

industry participants, and took sworn testimony of key Google executives.

There are two aspects to the settlement we announced today. The first

stopped that abuse. The second concerns allegations that Google unfairly biases its search results to harm competition. We closed this investigation

display of its own content on its general search page was undertaken

binding and enforceable commitments to stop the most problematic business practices relating to search and search advertising. This also comes with monitoring obligations as well.

Let me start with the patent issue. So by a 4 to 1 vote a bipartisan majority of the Commission orders Google to stop seeking to exclude competitors using standard essential patents that Motorola, which Google later purchased, had first promised but then refused to license on fair and reasonable terms. These essential patents, and others like them, are the

something all of us use in our daily lives, and we have come to take for granted. Over half of American consumers own and use one of these

devices, including iPhones, Android phones, and Xboxe

by the Commission ensures that competition continues to work for the benefit of American consumers in these important markets.

Now, years ago Motorola promised to license its patents essential to these

the staff, they have a newer one. Here are a number of other devices, Xboxes, government issued Research in Motion, smartphones, that are all under threat if this practice had been allowed to continue and to grow.

claims for injunctive release on any of its standard-essential patents with a FRAND commitment and offer a license on FRAND terms to any

landmark enforcement action will become, we hope, a template for

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Now, Congress created our commission almost 100 years ago to stop behavior except to say that if the allegations are accurate they describe conduct that is clearly problematic and potentially harmful to competition because it undermines incentives to innovate, that is, why would you create a new site for restaurant reviews if someone else can take them and appropriate them as if they were their own. Going forward, Google will allow Web sites the ability to opt out of appearing in its vertical properties, like Google Local or Product Shopping, without being penalized or demoted in its general search results on Google.com, that is, its organic search. This arrangement should ensure that the Internet remains vibrant and that it remains competitive.

The Commission also investigated whether Google unfairly restricted the ability of small businesses to use tools to manage their advertising campaigns simultaneously on Google and on other competing advertising

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Our investigation suggested that while most large advertisers who were
-home,
multi-homing by small advertisers and small businesses affected by the

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W (Inaudible.)

J. Leibowitz stions from the room. Go ahead, Peter.

Peter ... to what extent (Inaudible.).

J. Leibowitz Well, I would say this, we talk to the Europeans fairly often, I actually spoke to Joaquín Almunia, who runs EC competition, this morning. We progress in their negotiations with Google. But we apply our own laws faithfully and we try to resolve disputes in a timely manner. Nobody deserves an up or down vote from the Commission, but everyone deserves a timely resolution. This investigation has gone on for 19 months, I believe, and we had the evidence we needed, we had multiple commission meetings, and we decided to take the ... that we did because we thought it was good for competition and consumers, and it is time for everyone to move on here. I have great confidence that the Europeans will faithfully apply their laws as well. There is some coordination on process, I guess, to get back to your point, Peter, but we apply the American law and the FTC Act. They apply European law.

J. Bliss

MLex.

J. Leibowitz

iss from MLex.

J. Bliss

MLex. I just wanted to ask you why you ... but not on the other two, on the scraping and on the multi-homing. Are these enforceable letters, are they going to become more of a practice going forward at the FTC?

J. Leibowitz

standard-essential patents. Every case is different, and the form of resolution here on APIs and scraping gives consumers greater relief faster than they otherwise w

no basis for an order. There is precedent for doing this. From time to time

protection side from time to time after companies have made changes to their business practices we effectuate closing. And remember, these are enforceable commitments. When you make a representation to the public and to the commission that you will do certain things, or refrain from

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M Monitoring requirements

J. Leibowitz There are monitoring requirements within their commitments to us.

M

J. Leibowitz No, no, no.
scraping, on not

M

doing that.

J. Leibowitz Correct.

M Right.

J. Leibowitz

investigation, and the reason

if circumstances change, and of course we would, but the answer is you

know, you have to at some point resolve your investigations, and even though a lot of people would like us to bring a big search bias case, the facts were there under the law that we apply.

M -called voluntary agreement if

J. Leibowitz

M Sure.

J. Leibowitz

content of rivals

M

M How? How do you monitor? Look, I understand the part about the

out of being scraped you are not penalized in the search algorithm

part of this

J. Leibowitz Let me assure you, if there are complaints that someone opted out and

competitors, and law enforcement agencies for violating those

M (Inaudible.)

J. Leibowitz Yes, sir.

M
comment period?

J. Leibowitz There will be a public comment period for the standard-essential patents,
there absolutely will be. -day comment
period. On the resolution with respect to scraping and APIs, peryn1ing thos00B600411 29

Again, there may be some folks who are complainants to the FTC, or to reporters in this room, at time to time, particularly a couple of weeks ago, it seemed like an antitrust spin zone, who have other things that they would like to say, or other points they want to make, but everyone understands that the API restrictions are being dropped and that there will be no return to what we believe to be the problematic scraping. Yes sir?

C. Timber

Washington Post. So most of the complaints you hear from consumer groups and other members of the industry really groups will say today by unanimously closing what they perceive to be the oogle will feel emboldened. You said a few minutes ago that you found some evidence on search manipulation, but on a danger that a company that was investigated for a long period of time, where the allegations were clearly taken seriously, but where they were closed the hook, they can continue to push the line? Is that

J. Leibowitz

off the hook. And again, from our perspective, look, anyone who is in the

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really have an impact in that

sense.

M. Zuditsky

Thanks.

J. Leibowitz

back teaching at Princeton, as our first chief technologist, and his work has

take a few more questions. Do you want to take it from the phone? When

Moderator

O

S. Kennedy

Thanks very much. I was just wondering about the number of complaints that you received. You said you did receive quite a few, can you give us a number?

J. Leibowitz

can. Rich, can we give the number?

R. Feinstein

J. Leibowitz

Well, you can talk to our staff, we have been very, very concerned about ICANN and its dramatic expansion of domain names, which we think will cause consumer confusion, and even worse lead to more areas where malefactors can hide from the law while defrauding consumers. And going conversation we have been having with ICANN and also with other sister law enforcement agencies. Without knowing the details of their purchase of domains, I know that ICANN is still working through ... competing purchasers for domains, who ends up getting what, and I have been hundreds of companies that have done it, have mostly done it for defensive purpose that issue with respect to ICANN.

Moderator

Thank you. And we have time for one more question, and that will come from the line of Michelle Quinn from

to

block products coming into the United States. Thank you.

J. Leibowitz

and I should have mentioned this

earlier, I believe they will be posting their commitment letter and that

hoped to actually wrap this up a few weeks ago, and the commissioners were detailed in their reviewing of the documents and we had multiple ...

have concluded this case in the way required by law.