

IS GOOGLE PARTICIPATING IN A HEALTHY COMPETITION?

➤ What was Happened?

In just **one week**, the CCI slapped a **fine of Rs 2,274.2 crore** on Google. On **25th October**, the CCI fined the company **Rs 936.44 crore** for abusing its dominant market position in terms of its **Play Store policies**. **Earlier**, the watchdog authority fined Google **Rs 1,337.76 crore** for abusing its position in several categories related to the **Android mobile device ecosystem**.

The **first** was over **Google's Android mobile operating system and other proprietary mobile applications**, including the Play Store, Google Chrome and YouTube. It was held that Google's mobile application distribution agreement gave it significant market lead.

In the **second instance**, the CCI was concerned over the mandatory term of usage in **Google Play Billing System** for purchase of application/in-app purchases. The CCI observed that Google Play was the primary distributional channel for mobile applications installed by Android users.

➤ What Has CCI Ordered?

- Issue **cease-and-desist order** directed him to modify its conduct.

- Also allow **mobile app developers to use third-party payment services** on their app stores, because Play Store charged app providers a **30% commission** for allowing them to use the Play Store's payment system and Google Play in-app billing. Hence, they had no option to use alternative payment aggregators charging less commission.

➤ What Google Respond?

Indian developers have benefited from the technology, security, unmatched choice and **flexibility that Google provide**. By keeping costs low, our model has driven India's digital transformation and expanded **access to millions of Indians**.

➤ Google to Appeal

Google is reportedly planning to appeal against the two orders of CCI on **three grounds**. **First**, the fine they levied is more "penal" than "token" **Second**, the CCI appears to have overlooked the patent perspective in the Android ecosystem **Third**, the CCI has been through any clear evidence regarding the effect on consumers.

➤ Computation of Penalty

In the Android case, the CCI imposed a penalty of 10% of revenue arising/accruing in India and in Play Store ruling, the CCI imposed a penalty of 7% of the total revenue of Google's business operations in India. (in compliance with Sec. 27 of the Competition Act ,2002)

➤ Other Country having such Issues?

In 2021 **South Korea** made it mandatory for their app stores to have alternative payment systems

➤ Third Antitrust Probe Likely To Take Another Year.

The **third case** deals with the company's **Android TV operating system**, and the contracts Google has with companies in that ecosystem. The complaint was filed by antitrust lawyers **Kshitiz Arya and Purushottam Anand** in **May 2020**, and the CCI found prima facie evidence of violation of India's antitrust regulations in June last year. It ordered the DG to further investigate the matter and present a report on it.