

GOOGLE, PAY: ON RE-USE OF NEWS CONTENT

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

Last week's ruling by [France's competition regulator that Google must pay news publishers and agencies for re-use](#) of their content marks a significant turn in what has been a see-saw battle between European regulators and publishers on the one hand and the tech giant on the other. How this ends and what this leads to could set the template for not just the news industry in France and Europe but also the rest of the world. For the time being, the ruling gives the beleaguered news industry in France a rare edge in its dealings with the tech giant. Over the last two decades, even as publishers across the world struggled to make a commercially meaningful transition to the digital world, Google became the primary gateway for readers. While this worked well for the readers and for Google, which as a result could build a mammoth advertising business, it never worked well enough for news publishers, notwithstanding the increase in traffic they experienced. Many publishers are, hence, now in a position where they can neither let go of their dependence on the tech giant nor make monetary sense from this arrangement. Also, individually, they are too small to challenge Google's might. It is by recognising the skewed nature of this copyright marketplace that the European legislators amended rules in April last year — something which France then gave force to in July.

The genesis of the order by the French competition regulator was a complaint filed against Google by unions representing publishers. They charged Google with abusing its dominant position in response to the law, which seeks to create fairer grounds of negotiation. This it does by allowing for the possibility of publishers to be paid for article extracts picked up by aggregators. The complaint was that Google, on the grounds of complying with the new law, decided it would not display the extracts and other elements unless publishers authorise free usage. The regulator said it found that Google's practices "were likely to constitute an abuse of a dominant position, and caused serious and immediate harm to the press sector." It could be argued that the French case will do little to shake up the existing framework. Previous legislative attempts by other European Union constituents, such as Germany and Spain, to allow for such extracts to be monetised by publishers have proved counterproductive. For instance, Google ended up shutting down its news service in Spain. But the French attempt promises to end differently. That is because, built in in the regulator's order is a requirement that negotiations "effectively result in a proposal for remuneration from Google." Where will this go from here? Publishers across the world will be watching.

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