

Google Sued Over Abuse of Search Power, Opening Path for More Claims

The litigation could spark similar action by firms that have hesitated to take on the Silicon Valley giant



Idealo says Google made it harder for search engine users to find the German price-comparison service's links. Photo: Schöningh/ullstein bild/Getty Images

By
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A German price-comparison portal has become the first major company to sue [Alphabet](#) Inc.'s [GOOGL +0.53%](#) Google while [invoking a 2017 European antitrust decision](#) to fine the U.S. technology giant for abusing its dominant position in the search-engine market.

If it succeeds, the litigation could spark similar actions in Europe by other tech firms that have hesitated to take on the Silicon Valley company.

In the suit filed in a Berlin court Friday, Idealo internet GmbH, a leading price-comparison service that is majority-owned by publisher [Axel Springer SPR +2.00%](#) SE, alleged that Google made it harder for users of its search engine to find links to Idealo after the U.S. company started promoting its own price-comparison offering, now called Google Shopping. Alphabet's European entity, Google Ireland Ltd., is also targeted by the suit.



The EU's competition commissioner Margrethe Vestager had encouraged companies to seek damages against Google. Photo: stephanie lecocq/Shutterstock

The two-year-old ruling invoked by Idealo led the European Union's competition authority to fine the tech giant €2.42 billion (\$2.72 billion) for prioritizing Google's offerings over those of rivals in search results. At the time, EU Competition Commissioner Margrethe Vestager encouraged companies to use the ruling as a basis to seek damages against Google.

Google appealed that decision and said at the time it "respectfully disagreed" with the ruling.

Idealo is seeking €500 million in damages from lost revenue after Google allegedly altered its search results. The German company also claims Google violated the 2017 decision by failing to alter how it promotes its own services in search results even after being fined.

A spokesperson for Google declined to comment because the company hadn't seen the court filings Friday.

Kent Walker, Google's senior vice president of global affairs, said in a March blog post that the company had "already made a wide range of changes to our products to address the commission's concerns. Over the next few months, we'll be making further updates to give more visibility to rivals in Europe."

Thomas Höppner, a lawyer representing Idealo, said the potential damages could increase substantially should the judge accept his demand to subpoena data from Google to determine the exact scale and period of the alleged antitrust violation.

"I'm absolutely convinced that our case will send an important signal to the very many companies that have suffered similar damages. We are talking about a lot of money," Mr. Höppner said. "Many companies are not clearly aware of the potential for claiming back damages they suffered from Google."

While Google has changed how it displays price-comparison results, Mr. Höppner said the judge could opt to wait for the outcome of the company's appeal before making a final ruling. But that even in that case, he said, the proceedings could bring about new evidence.

The European Commission—the EU's governing body, responsible for enforcing laws within the bloc—hasn't said whether Google is complying with its 2017 decision, but Ms. Vestager has stated in several public appearances in recent months that competition in the sector was improving and that Google was compliant.

Philipp Peitsch, Idealo's chief executive, said the lawsuit was a necessary step to counter what he called Google's monopolistic behavior.

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"We want to set an example with this lawsuit that one can defend oneself against the illegal behavior of Google. The damages suit is for us a necessary and important step in our engagement for a fair competition, diversity in the market and transparency of pricing for the consumers," Mr. Peitsch said.

BEUC, a European federation of consumer protection groups, wrote to the commission last Friday alleging that Google wasn't in full compliance, a claim to which the company hasn't publicly responded.

Mr. Walker said in a blog post following the Commission's decision in 2017 that "when you use Google to search for products, we try to give you what you're looking for: Our ability to do that well isn't favoring ourselves, or any particular site or seller—it's the result of hard work and constant innovation, based on user feedback."

Kelkoo Group, a British-based price-comparison company, took legal action in the U.K. against Google before the Commission's decision and said it would now use evidence cited by the Commission in its own litigation against tech giant.

Richard Stables, Kelkoo's chief executive, said Google's changes since the 2017 ruling weren't making a significant difference for companies like his.

Google has faced a number of EU antitrust investigations. Most recently, the commission ordered it in March to [pay €1.49 billion for allegedly cutting out rivals](#) from online advertising.

"These huge fines are just a tax for Google to take over the internet, but there is no change in behavior," Mr. Stables said.

Idealo claims its visibility to users, as measured by independent online monitoring service Sistrix, dropped by half in the two years after Google started promoting its own price-comparison service on top of search results. While this visibility has recovered somewhat, Idealo said, it remains far below its peak of late 2013.

"The Commission takes note of the ongoing national proceedings concerning potential damages related to Google's anticompetitive behavior in the comparison shopping service market," said Ricardo Cardoso, a spokesman for the European Commission, in reference to the Idealo suit.

A Commission decision constitutes proof that the behavior took place and was illegal, giving any individual or company affected by Google's antitrust breach an opportunity to take to the courts, Mr. Cardoso added.

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Corrections & Amplifications

Margrethe Vestager is the European Union's competition commissioner. An earlier version of this article incorrectly spelled her name.