Summary

In a US Senate Hearing in 2011, Eric Schmidt, Google’s CEO, stated that ‘competition is only one click away’. On 27 June 2017, the European Commission fined Google €2.42 billion for allegedly ‘abusing dominance as search engine by giving illegal advantage to own comparison shopping service’. Ruthlessly, a fine is only one click away too.

Why did the European Commission impose such a record-breaking fine on Google? According to Competition Commissioner Margareth Vestager,

‘Google abused its market dominance as a search engine by promoting its own comparison shopping service in its search results, and demoting those of competitors’ (...) therefore denying ‘other companies the chance to compete on the merits and to innovate. And most importantly, it denied European consumers a genuine choice of services and the full benefits of innovation.’

The products referenced on Google Shopping have been promoted in the search results in comparison with other shopping platforms, the Commission considered.

The legal arguments of the European Commission are the following: thanks to its complex algorithms, Google has allegedly manipulated the search results of products in order to promote its own platform, Google Shopping, at the expense of competitors. Since the artificial modification of the ranking of search results is tantamount to a price paid by economic actors, by the manipulation of its search results, Google has abused its dominance. It has infringed Article 102 Treaty on the Functioning of the European Union (TFEU) because it i) ‘has systematically given prominent placement to its own comparison shopping service’ and ii) ‘has demoted rival comparison shopping services in its search results’. Although clear, both legal arguments from the only document yet available – namely the Press Release from 27 June 2017 by the European Commission – are nonetheless unsubstantiated and ungrounded as discussed below successively.