

French competition watchdog closely monitoring news media code



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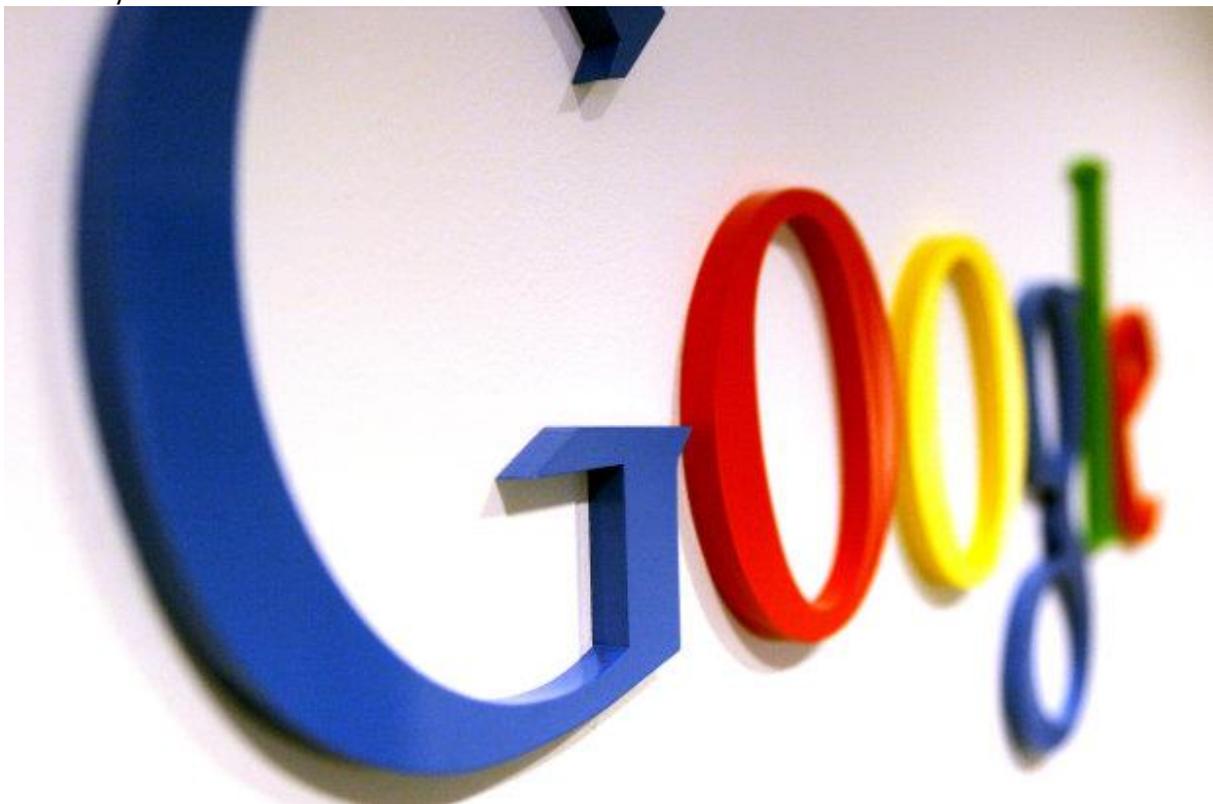
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France's competition watchdog is monitoring Australia's "innovative" news media bargaining code in case tough action is needed to shore up a €90 million (\$142 million) content payment deal between Google and French publishers.

[Google France signed a deal with a group of French publishers](#) via the Alliance de la Presse d'Information Générale (APIG) to create licensing agreements to cover publishers' related rights and to allow participation in its soon to launch News Showcase product worth just €25 million to €30 million a year.



French publishers disappointed with the Google deal had expected a nine-figure sum. **Domino Postiglione**

Google has repeatedly pushed its News Showcase product as the appropriate environment to negotiate with Australian publishers under the code for payment of its content.

However, its launch has been on hold while the search giant awaits the outcome of discussions around the proposed news media bargaining legislation. Showcase was announced in October, with Google saying at the time it would pay publishers \$US1 billion (\$1.3 billion) over the next three years to license content across the globe.

Google has threatened to withdraw its search product if the current version of the code, which would force it to negotiate payment with publishers for using snippets in search, moves forward. While French publishers remain quiet on the terms of the deal due to confidentiality agreements, Didier Guerin, chief executive at Sydney-based consulting firm Media Convergence Asia-Pacific, said some of the publishers were disappointed by the Google deal.

Mr Guerin, who is in contact with French publishers, said they were expecting a nine-digit figure, which is in line with expectations from Australian publishers. Nine has asserted Google and Facebook should pay Australian media companies up to \$900 million a year, while News Corp said they should pay \$1 billion.

Mr Guerin said the publishers agreed to the deal, which was presented in take-it-or-leave-it terms, after a difficult year when revenue was impacted by COVID-19.

Mr Guerin said as News Showcase had not launched yet in France, it made it hard for publishers to negotiate.

“The weakness in the French system is there is no framework for negotiations,” he said.

Australia’s proposal to bring the search giant to heel is designed to encourage the digital players to negotiate in good faith with news publishers, with independent arbitration as a final resort if the two parties cannot agree.

The arbiter must then consider the value both parties bring to the table, such as the value of the content and the value of the traffic the digital company delivers, in deciding the final outcome.

Competition authority intervention

Isabelle de Silva, president of the French Competition Authority, described the Australian system as “innovative”.

“We’ll be looking at it to see if it’s something we can consider ... if it seems to work,” she said.



The French Competition Authority's Isabelle de Silva.

The deal in France only moved forward when the French Competition Authority ordered Google to negotiate after the search giant simply stopped publishing snippets belonging to local publishers after a copyright law change prompting them to pay.

The search giant has a precedent for refusing to pay for news content, shutting down Google News in Spain in 2014 after a law passed mandating payments on sharing news content.

A spokesman for APIG said the intervention of the French Competition Authority was “without a doubt a key factor” in getting Google “back to the negotiation table with publishers”.

Ms de Silva said France’s system for the issue of related rights “gets inspiration from authoring rights, for example for music”.

“The law creates the rights, then the determination of the price is left to the parties. This is a different system.”

The APIG said it was still too early to say if the European and French framework to deal with the digital giants’ impact on the press “are sufficient”.

“What we saw, however, during this negotiation is that without strict and permanent constraint, there is very little will from platforms to fund the content they use beyond the public stance they take.”

The chairman of the Australian Competition and Consumer Commission, [Rod Sims, has slammed Google’s proposal to make the code only apply to its News Showcase product as the search giant’s attempt to control arbitration.](#)

“What Google is saying is we want Showcase to be the only element around which you can have arbitration and since Google completely controls what Showcase is, how can you arbitrate on something that doesn’t exist and which they can control what it is, and therefore they can control the values so they can control the arbitration outcome,” he said.

Australia's proposed news media bargaining code goes before another Senate committee hearing on Monday, in which smaller publishers are expected to argue their case, with oOh!Media-owned Junkee Media to assert the impact of over-reliance on traffic algorithms affecting the quality of online journalism.

Many small publishers feel they are in limbo, with conversations with the digital giants on hold in anticipation of the proposed code.

Google has started to warm up conversations with local players on its News Showcase product, but sources familiar with contracts already signed, who cannot be named due to confidentiality clauses, said there was a provision allowing both parties to exit if the code was seen as a replacement.

They are also concerned that withdrawal of Google's search and Facebook blocking news on its platforms would impact them more greatly than their larger counterparts, suggesting this would mean the code is not meeting its objective of protecting diversity of Australian media.

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