

Press release

Only 0.1 per cent of turnover: Google offers around 10 million euros for entire German press rights

Google has offered a payment of 3.2 million euros for Corint Media's repertoire, which combines around one third of German press publishers' rights. Transferred to the entire market, Google would thus offer around 10 million euros for the German press publishers' rights. With an estimated turnover of 11.3 billion euros, this would correspond to a licence rate of 0.1 per cent. Corint Media had demanded a payment of 420 million euros from Google as appropriate remuneration.

Licensing Google's uses on this basis is impossible. In the enforcement of press publishers' right, the focus is now on the ongoing proceedings of the Federal Cartel Office (Bundeskartellamt; BKArtA) against Alphabet and Google as market dominators.

Berlin, March 3 2022. Google has made Corint Media an offer of 3.2 million euros for the represented publishers' rights in 300 press publications. In relation to the entire German press market, of which Corint Media represents about one third, this would mean a payment of only 10 million euros for all German press publishers' rights. This proposal contrasts with Google revenues in Germany in 2021 of around 11.3 billion euros.

The sum offered is the first figure Google has quoted as payment for the rights represented by Corint Media. Google had rejected the licence agreement drawn up by Corint Media for a payment of 420 million euros p.a. and finally also an interim agreement. This was intended to end the ongoing situation in which Google has been unlawfully interfering with the press publishers' right since it came into force in June 2021 by using content from press publishers in its offerings without paying for this use. In parallel, courts and authorities should decide on possible contentious issues of copyright and antitrust law in subsequent proceedings.

Corint Media had calculated the licence fee of 420 million on the basis of Google's estimated turnover in Germany for 2022 of 12.4 billion euros and a percentage rate applied to this in the lower range of usual remuneration rates. Google wants to decide on the amount and assessment of the payment alone and, in the case of collective rights management, rejects the usual regulation according to which a percentage of the revenues audited in the annual financial statements is to be paid to the rights owners by the users as appropriate remuneration. In doing so, Google is attempting to disregard crucial monetary benefits that the company enjoys by displaying press content. Among other things, press articles are used to evaluate the interests of users for *targeted advertising*. In addition, the display of press articles with objective and non-advertising content gives Google's products a high level of credibility and thus attractiveness among Google's users.

The Bundeskartellamt is currently investigating, among other things, the Google News Showcase product, which strongly affects the enforcement of press publishers' right. The President of the Bundeskartellamt, Andreas Mundt, commented: *"Parallel to the proceedings on Google News Showcase, we are keeping a close eye on the negotiations on the remuneration of press publishers' rights."* The Office had already announced in a preliminary communication that it was investigating Showcase with regard to a self-preference of Google or a disadvantage of competing offers of third parties. A deadline by which market participants could assess Google's proposals to remedy these concerns expired on 8 February 2022. A decision by the Bundeskartellamt could reorder the market for press licences and partially redress the imbalance between hundreds of national press publishers and the global market dominator Google. European and national legislators had created the legal basis for this market so that publishers could at least partially mitigate the losses caused by the disruption of the advertising market, among others. Google's abuse of its market power will decisively damage this licensing market. As a major digital distribution channel, Google is currently setting prices for press rights without contradiction and exerting further pressure through poorer representation of those press publications not willing to cooperate with Google. This strategy is also been shown with the current offer to Corint Media.

Christoph Schwennicke and Markus Runde, Managing Directors of Corint Media: *"Google's counter-offer of 3.2 million euros is a slap in the face for the press in Germany. After Google alone has "taken over" around 40 percent of the advertising revenues of German publishers, it is now offering a payment in the per mille range for the use of press publishers' rights. Google has a total turnover of 11.3 billion euros in Germany in 2021 – also thanks to the display of press publications. In view of these figures, Google does not seem to be interested in a settlement with Corint Media publishers. This means that the competent authorities and courts are now called upon to turn this market, which has been disrupted by dominance, from its head to its feet. Legislators will also have to review how to deal with global corporations that want to do business in a reliable framework, but for whom, on the other hand, the rules of law are clearly not supposed to apply."*

About Corint Media

Corint Media, based in Berlin, is a European company in the private media industry. It represents the copyrights and neighbouring rights of almost all German and several international private television and radio stations as well as numerous press publishers.

The media companies represented by Corint Media include TV stations such as Sat.1, ProSieben, RTL, WELT, SPORT1, CNBC, Eurosport, VOX and CNN, radio stations such as ANTENNE BAYERN, radio ffn, Klassik Radio, Radio Hamburg, Hit Radio-FFH, RADIO PSR, R.SH, RPR1 and RTL RADIO, as well as press publishers such as Axel Springer, Verlagsgesellschaft Madsack, Mediengruppe Pressedruck, Aschendorff Mediengruppe, Rheinische Post Mediengruppe, sh:z Schleswig-Holsteinischer Zeitungsverlag and Badischer Verlag.

Corint Media is one of 13 collecting societies authorised in Germany and is under the supervision of the German Patent and Trade Mark Office (DPMA).

Offers: Google vs. Corint Media

For the use of the rights of more than 300 digital press products, Google is offering a licence payment of 3.2 million euros. With an estimated German turnover of 12.4 billion euros in 2022, this corresponds to a licence rate of 0.025%. This would be a uniquely low royalty rate in copyright practice.



€ 12.4 bn

Google turnover in Germany

Proportion of the audited and reviewed relevant European turnover attributable to Germany.

Appropriate remuneration: 11-12.5%

Licence rate of 11% is low compared to other markets

Interim Offer Corint Media

In order to put an end to Google's unlawful use of rights for the time being, Corint Media proposes a payment of 50 million euros - legal recourse open.

Google-offer

With € 3.2 million, Google wants to acquire the rights of about one third of the market.