

Approval of the Commitment Plan submitted by Google LLC

April 22, 2024
Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) has investigated Google LLC (Note 1), concerning the transaction on provision of technologies for search engines and search advertising (Note 2), in accordance with the provisions of the Antimonopoly Act (hereinafter referred to as the “Act”), and suspected that Google LLC’s conduct described 3 below might violate the Article 3 of the Act (Private Monopolization) or the Article 19 of the Act (Paragraph 2 (Other Refusal to Trade) or Paragraph 14 (Interference with a Competitor's Transactions) of Designation of Unfair Trade Practices).

Recognizing that competition would be promptly restored, through the Commitment Procedures, by measures to be swiftly taken by Google LLC to ensure that the conduct has been eliminated, the JFTC issued the Notice of Commitment Procedure to Google LLC on March 22, 2024, pursuant to the Article 48-6 of the Act.

Google LLC submitted the Commitment Plan to the JFTC for approval of measures necessary to ensure that the conduct described below has been eliminated, pursuant to the Article 48-7, Paragraph 1 of the Act.

The JFTC today approved the Commitment Plan, pursuant to the Article 48-7, Paragraph 3 of the Act recognizing that the plan is sufficient to ensure that the conduct has been eliminated and expected to be reliably implemented (Note 3) (Note 4).

It is noted that today’s approval of the Commitment Plan does not mean that Google LLC’s conduct violated the Act.

(Note 1) Before the reorganization on September 30, 2017, it means Google Inc.

(Note 2) Advertisements displayed relating to the queries from users.

(Note 3) An approval of the Commitment Plan is an administrative disposition under the Act.

(Note 4) The JFTC is to render a decision to rescind the approval pursuant to the Article 48-9, paragraph 1 of the Act and resume the investigation procedure conducted before the Notice of Commitment Procedures is issued, for instance, if the JFTC recognizes that the Commitment Plan is not being conducted according to the approved Commitment Plan.

1. Overview of Applicant

Corporate No.	3700150072195
Corporate Name	Google LLC
Address	251 Little Falls Drive, Wilmington, Delaware, United States of America (Principal Office) 1600 Amphitheatre Parkway Mountain View, California, United States of America
Representatives	Managing Member XXVI Holdings Inc.
	Representative in Japan Google Technology Japan, Co., Ltd.
	CEO Sundar Pichai

2. The provision of Google LLC’s technology to Yahoo and the circumstances of consultation process with JFTC, etc.

(1) Since Yahoo (Note 5) did not have technologies for search engines and search advertising to use on its own website, etc., Yahoo had been provided those technologies from Yahoo! Inc. (hereinafter referred to as the “US Yahoo”) until around 2010. However, since US Yahoo decided to cease its development of those technologies, etc. in July, 2009, Yahoo had to newly select another provider of those technologies and decided to select Google LLC.

(2) In advance of the conclusion of an agreement on provision of technologies for search engines and search advertising, Google LLC and Yahoo consulted with the JFTC regarding whether the agreement would cause any problem under the Act. In July, 2010, the JFTC responded that the provision of technologies would not violate the Act; on the assumption of the explanation that Google LLC and Yahoo would independently operate their own online search services and online search advertising and would totally separately hold information about advertisers and their bidding prices etc., so that Google LLC and Yahoo would remain competitive, after implementation of the provision of technologies.

(3) Based on the contract titled “GOOGLE SERVICES AGREEMENT” (hereinafter referred to as the “GSA”) entered into as of July 27, 2010 between Google Asia Pacific Pte. Ltd., which is one of the Google LLC’s subsidiaries (hereinafter referred to as the “GAPAC”) and Yahoo, Google LLC has been providing the technologies for search engines and search advertising to Yahoo.

(4) On December 2, 2010, the JFTC released the response described in (2) above and clarified that it would continuously monitor the provision of technologies, and when finding any specific facts that might constitute a violation of the Act, it would vigorously address it by conducting necessary investigations etc. (hereinafter referred to as the “2010 Release”).

(5) Using those technologies for search engines and search advertising provided by Google LLC, Yahoo provided Mobile Syndication Transactions (Note 6) for the business operators which run website and/or provide applications for mobile devices (hereinafter referred to as “Website Operators, etc.”). Also, Google LLC conducts Mobile Syndication Transactions using its own technologies.

(Note 5) It refers to Yahoo Japan Corporation. Yahoo Japan Corporation merged with Z Holdings Corporation on October 1, 2023, with Yahoo Japan Corporation as the dissolving company and Z Holdings Corporation as the surviving company. The trade name of the surviving company after the merger was changed to “LY Corporation”.

(Note 6) Transactions in which a business entity distributes search advertising to the advertising spaces provided from, and shares a portion of the revenue generated by the search advertising with, Website Operators, etc.

3. Overview of the alleged conduct

Google LLC had committed the conduct that made it difficult for Yahoo to provide Mobile Syndication Transactions from September 2, 2015 at the latest through October 31, 2022 by having GAPAC and Google Japan G.K., which is one of the Google LLC’s subsidiaries, amend the GSA on November 1, 2014, and, based on such amended contract, restricting the provision of technologies for search engines and search advertising to Yahoo that are necessary for Mobile Syndication Transactions.

4. Interpretation under the Act

Google LLC provided the technologies for search engines and search advertising that are necessary for Mobile Syndication Transactions to Yahoo. Thus, by the provision of technologies, Yahoo was able to compete with Google LLC in the field of Mobile Syndication Transactions. However, Google LLC’s conduct described in 3 above restricted the provision of technologies and made it difficult for Yahoo, which were unable to easily find an alternative supplier of the technologies, to continue providing Mobile Syndication Transactions. This conduct could cause a problem of the Act (it might violate the Article 3 of the Act (Private Monopolization) or the Article 19 of the Act (Paragraph 2 (Other Refusal to Trade) or Paragraph 14 (Interference with a Competitor's Transactions) of Designation of Unfair Trade Practices).).

5. Overview of the Commitment Plan

- (1) Resolving following matters by the managing member (Note 7):
 - (a) to confirm that the conduct described in 3 above has been ceased;
 - (b) Google LLC shall not restrict the provision of technologies to Yahoo under the Agreement (Note 8) and shall implement this measure for the next three years, except for cases where the JFTC grants a prior approval confirming the existence of reasonable justifications.
- (2) Notifying Yahoo and related employees in Google Group (Note 9) of the measures taken pursuant to the plan (1).
- (3) Google LLC shall not restrict the provision of technologies to Yahoo under the Agreement and shall implement this measure for the next three years, except for cases where the JFTC grants a prior approval confirming the existence of reasonable justifications.
- (4) Regarding Mobile Syndication Transactions based on the Agreement, Google LLC shall take measures for securing independence and information separation from Yahoo and shall implement those measures for the next three years.
- (5) Taking necessary measures to perform following items:
 - (a) Compiling action guidelines for compliance with the Act regarding the provision of technologies for search engines and search advertising that are necessary for Mobile Syndication Transactions based on the Agreement and disseminating these guidelines to related employees.
 - (b) Periodic training for related employees and periodic supervision based on the oversight by external expert for compliance with the Act regarding the provision of technologies for search engines and search advertising that are necessary for Mobile Syndication Transactions based on the Agreement.
- (6) Reporting the status of implementation of the measures described in (1), (2) and (5) above.
- (7) Reporting the status of implementation of the measures described in (3), (4) above and the measures taken in accordance with (5) (b) above annually for the next three years.

(Note 7) The highest decision-making body of Google LLC.

(Note 8) It means the GSA as well as any superseding agreements (made by way of amendment/renewal to the GSA or otherwise) between the Google Group (it means Google LLC and its wholly and partially-owned subsidiaries.) and Yahoo to the extent such agreement concerns the technologies currently provided to Yahoo under the GSA.

(Note 9) "Related employees in Google Group" means; (a) the employees involved in the Agreement, and (b) the

decision makers who are in the positions to authorize to amend substantially the Agreement.

6. Approval of the Commitment Plan

The JFTC recognized that the Commitment Plan described in 5 above would conform to all the approval requirements as follows, and approved the Commitment Plan.

(1) Sufficiency of the Content of Measures

Since the measures described in 5 above include following contents, the JFTC decided those measures are sufficient to ensure that the conduct described in 3 above has been eliminated; (i) Resolving by the managing member to confirm to cease the alleged conduct and no-repetition in the future (described in 5 (1) above), (ii) Notification to Yahoo and Related employees in Google Group (described in 5 (2) above), and (iii) No-repetition in the future (described in 5 (3) above).

Also, the content of the measure that continuously securing independence and information separation between Yahoo (described in 5 (4) above) is, effective to avoid in advance violating the Act by the reason of continuing the measures of 2010 Release.

(2) Reliability of Measures Implemented

Since Google LLC includes following contents in its Commitment Plan described in 5 above, the JFTC decided that Commitment Plan shall be implemented with reliability; (i) establishment of a compliance system, (ii) setting the deadline for each measure, and (iii) reporting the status of implementation.

* This translation is tentative. Please refer to the original text written in Japanese for more details.