

Google paid Apple up to \$12 billion for a search engine deal that disadvantaged competitors, landmark antitrust suit claims

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- *The US Department of Justice is putting Google's multibillion-dollar search engine deal with Apple at the centre of its antitrust case.*
- *Google pays Apple up to \$12 billion a year to appear as the default search engine on iPhones and other Apple devices, according to the lawsuit filed Tuesday.*
- *After a 2018 meeting between Apple CEO Tim Cook and Google CEO Sundar Pichai, an unidentified senior Apple employee wrote to a Google counterpart saying that "our vision is that we work as if we are one company," the lawsuit claimed.*
- *The lawsuit cited a Google document that called the Apple search deal a "significant revenue channel," and that said losing the deal would be "Code Red" scenario.*
- *Google called the suit "deeply flawed," and compared its payments to Apple and other device makers to the money a "cereal brand might pay a supermarket to stock its products at the end of a row or on a shelf at eye level."*
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The US Department of Justice (DOJ) is placing the billions that Google pays to Apple to appear as the default search engine on iPhones at the heart of its antitrust case.

The landmark antitrust lawsuit filed against Google on Tuesday said the internet giant pays Apple between \$8 billion and \$12 billion to make Google's search engine the default on iPhones and other Apple devices. It claims Apple CEO Tim Cook and Google CEO Sundar Pichai met in 2018 to discuss the deal.

After this meeting, an anonymous senior Apple employee wrote to a Google counterpart that "our vision is that we work as if we are one company," the DOJ said in its suit.

The companies declined to comment on the alleged meeting to the Wall Street Journal.

The lawsuit cited a Google document that called the Apple search deal a "significant revenue channel," and that said losing the deal would be "Code Red" scenario. That's because Google estimates nearly half of its search traffic in 2019 came from Apple devices, the lawsuit said.

Although the DOJ acknowledged it's possible to change the default search engine on phones, it said that few users do, making Google an "exclusive" search engine and disadvantaging smaller competitors.

Read more: *Legal experts say the government's 'Microsoft' strategy in its antitrust case against Google is smart, but a forced breakup may still be a long shot.*

The lawsuit quoted estimates that Apple gets between \$8 billion and \$12 billion from Google through the search engine deal — around a fifth of Apple's worldwide net income.

Eleven states supported the Justice Department in its lawsuit, which is the biggest legal challenge Google has ever faced.

Kent Walker, Google's policy chief, called the government's case "deeply flawed" in a blog post. "Artificially" propping up lower-quality search options would hurt users, it said.

Walker compared the money Google pays to Apple and other device makers to the money a "cereal brand might pay a supermarket to stock its products at the end of a row or on a shelf at eye level.

Neither Google nor Apple immediately responded to a request for comment. Read the original article on Business Insider