CCI’s Fine on Google

Why in news?

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The Competition Commission of India has imposed a fine of Rs 1.36 billion on Google.

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What is Competition Commission of India?

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- CCI was formed under The Competition Act (Amendment) 2007 by the union government, consisting of a Chairperson and 6 Members.
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- The Act follows the philosophy of modern competition laws.
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- The Act prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India.
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- It is the duty of the Commission to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India.
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- The Commission is also required to give opinion on competition issues on a reference received from any statutory authority.
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Why google has been fined?

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- Google was fined a Rs 135.86-crore for "search bias" and abusing its "dominant position".
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- The order came on complaints filed back in 2012 by Bharat Matrimony.com and Consumer Unity & Trust Society (CUTS).
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- Bharat Matrimony.com claimed that its rival, Shaadi.com, was more prominently displayed, even when “Bharat Matrimony” was searched.
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- Google has been found “search biased” by displaying search results which were harmful to competitors and, indirectly, to users, thereby abusing its dominant market position.
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- The fine imposed amounts to 5 per cent of the average revenue generated in India by Google and its subsidiaries between 2012 and 2015.
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- It is perfectly acceptable for a mall or a store to display in-house brands more prominently, but this would not be acceptable in case of e-market due to dominance.
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What are the difficulties in governing google?

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- Google arguably performs a public service by providing a search engine platform that aggregates data freely accessed by users.
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- But that platform is also a marketplace, where businesses bid for keywords and compete to place ads.
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- Google remains a de facto monopolyin cyberspace, both globally and in India, with respect to these two functions.
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- Google is itself a service provider, it offers a basket of services (and also partners with specific businesses) similar to those offered by its clients.
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- Thus regulating digital advertisements and search-related marketplaces through laws and principles that govern more conventional businesses is difficult.
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- There is no proper mechanisms to solve the issues arising in the cyber space, a year is equivalent to generations in the cyber space.

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Source: Business standard

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