### RELEASED UNDER EMBARGO UNTIL 28 FEBRUARY 2024 – 4pm CET

### European news media file €2.1 billion ad tech claim against Google

Brussels (Belgium) and Amsterdam (the Netherlands), 28 February 2024

Today, a coalition of more than 30 European media organisations from 17 countries has initiated a legal action against Google, seeking damages of around EUR 2.1 billion. The claim pertains to Google's anticompetitive behaviour in "ad tech", the various technologies behind online advertising. The lawsuit was filed in the District Court of Amsterdam, the Netherlands.

Google's abuses have been noted and documented by several European authorities. In 2021, the French competition authority <u>found</u> that Google had abused its dominant position in ad tech by favouring its own tools over those of its competitors, to the detriment of website publishers. In 2023, the European Commission issued a statement of objections in relation to the same conduct, which is also at the centre of significant legal challenges brought by the State Attorneys General and the Department of Justice in the USA.

The European media organisations have decided to consolidate their claims for compensation against one of the largest global corporations, which has for many years exploited its dominant position in the market. The coalition has chosen to file a lawsuit against Google in the Netherlands, a key jurisdiction for antitrust damages claims in Europe. This centralised approach eliminates the necessity for multiple claims in different European countries, with the risk of inconsistencies and spiralling costs.

The media companies involved have incurred losses due to a less competitive market, which is a direct result of Google's misconduct. Without Google's abuse of its dominant position, the media companies would have received significantly higher revenues from advertising and paid lower fees for ad tech services. Crucially, these funds could have been reinvested into strengthening the European media landscape.

The coalition of media companies operates in 17 European countries and includes some of Europe's biggest news media outlets as well as many smaller regional papers.

The case is brought by European law firm <u>Geradin Partners</u> (Brussels, London, Amsterdam) and Amsterdam-based firm <u>Stek</u>.

Damien Geradin, founding partner of Geradin Partners said: "We are proud to represent more than 30 publishers in bringing this claim. Enough time has been spent getting to the heart of Google's wrongdoing in ad tech which is now plain for all to see. It is high time that Google is held accountable for its abuses and compensates the victims, Europe's diverse and vital media sector."

Jan Bart van de Hel, partner at Stek in Amsterdam said: "Many publishers have suffered harm from Google's wrongful actions. It is important to take action, not only to make sure that the damages of the publishers are fully compensated, but also to ensure that Google's anticompetitive conduct is prevented in the future. We are happy that more than 30 large media companies have decided to take action. Others should do the same."

### Contacts:

- Geradin Partners: dgeradin@geradinpartners.com and shuijts@geradinpartners.com
- **Stek**: janbart.vandehel@stek.com

#### What is ad tech?

When we browse online websites, like our favourite newspaper, we often see ads. These ads are not random placements, they are the result of a sophisticated process that acts as a matchmaker between us, internet users, and the advertisers seeking to reach potential customers. Ads are a key source of income for independent journalism in Europe.

Google dominates the key stages of this process. It has the dominant ad server for website publishers such as the news companies that are claimants in this action. It also operates the key supply-side platform where the tools that advertisers use can bid for impressions. Finally, it owns key tools used by advertisers. It is therefore broker, auctioneer and sales agent at the same time. If we compare ad auctions to a stock exchange, Google would represent both sellers and buyers, while also owning the exchange itself, thus creating a clear conflict of interest.

### What has Google done wrong?

The French competition authority found that this conflict of interest has led Google to give preference to its own tools, which has dampened competition by other ad servers and supply-side platforms.

In particular, the French authority noted that Google granted preferential treatment to its proprietary technologies offered under the Google Ad Manager brand, both with regard to the operation of its publisher ad server DFP (which allows publishers of sites and applications to sell their advertising space), and its supply-side platform AdX (which organises the auction process allowing publishers to sell their "impressions" or advertising inventories to advertisers) to the detriment of its competitors and publishers.

News media were negatively affected at a time when their economic model is already weakened by the decline in sales of print subscriptions and the decline in associated advertising revenue.

This kind of conduct by a company in a dominant position is manifestly contrary to competition law. Anyone who suffers damages from such illegal behaviour can claim compensation in court.

## What is being done against Google's behaviour globally?

This is not the only case addressing Google's anticompetitive conduct in ad tech. The following action has been taken or is currently ongoing:

- The French competition authority issued a <u>decision</u> in June 2021, issuing a penalty of EUR 220 million. It found that Google abused its dominant position in the advertising server market by granting preferential treatment to its own proprietary technologies to the disadvantage of its smaller competitors. Google agreed not to contest the French competition authority's findings.
- The UK competition authority (CMA) identified significant issues in the ad tech sector in its July 2020 <u>Final Report</u> on Online advertising. It launched an <u>antitrust investigation</u> into Google's conduct in ad tech in May 2022 which is currently ongoing. Separately, a <u>collective action</u> was brought against Google on behalf of all UK-based publishers, on which Geradin Partners is instructed alongside Humphries Kerstetter and Hausfeld.
- The European Commission issued a <u>statement of objections</u> against Google in June 2023, finding provisionally that Google abused its dominant position in breach of EU competition law. Google filed its defence against these provisional findings in December 2023.

- In the U.S., a group of State Attorneys General led by the State of Texas have brought a <u>lawsuit</u> against Google for its ad tech practices in December 2020. In January 2023, the U.S. Department of Justice brought its own <u>civil lawsuit</u> against Google alongside the case brought by the State AGs. Both cases are ongoing.

### Notes to editors

- The names of the media groups involved in this action are set out in the Annex.
- This action is supported financially by Harbour. Harbour has agreed to cover the costs of the litigation, including in case the action fails. In return for this, the participating media groups will share part of any awarded damages with Harbour. The groups have elected to make use of litigation funding as this reduces the financial risk involved in suing Google, one of the world's largest companies, and means they do not need to divert financial resources to litigation for the recovery of the damages suffered because of Google's abusive conduct.
- The action will be brought by competition specialists Geradin Partners, with offices in Brussels, London and Amsterdam, and litigation specialists at Stek in Amsterdam. They will be supported by economic experts at Charles River Associates. The Geradin team is led by partners Damien Geradin and Stijn Huijts, the Stek team by partners Jan Bart van de Hel and Simon Boersen, and the CRA team by Vice Presidents Oliver Latham and Mikaël Hervé.
- The claimed damages are based on data provided by the participating publishers, testing carried out by CRA, and public information.

# ANNEX – NON-EXHAUSTIVE LIST OF PARTICIPATING MEDIA GROUPS

Name	Country
Agora	Poland
Alma Media	Finland
Axel Springer	Germany
Bergfex	Austria
Der Standard	Austria
Det Nordjyske Mediehus	Denmark
DJ Digitale Medien GmbH	Austria
DPG Media	Belgium/Netherlands/Denmark
Everysport Group	Sweden
Grupo Godo	Spain
Gute Kueche Medien	Austria
Hubert Burda Media	Germany
Impresa	Portugal
JP/Politikens Hus	Denmark
Jyske Fynske Medier	Denmark
Keskisuomalainen	Finland
Krone	Austria
KURIER Medienhaus	Austria
Mediahuis	Belgium/Netherlands/Luxembourg/Germany
Medienhaus Wimmer	Austria
Niederösterreichisches Pressehaus	Austria
Prensa Iberica	Spain
Prima Group	Czechia
Quoka	Austria
Ringier Axel Springer Polska	Poland
Ringier	Switzerland / Romania / Bulgaria / Slovakia /
D. I.	Hungary
Roularta	Belgium
Salzburger Nachrichten	Austria
Sanoma	Finland
Schibsted	Norway
Styria Media Group	Austria
TV2 Danmark A/S	Denmark