

Google charged with rigging the web to attack and destroy politicians and competitors

Google Rivals Are Ready to Launch An Antitrust Assault in D.C.

By

Amir Efrati And

Thomas Catan

Three Internet companies—Nextag Inc., Yelp Inc. and [Expedia](#) Inc.—are gearing up to attack [Google](#) Inc. on Capitol Hill, claiming the company is taking new profits for itself by unfairly punishing them on its search engine.

In a preview of Wednesday's Senate antitrust hearing on whether Google abuses its dominance on the Web, representatives of the sites—which help people search for information on consumer goods, local businesses and airline flights—said in interviews this week that Google has increasingly sought to drive people who use its search engine to its own specialized sites that compete with theirs.

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One of the companies, Nextag, is going even further. Chief Executive Jeff Katz said Google also prevents his company's site from bidding on the prominent ads that show up next to search results for products such as running shoes. Instead, he said, because Google sees his company as a threat, Nextag can only bid to appear in text ads lower down on the results page, limiting its exposure to consumers.

"Google is the dominant digital advertising resource in the world, and Nextag is restricted from marketing itself to shoppers about the services we can provide," said Mr. Katz, whose site helps consumers comparison shop for electronics, home goods and other products.

Google has long denied that it profits by punishing other sites on its search engine.

Advertisement

A Google spokesman said in a statement that the ads Mr. Katz's site can't use, called "Product Listing Ads," are "a unique ad format that allows websites to advertise their products with pictures and prices, and we have found that when users click on these ads they expect to be able to purchase the product."

Nextag, by contrast, largely points visitors to other sites where they can purchase items.

Regarding Wednesday's hearing, Google said in a statement: "We understand with success comes scrutiny, and we're looking forward to the hearing and answering any questions senators may have about our business."

On the Docket

Gripes from Internet sites



ENLARGE

Online travel agent Expedia alleges Google steers users to its own websites and products at the expense of other sites.



ENLARGE

Product-search site Nextag says Google prevents it from bidding on prominent ads next to search results.



ENLARGE

Business-reviews site Yelp says Google unfairly promotes its own local-listings business, Google

Places, above rivals.

Google has said repeatedly that its search engine is built to serve people and not other websites. According to the Mountain View, Calif., company, people are increasingly looking for direct answers to search queries and not just links to other sites. So when people search on Google for a specific local business, such as a restaurant, they will see information about the restaurant's location and contact information. In addition, they will get a link to Google Places, the company's business listings, which provides more detailed information and reviews.

In talks with policymakers in Washington, Google officials such as Matt Cutts, a chief search engineer, have cited a federal court ruling in 2003 that said its rankings are "opinions" and are "entitled to full constitutional protection," a person familiar with the matter has said.

In the interview, Mr. Katz said that about a year ago Google began barring Nextag from bidding to appear in the ads that show up in the top right corner of the search-results page when people search for consumer goods. The ads include photographs of the items people searched for.

Mr. Katz declined to say what Google told Nextag at the time about why it couldn't participate in the auction for the photographic ads.

The Google spokesman said in a statement: "We require that a click from one of these ads goes to a page where the product can be sold. As of Sept. 7, NexTag was in the process of setting up Product Listing Ads for the products they sell directly on their site, and, of course, NexTag continues to use our traditional" text ads.

Mr. Katz said San Mateo, Calif.-based Nextag, which was founded in 1999 and has around 450 employees, is among the top 25 or so advertisers on Google's search engine and has spent hundreds of millions of dollars to buy ads on Google's AdWords ad system over the years. "There's no more recourse other than to speak up, so I'm speaking up," he said.



ENLARGE

A Google sign inside the company's headquarters is shown in Mountain View, Calif., in 2007.
Associated Press

Mr. Katz added that the Federal Trade Commission, which is conducting a broad antitrust probe of Google, has subpoenaed "troves of data" from Nextag that show the company is performing "less well" since the alleged Google ad practice went into effect.

The FTC is also looking into complaints by Yelp and Expedia that Google puts links to Google Places at the top of the results page when people search for information on local businesses, pushing down the links to competing sites.

Tom Barnett, a lawyer for the travel site Expedia who will appear with Mr. Katz at Wednesday's hearing, said Monday that Google has "both the incentive and ability to use its dominance to steer users to its own products and foreclose the ability of other sites to compete effectively."

Yelp CEO Jeremy Stoppelman has said in interviews in the past that Google unfairly promotes its Places service above Yelp and others. Google is trying to leverage its search engine "to take an inferior product and put it in front of the user," he has said. Mr. Stoppelman, who couldn't be reached for comment Tuesday, had also complained that Google used excerpts of Yelp's user-generated reviews in Google Places without his site's permission, a practice Google discontinued earlier this year.

Some Google rivals have suggested to FTC lawyers that Google should do more to help consumers distinguish between links to its specialized sites— including Google Places and Google Product Search —and links in the "natural" search results, whose order is determined by a special algorithm.

Still, Google has plenty of defenders. Richard Skrenta, CEO of Blekko Inc., a Web-search engine that competes with Google's, said in a blog post Tuesday that "we don't need federal intervention to level the playing field with Google." And he added: "Let's let entrepreneurs, technology and good old-fashioned innovation deal with Google. Consumers will always be the winners in that scenario."

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[Live Blog: Google Antitrust Hearing on Capitol Hill](#)

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From the looks of today's hearing, it's clear that Senators Mike Lee, Al Franken and Richard Blumenthal enjoyed pushing Google's buttons over whether it's a monopoly in Internet search and highlighting how its search engine displays links to Google's own services ahead of competitors'.



Chip Somodevilla/Getty Images

Google Executive Chairman Eric Schmidt prepares to testify before the Senate Judiciary Committee's Antitrust, Competition Policy and Consumer Rights Subcommittee on Capitol Hill,

For his part, Google's Eric Schmidt stayed calm throughout, made no major verbal gaffes, and apologized for Google's recent mistakes.

The senators largely focused on what actions Google might take on its own to mollify its critics and avoid the appearance of anticompetitive behavior. But when asked for his thoughts on potential remedies, Schmidt didn't fall into the trap. He focused instead on what he said were Google's current practices that prevented it from becoming "evil," even as its power grows.

Not surprisingly, when Franken's suggested Google convene a panel of outsiders to review changes Google makes to rankings in its search engine, Google's lawyer, Susan Creighton, said she didn't think that was a good idea.

Attention now turns back to the Federal Trade Commission's ongoing antitrust probe of Google, which is looking at many of the [issues raised during the hearing](#). The FTC has talked to many of [Google's detractors](#) already.

In the meantime, Google has been [stocking up on lobbyists](#) to tell its story in Washington, with the goal of avoiding Microsoft's fate 10 years ago, when its practices in the computer software market were challenged by the Justice Department.

Randy Picker, an antitrust professor at the University of Chicago, said Schmidt "was respectful, deferential and held his ground," and there were few revelations during the hearing. He added: "The real question is did the FTC learn anything today? I doubt it."

Some antitrust experts said they were surprised by the absence of consumer advocates. "If there aren't any consumers complaining, then why are we bothering with all of this?" said Herbert Hovenkamp, an antitrust law professor at the University of Iowa.

When senators asked some of Google's competitors to describe how the company was harming consumers, they replied that consumers were being misled into believing Google's search results were unbiased when, in fact, Google was displaying links to its own sites above others.

Still, "in antitrust, we don't let competitors speak for consumers," Hovenkamp said.

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- 11:03 am



- And We're Off...

- *by Amir Efrati*

- [Add a Comment](#)

Senator Herb Kohl (D., Wis.) has started his opening remarks.

He says the committee's "inquiry centers on whether Google biases these results in its favor, as its critics charge, or whether Google simply does its best to present results in a manner which best serves consumers, as it claims."

He notes that as Google has grown, its original mission of pointing consumers to other websites where they could find information has changed. Google now has numerous specialized search sites including Google Finance Google Flight Search, Google Product Search, and its Google Places, which holds information and reviews for millions of local businesses around the world.

When people do a search for a local business, Google often will point them to Google Places, not just Yelp or other sites.

- 11:05 am



Now that Google is an “Internet conglomerate,” Kohl says, is it possible for the company “to be both an unbiased search engine and at the same time own a vast portfolio of web-based products and services? Does Google’s transformation create an inherent conflict of interest which threatens to stifle competition?”

- 11:07 am



- Sen. Mike Lee: Google the Kingmaker

Sen. Mike Lee (R., Utah) speaks about Google’s status as the No. 1 search engine with 65% to 75% of market share. Noting that the top few search results on Google’s search engine get 90% of clicks, Lee says: “One thing is clear: given it’s significant ability to steer e-commerce and online information Google is in a position ot determine who will succeed and who will fail on the Internet.”

Lee mentions the FTC investigation and other antitrust probes in Europe and elsewhere.

- 11:09 am



- Meanwhile, Google's Eric Schmidt Sits Back


Google Executive Chairman Eric Schmidt is sitting back, taking in the remarks. He likely got a sneak-peak of those comments yesterday.

Schmidt, who was Google’s CEO for 10 years before being replaced by co-founder Larry Page in April, is a veteran of tough interviews, though he has been prone to gaffes in the past, particularly in the area of online privacy. Google’s detractors will hope he does so again.


Here is a list of Google responses to a variety of criticisms that Schmidt will be sure to use as his cheat sheet: <http://googlecompetition.blogspot.com/2011/09/guide-to-senate-judiciary-hearing.html>

In his opening remarks, Schmidt will say Google in 2010 alone helped generate \$64 billion in

economic activity for small businesses, thanks to Google search and ads that appear on the search engine.


- 11:10 am
- 
- Sen. Mike Lee (R., Utah) Continues

Lee mentions Google's strong position in mobile devices, thanks to its Android operating system. He says the focus is consumer welfare, especially if consumers are "misled" by Google's tendency to drive Web traffic to its own specialized sites rather than competitors.

- 11:17 am
- 
- Sen. Dianne Feinstein (D., Calif) Takes the Mic.

Now it's time for Google's home state senator. Sen. Dianne Feinstein (D., Calif.) says that Schmidt is "filled with integrity." She then says of Schmidt, and the CEOs of Yelp and Nextag: "I hope they tango rather than tangle."

Lucky for Schmidt, he's on a panel by himself and doesn't have to face Yelp's Jeremy Stoppelman and Nextag's Jeff Katz directly. They will be on a separate panel later. Google lobbied hard to make sure Schmidt would be on his own.

- 11:19 am
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- Here's Google's Eric Schmidt

Schmidt, like his Silicon Valley comrades, doesn't often wear a suit and tie, but that's pretty much a requirement here.

In his remarks he places emphasis on Google's mission to "always put consumers first." He is also taking pains to speak about Google's investment in the American economy, and its aggressive hiring.

- 11:22 am
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Schmidt is now talking about other innovative Silicon Valley companies — Amazon, Apple, Facebook — who compete against each other. Surprisingly, there's no mention of Schmidt's nemesis, Microsoft, though to be fair Microsoft is based in Washington state.

Schmidt says he's confident the FTC probe will reveal that Google doesn't have anticompetitive practices.

- 11:27 am
- 
- Sen. Kohl, Schmidt Discuss "Best Answers"

Sen. Kohl (D., Wis.) asks Schmidt for his response to accusations that Google search results favor products like Google Places, its local business directory, over non-Google sites.

Schmidt says the Internet has evolved and Google can algorithmically give users the best answer.

Kohl then asks why should people trust Google to give them the best answer and not just give answers that benefit Google's business.

Schmidt says that the ultimate correction to any mistakes Google makes is that, "users will switch extraordinarily quickly to other services. People have choices they did not have in previous generations."


- 11:29 am
- 
- A Controversial Statement from 2007 is Resurrected

Kohl refers to a famous comment by Google VP Marissa Mayer from 2007 that when Google created Google Finance, it chose to put links to that site above other results when people look for financial information about publicly-traded companies, for instance.

"It seems only fair," Mayer said in 2007. "We do all the work for the search page...so we do put it first."

If that's company policy, Kohl said, that contradicts Schmidt's comment.


Schmidt's reply: "There are some queries that aren't served well by 10 links. When people want a map, they want a map right then and there." He says on financial information that Google licensed information from Nasdaq, etc., and thus Google can give immediate stock information to people searching for it. He also notes that Yahoo Finance is the No. 1 finance site.

- 11:31 am
- 
- Question from Sen. Lee (R., Utah): Is Google Search Biased?

Sen. Lee then asks: Are Google products and services offered by Google subject to the same search ranking algorithmic process as other search results.

Schmidt says that "if we know the answer, it is better for the consumer to answer that question so they don't have to click anywhere else."

Schmidt says he's "not aware of strange boosts or biases" for Google services.

- 11:37 am
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- A Testy Exchange Concerning the Number Three

Lee then shows a chart with information about Google search results for 650 different product-related searches in April of this year. Google ranked third in almost every single instance, he said.

There's some confusing back and forth and then Lee points at Schmidt – "You're always third." And he wants to know why.

Schmidt says: "I'd need to see the technical details to give you a direct answer."

Lee: "You've cooked it so that you're always third."


Schmidt: "I can assure you we've not cooked anything."

Lee: "You have naturally and uncanny attraction to the number three in that instance."

- 11:38 am
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- Sen. Chuck Schumer (D., N.Y): Let's Hear it for New York!


Sen. Chuck Schumer (D., N.Y) now takes the stage and says he doesn't want technological growth to be unfairly constrained, and he is sure the FTC investigation of Google will keep that in mind.

Schumer then gives a spirited promotion of New York, saying that many people don't know the state is a high-tech hub for start-ups and venture capital. Good to know. Thanks, Chuck.

- 11:43 am
- 
- Chuck Stands Up for Google...


Ok...here's the New York-Google connection. Schumer says that if Google behaved in an anti-competitive manner, it would hurt New York.

He then emerges as among the biggest defenders of Google. He said he recently spoke to a dozen technology start-ups off the record. "I asked them, what do you think of Google? Is Google rapacious, trying to steal what you do? Or do they have a more positive attitude? Frankly I expected them to attack Google, but they didn't. Four-fifths said Google is a positive force. 'It helps us more than it hurts us. Google is actually pretty good. We don't see them as rapacious.' That surprised me and influenced me."

- 11:43 am
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- ...And Then Asks for a Favor

Schumer then looks out for New York again. He mentions Google's plan to build a high-speed Internet service for Kansas City, Mo. and Kansas City, Kan. He asks Schmidt whether he will consider the Hudson Valley as a future test site for Google's Internet service. Schmidt says "absolutely."

And Schumer's out of time.

- 11:48 am
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- Sen. John Cornyn (R., Texas): What About That Criminal Settlement?

Sen. John Cornyn (R., Texas) immediately brings up Google's recent \$500 million criminal settlement with the Justice Department arising from its alleged years-long practice of helping illegal online pharmacies, including some from Canada, to buy ads on Google's search engine.

You can read the story here:


<http://online.wsj.com/article/SB10001424053111904787404576528332418595052.html>

Cornyn said it "gave me some concerns."

Schmidt said "we regret what happened" but says the non-prosecution agreement with the Justice Department prevents him from talking much about it. Schmidt says the case doesn't apply to Google's current practices.

- 11:49 am
- 

There's now a question about whether Schmidt can talk about the non-prosecution agreement. Schmidt consults with David Drummond, Google's top lawyer, and again apologizes and says he can't say much about it other than to agree with Cornyn's summary.

- 11:54 am
- 
- A Question about Android and Google Search

Cornyn asks about Google's Android mobile operating software, which powers around 40% of the smartphone market and is a competitor to Apple's iPhone. He asks whether Google can use that platform to disadvantage competitors.

Schmidt says "it's possible to use Google search with Android but also possible to expressly not

use Google search.”

When Cornyn asks whether Google could ensure that its own applications – for Gmail email, for instance – work better than those of competitors, such as Yahoo Mail, Schmidt says that’s not possible.

- 11:57 am
- 
- A Plea for Minnesota Above-Ground Pool Businesses

Sen. Amy Klobuchar (D., Minn.) takes the mic to talk about a Minneapolis-based above-ground pool maker that fell in Google’s search rankings. The business had to pay \$40,000 in online advertising to make up for the drop.


Schmidt said that while he had “sympathy for a business that has gone down” it means another business rose up in the rankings. “We are in the business of ranking. Those decisions are not perfect. Sometimes rankings change for no particularly good reason. We make a change roughly every 12 hours.”

- 11:58 am
- 
- A Question About Copyright Violations

Klobuchar then asks about piracy and copyright violations relating to book and media content online, and she asks Schmidt what Google’s doing.

Schmidt says it’s a “huge issue. We’re under great pressure to resolve this with a technical solution. It’s a very hard computer-science problem.”

He mentions a successful program at YouTube, Google’s video site, to weed out pirated content. But it’s harder to do that elsewhere online, as algorithms can’t easily detect copyright violations.

- 12:05 pm
- 
- Sen. Chuck Grassley, Schmidt Talk Small Business

Up next is Sen. Chuck Grassley (R., Iowa), who says he’s heard good and bad about Google’s practices, but his questions are pretty general. He asks what’s Schmidt’s response to the notion that it “uses its power to manipulate consumers” and drive traffic to its own website. He also expresses concerns that the company may hurt small businesses.

This gives Schmidt the opportunity to talk about Google’s mission to “serve small businesses well.” He says small businesses succeed because of “specialization,” and that Google helps them articulate the unique way in which they are different from big-box retailers.

- 12:10 pm
- 
- Sen. Al Franken Fears Franken-Google

Sen. Al Franken (D., Minn.) starts off by saying he “loves Google.”


But the skeptic in Franken then emerges. He says: “Google will be setting standard for innovation for decades to come. In many ways Google’s unprecedented growth and success is one of the reasons we need to pay attention to what you’re doing. As you get bigger and bigger I worry about what that means for the next Larry Page and Sergey Brin (Google’s co-founders) to build the next” Google.

But Franken is also “worried about big businesses that own information and distribution channels to that information. When you dominate how people search for information and you own separate products and services you want to succeed, your incentives shift.”

- 12:12 pm
- 
- Franken Calls Schmidt's Answers "Fuzzy"

Franken expresses disappointment about Schmidt’s answers to Lee’s earlier questions about why Google Product Search links constantly ranked third for product-related searches on Google.


“That was a fuzzy answer from the chairman of the company. We’re trying to have a hearing here about whether you favor your own stuff.”

- 12:14 pm
- 
- Question: Does Google Use Yelp to Drive Views to Google Places?

Franken recounts Google’s dispute with Yelp, the business reviews site.

He asks Schmidt whether Google still uses Yelp’s content without Yelp’s permission in order to drive Web traffic to Google’s own Google Places local-business pages.

Schmidt says that to his knowledge, it doesn’t. (Yelp has submitted records to the Senate subcommittee that attempt to show Google still does so.)]

- 12:18 pm
- 
- Sen. Richard Blumenthal: You're a 'Behemoth'

Sen. Richard Blumenthal (D., Conn.) says Google is a “great American success story” but he

expects “the behemoth” of the Web to get stronger and grab more market share, adding that “your nearest competitor (Microsoft’s Bing) is losing \$2 billion a year.”

Blumenthal had previously taken on Google after the company mistakenly gathered personal information from the wireless Internet connections of U.S. residents.

Schmidt responds: “There are many new start-ups who are potential competitors to Google . There are sites that get more than half of their Web traffic from Facebook, the social network.”

- 12:21 pm



Blumenthal then turns to Google’s tendency to place links to Google Places and other specialized sites above competitors. “If we were a court and liability were found and the question were remedies, what would you suggest?”

Schmidt: “I’ve spent a long time thinking about this. We had conversations years ago about how Google would behave to avoid being evil when we’re big.”

Schmidt says he feels Google has done a good job on this. He points to the “data liberation front,” a unit within Google that lets people take all their personal information out of Google’s products such as Google+, its social network, if they chose to do so.

- 12:27 pm



- On to Round Two: Search Results

Back to Sen. Kohl for round 2: “Should we be troubled by any one company having huge influence over news and information citizens find on the Internet, and doesn’t this demonstrate the need for real competition in this area?”

Schmidt: “We’re strongly in favor of competition” and adds a good point about how “much of the online news is consumed by the social networks.”

Regarding Google’s search results, “It’s a judgment, what comes first or second. It’s a complex formula...using a proprietary algorithm Google has developed.” He adds that we “do occasionally make mistakes.”

- 12:28 pm



Sen. Lee, who had a testy exchange earlier with Schmidt, wants to double back and confirm: “Does Google give preference to its own sites in search results?”

Schmidt confirms that sometimes Google puts links to its own sites above others when the search engine believes Google’s sites have the best answer to a user’s question.

- 12:28 pm



“I’m troubled by what we’ve learned today about Google’s actions,” Lee said in conclusion.

- 12:34 pm



- Schmidt Makes a Mistake

Schmidt has made his first black-and-white mistake, but it’s not a huge one.

Responding to a question from Sen. Franken, he said that Google Places, its listings of information about local businesses, doesn’t come as a mobile application on Android-powered devices. But Places is indeed an app.

The context of the conversation was Franken’s question about whether Google requires handset manufacturers to preload Google mobile applications on Android-powered phones. Schmidt said they don’t, but added that two-thirds of Android powered phones do come preloaded with Google’s applications for Gmail, Google Maps and others.

- 12:35 pm



Yelp previously has complained that the Google Places app preloaded on Android phones makes use of Yelp business reviews without Yelp’s permission.

See this story:

<http://online.wsj.com/article/SB10001424053111904233404576462420054134918.html>

- 12:38 pm



- Schmidt Bats Away Question About Search Engine Secrets

Sen. Klobuchar asks whether Google can give more information to businesses to explain why they’re ranked a certain way.


Schmidt responded that “there’s a limit to how much transparency we can have. If we’re completely transparent they will be heavily gamed by sites that try to spam us...and manipulate the index to produce a false answer.”

- 12:41 pm




- Google's Special Responsibility


There was another notable moment in Sen Kohl's round 2 questions. He asked whether Google recognized it was a monopoly and that it had special responsibilities as a monopoly. Schmidt responded that he wasn't a lawyer but that Google had a "special responsibility" to debate the issues.

- 12:41 pm
- 
- Recess


There's a short recess before the second panel with Google's rivals.

- 12:50 pm
- 
- And We're Back...

Back to the action, with Tom Barnett, a former Justice Department lawyer who is now representing Expedia talking about how Google is undoubtedly a monopoly, and that the Justice Department has already determined that.


- 12:51 pm
- 

Because Google is monopoly, Barnett said, it has a duty not to abuse that position. Barnett then focuses on the argument of the day: that Google places links to Google Places and other specialized sites above others, and that it doesn't tell consumers that they're doing this.

- 12:54 pm
- 


Barnett concludes that "antitrust enforcement can and should play a role" to help maintain competition. He says that if antitrust enforcement doesn't arise, Google's continuing expansion would increase "pressure for more direct government regulation" that could harm innovation.

Throughout that part of the statement by Barnett, Sen. Lee appears to nod his head in agreement

- 12:56 pm
- 
- Here's Nextag CEO Jeff Katz


Now Nextag's CEO Jeff Katz, who smiled and shook Schmidt's hand after Schmidt concluded his testimony. Katz gave his first interview critical of Google yesterday (see <http://online.wsj.com/article/SB10001424053111903374004576583092262671326.html>).

He says Google rigs its results to drive users to Google Product Search when people look for information about specific products such as running shoes.


- 12:58 pm
- 
- Yelp's Jeremy Stoppelman is Next

The youngest panelist, Jeremy Stoppelman, chief executive of privately-held Yelp, now speaks about his 800-person firm.

Says Stoppelman: “I wonder if we would have been able to start Yelp today because of Google’s recent actions. Google hopes to be a “destination site” rather than pointing people to other sites.


- 12:59 pm
- 

Stoppelman says Google’s conduct “has everything to do with generating new revenue.”


- 1:02 pm
- 
- And Now Susan Creighton, Google's Outside Lawyer

Google’s outside lawyer, Susan Creighton, the fourth witness on the second panel, first corrects Schmidt’s earlier mistake about the Google Places. It is an app as well.

She’s urging “extreme caution” in government intervention, which she said could harm innovation.


- 1:04 pm
- 

Creighton talks about the Web’s dynamic competitive landscape, and that “disruption” of the status quo “is the rule.” She then brings up the story of Facebook’s rise at the expense of MySpace, which once had a 72% market share in social networks but “is now a fraction of 1%.”

- 1:05 pm
- 

Creighton continues: If the government tried to control Google’s search-results rankings, it would “turn Google’s search service into a regulated utility. It would put the company at a disadvantage....”


- 1:14 pm

- 
- Creighton: Google is Not a Monopoly


Creighton, Google's representative, disagrees with the notion that Google is a monopoly. She says a monopoly would have to sustain a market share somewhere in the 80% range or above over many years. "It's free and instantaneous" for consumers to switch to a different site to find information, she added.

- 1:20 pm
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Sen. Lee, a self-described "free market conservative Republican," said he would prefer Google take internal action to play fair rather than face regulation. He asked Barnett what Google should do. Barnett said Google should clearly label instances in which it puts Google Places and other specialized Google services in its search results ahead of competitors, especially when the links to Google Places aren't ranked by Google's algorithm like Yelp and others are.

- 1:21 pm
- 
- Imagine No Yelp

When Franken asks Yelp's Stoppelman and Nextag's Katz whether they could start their companies today, both say Google's practices would prevent them from doing that.

- 1:24 pm
- 
- A Strange Exchange

Franken and Creighton have a strange exchange about whether Google paid Apple to become the default search engine on the iPhone and iPad devices.

It seems like Franken was trying to prove that mobile search — where Google has a 90% or higher market share — is valuable to Google.


- 1:25 pm
- 

But in the end, Creighton says that she believes Google shares search-related revenue with Apple as part of the deal between the companies.

- 1:31 pm
- 


In response to a question by Sen. Blumenthal about whether Google is a monopoly, Creighton again says she doesn't believe it is, in part because "I don't believe the market is properly limited to general search engines."

It sounds like she means that because there are countless sites where people can do searches for information, such as on Yelp, Amazon or even Facebook. Google's 65% to 70% market share in "general searches" on the Web—where it competes primarily with Microsoft and Yahoo—doesn't rise to the level of a monopoly.

- 1:44 pm
- 
- "A Committe of Technologists"


Franken says he "sees some merit" in Google voluntarily "creating a committee of technologists and small businesses who can review algorithm tweaks [changes to the way Google ranks sites on the search engine] and provide assurances Google treats everyone equally."

He asks Creighton what she thinks. Creighton said what Franken described is "another word for regulation."

- 1:44 pm
- 

Franken continues to challenge Creighton, saying he asks what if Google voluntarily does so.

Creighton says "Google changes its algorithm 500 times a year and a committee would be too slow."

- 1:51 pm
- 
- That's All Folks

The bespectacled Sen Kohl sums it up, saying he will continue to examine the issues raised in the hearing, including whether Google "merely does its best to serve consumer interests" or hurts competition on the Web. Kohl concludes the hearing.

And that's it. Thank you for attending. We will have a wrap up shortly. And don't forget to follow continued Google coverage here at The Wall Street Journal.