

14 December 2010: Sector inquiry / Online advertising

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The *Autorité de la concurrence* considers that Google holds a dominant position on the advertising market linked to search engines.

It considers that competition law can apply limits to Google's actions and provide a response to the competitive stakes brought to light by the actors, without the need to implement sector-wide regulations.

It proposes targeted responses to the identified concerns.

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In February 2010, a referral was made to the *Autorité de la concurrence* by the Minister for the Economy, Finance and Employment, relative to the operation of competition in the online advertising sector, in application of article L. 462-1 of the French Code of commercial law (*Code de commerce*).

As in the retail world, the Internet is playing a growing role in the daily lives of individuals and households. Search engines, and Google in particular, have become the entry point for online browsing. This central position has generated criticism and even concerns on the part of many actors, some of whom consider that they have been victim of unfair and even illegal actions on the part of Google. Schematically, this involves:

- competing search engines that view that Google's hegemony results from efforts to close off markets, or other actors present on the Internet who fear that the conditions under which Google is diversifying into other markets do not fall within the framework of merit-based competition;

- customers, i.e. advertisers or Internet site editors that are members of the Google advertising syndication network, that, in view of their low negotiating power, complain of arbitrary and opaque practices by Google;

- the press, which is at the same time customer, partner, competitor and potential supplier of Google, that, over and above the objections indicated above, feels that it is being subjected to free riding and predatory pricing that would aggravate the sector's already difficult situation.

As a reminder, the "Creation and Internet" mission entrusted to Messrs. Patrick Zelnik, Jacques Toubon and Guillaume Cerutti, brought these concerns to light in the report delivered to the Minister for Culture and Communication in January 2010, and suggested a referral to the *Autorité de la concurrence* for an

For more details regarding this opinion, please consult the press package:

Sheet 1 – A broad consultation with actors in the sector

Sheet 2 – Google and online advertising

Sheet 3 – The Navx case

Sheet 4 – The litigation procedures in progress in Europe and in the United States

Sheet 5 – Lexicon

> *Link to the full text of the Opinion 10-A-29 of 14 December 2010* 