Summary

A pair of recent, long-form articles in the New York Times Magazine and Wired UK — the latest in a virtual journalistic cottage industry of such articles — chronicle the downfall of British price comparison site and stalwart Google provocateur, Foundem, and attribute its demise to anticompetitive behavior on the part of Google.

Unfortunately, the media's hagiographies of Foundem and its founders, Shivaun and Adam Raff, approach the antitrust question as if it were imbued with the simple morality of a David vs. Goliath tale. The reality is far more complicated. In fact, these articles misunderstand and misstate the critical economic, business, and legal realities of Google Search, of Foundem's claims of harm, and of the relationship between the two.

Was Foundem's failure really the result of anticompetitive "gatekeeping" on Google's part? Or could it simply be a pedestrian tale of yet another tech start-up that failed because its founders didn't appreciate that a successful business is built on more than just a good idea?

While the import of the Foundem story has been misconstrued by journalists and EU regulators, it *is* useful in illuminating what may actually be the fundamental question regarding the antitrust fortunes of the platform economy:

What, if anything, does a successful platform "owe" to the companies that make themselves dependent upon it?

Continue reading the full paper.