

Platform competition and search advertising

Antitrust issues, theories and potential solutions

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Lars Kjølbye

COVINGTON & BURLING LLP

BEIJING BRUSSELS LONDON NEW YORK SAN DIEGO SAN FRANCISCO SEOUL SHANGHAI SILICON VALLEY WASHINGTON

Platforms and multi-sided markets

- Online search and search advertising platforms are multi-sided
 - Users
 - Advertisers
 - Publishers and distributors
- Services are financed by advertising. Users do not pay for search services
 - Can “free” be a market?
 - A market is something worth monopolising
 - Article 102 applies to economic activity

Competition in search and search advertising

- Implication of multi-sided business model
 - Providers of search must have a viable monetisation platform
 - Providers of search advertising must have a viable search platform to attract users

Commission's Google investigation

- Focus of investigations
 - Favourable treatment of Google's own services
 - Use of competitors' content to promote own services
 - Exclusivity arrangements with publishers
 - Restrictions on advertiser data and campaign portability
- Conduct works on all sides of the market

Promotion of own services

- Works on the user side by reducing visibility of competing services
- Theories of abuse
 - Refusal of access to a bottleneck to eliminate effective competition
 - *E.ON* gas and *GDF*
 - Unfair access terms
 - Revival of Article 102(a) TFEU
 - *TeliaSonera*

Use of content

- Works on the user side by reducing product differentiation
- Theories of abuse
 - Unfair contract terms when access to competitor's content is a conditions for being displayed in dominant search engine results
 - Leveraging of dominance to extract terms that could not otherwise have been extracted (*Grüne Punkt*)

Data and campaign portability

- Works on the advertiser side by raising switching costs and thereby reducing multi-homing
- Theory of abuse
 - Customer foreclosure

Exclusivity agreements

- Works on the publisher/distributor side. Third parties are tied to the dominant platform
- Theories of abuse
 - Customer foreclosure
 - Input foreclosure (data)
- Key factor
 - Market power
 - Tied market share
 - *Distrigas* and *EDF*

Effective remedies

- Remedies must bring the infringements effectively to an end
- Need to take account of multi-sided nature of markets and competition
- Power to restore competition by addressing enduring effect of infringements

Thank you for your attention

Lars Kjølbye
Covington & Burling LLP
Avenue des Arts 44
B-1640 Brussels
lkjolbye@cov.com