well as to mobile network operators, on the condition that they exclusively pre-install Google Search on their devices.

It is now incumbent on Google to respond to the Commission's accusations and to explain that its behaviour have not infringed EU antitrust rules, impeded competition nor harmed consumers.