

French president warns Google over revenue row

PARIS, FRANCE: French President Francois Hollande called on Monday on Google to come to a deal over an advertising revenue row, warning that if necessary, a bill could be adopted to force Internet search engines to pay for media content.



Hollande's remarks came following a meeting with Eric Schmidt, executive chairman of Google, which has said it would exclude French media sites from its search results if France were to adopt the bill requiring search engines to pay to link to news websites.

The French president said he hoped that "negotiations will be carried out rapidly and be conclusive by the end of the year between Google and the editors of the press".

He underlined that while dialogue is a better avenue, "if necessary, a law can intervene on this question".

Italian and German firms have also joined the demand for the search engine to share some of the advertising revenue from user searches for news on media websites.

Earlier in the evening Schmidt met with Communication and Culture Minister Aurelie Filippetti and both sides remained tight-lipped about discussions.

Ready for a fight

Filippetti adopted a combative tone ahead of the meeting.

"This European drive will not allow us to be penniless," she said on France Inter radio. "We must not think that all the fights against Internet giants are a lost cause."

She said it was "only normal that big search engines contribute to finance the press."

A letter sent by Google to several French ministerial offices this month said it "cannot accept" such a move and the company "as a consequence would be required to no longer reference French sites," according to a copy obtained by AFP.

Google, which receives four billion hits worldwide every month, said such a law would "threaten (Google's) very existence".

The Internet giant in October posted third-quarter net profits of US\$2.18bn. Its own ad sales and other revenue rose 19% from a year ago to US\$11.53bn, according to the earnings statement.

Leading French newspaper publishers last month called on the government to adopt legislation imposing a settlement in the long-running dispute with Google, forcing it and other search engines to share some of the advertising revenue.

Their demand follows the German government's approval in August of draft legislation that would force search engines to pay commissions to German media websites.

But it has not been adopted due to opposition from leftist parties in parliament.

A 'harmful' move

Olivier Esper, a director at Google France, has warned that such a move will "be harmful both for the Internet and its users."

Filippetti told a parliamentary commission last week that she backed the idea, calling it "a tool that seems important to me to develop".

She said she was surprised by the tone of Google's letter, telling AFP that "you don't deal with a democratically-elected government with threats".

French Technology Minister Fleur Pellerin meanwhile told the United States niche website Quartz that if Google reached an agreement with Paris, legislation would not be necessary.

"We don't want to appear as a country that is anti-Google," Pellerin told Quartz.

"Obviously Google is a wonderful tool and Google is a major actor of the digital ecosystem.

"What I would suggest - and what I'm going to suggest to Google and to the press - is to start negotiating, to start discussions for maybe three months, and try to find an agreement on a negotiated basis. And if they don't, well we'll see."

Source: *AFP* via I-Net Bridge

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