

Press release

Further step: Corint Media files an application with the Arbitration Board against Google for a determination of the remuneration amount

Corint Media brings action before the Arbitration Board of the German Patent and Trade Mark Office (DPMA) concerning abusive use of press content by search engine group Google

Berlin, 22 July 2022 After the supervisory board of Corint Media unanimously passed a resolution to this effect on 4 July 2022, Corint Media yesterday applied to the Arbitration Board of the German Patent and Trade Mark Office (DPMA) for a settlement order regarding unauthorised Google use. A neutral decision by the Arbitration Board on the amount of remuneration is intended to put an end to the continued unlawful uses of digital press products by Google also under copyright law. Since the law came into force on 7 June 2021, Google has already been using publishers' rights without consent and paying Corint Media and the majority of German press publishers nothing in return. To date, Google has not informed either the publishers or Corint Media about how the press content is used by way of reproduction and making it publicly available not only in the Google ecosystem, but throughout the entire Alphabet group.

With the application submitted yesterday, Corint Media is asking the Arbitration Board to rule above all on the amount of the reasonable remuneration for the undisputed use of the press products as well as other non-discriminatory licensing conditions. This is a consistent step to have it confirmed that Google's payment offers in the lowest per mile range are not only contrary to cartel law, but also unfair under copyright law.

Previously, at the beginning of this year, the Federal Cartel Office had already issued a basic ruling against Google as a company with outstanding cross-market significance, thus paving the way for ex-ante, i.e. advance, regulation under the newly created Section 19a GWB. At the same time, the Federal Cartel Office, following a complaint by Corint Media, initiated antitrust administrative proceedings against Alphabet, as well as against Google, for abuse of a dominant position, above all through the offers of so-called Google News Showcase contracts and because of the deliberate undermining of the right to protection of press services expressed therein. It was not until 28 June 2022 that Corint Media was officially invited as a party to these antitrust administrative proceedings, which continue to be decisive for the enforcement of publishers' rights, by the competent decision-making department of the Federal Cartel Office. The three publishers' associations BDZV, MVFP and VDL have meanwhile also applied for party status in these important antitrust administrative proceedings.

Despite this action, Corint Media is open to continue to offer Google a licence agreement in the amount of 420 million euros p.a. for the represented rights portfolio. The amount of the claim mentioned follows the common licensing practice in copyright law of paying 11 per cent of the audited revenues generated from third party copyrights and neighbouring rights as reasonable royalty payments. After Google rejected these claims as "baseless", Corint Media also unsuccessfully offered Google several interim agreements with interim lower remunerations in order to at least end Google's unlawful use since 7 June 2021 (entry into force of the German Press Publishers' Right) and thus enable Google to use the material in a lawful manner.

Google has offered Corint Media a payment of 3.2 million euros, which should settle all rights. This corresponds to less than one per cent of Corint Media's claims and less than 0.03 per cent of Google's estimated turnover in Germany of approximately 11.3 billion euros in 2021. Against this background, Corint Media cannot confirm that Google - as currently claimed - has sought to negotiate with Corint Media.

Contrary to Google's representations, press content is the central, overriding value for the entire Google ecosystem. This is illustrated above all by the constantly increasing turnover of the Google search engine and the entire Google ecosystem in Germany, which is not visible from the outside and whose turnover is hidden in the audited annual financial statements of Google Ireland Ltd. The outstanding importance of press products is not only proven by the annual double-digit increases in turnover. A [recent study by Professor Matthew Elliot of Cambridge University](#) also comes to the exemplary conclusion that Google earns around one billion euros directly and immediately from press content in the UK alone. However, the British market is only about 70% of the size of the German market in terms of gross domestic product (GDP). In the Australian market, Google pays around 100 million euros to selected press publishers for the use of their content. In France, too, Google pays a high double-digit million amount for the use of some press rights.

Markus Runde and Christoph Schwennicke, Managing Directors of Corint Media, commented: *"Unlike in France, for example, we have the legal possibility in Germany to have the amount of appropriate remuneration decided by an arbitration board with a high level of expertise and professionalism and decades of experience. As a neutral body, the arbitration board will determine how high an appropriate remuneration for press publishers and their editors should actually be and how the illegal situation created by Google to the detriment of publishers and their journalists should now be ended. The neutral determination of the amount is of paramount importance. However, a decision by the Federal Cartel Office is essential for the enforcement of the law by paying an adequate remuneration against the market dominator Google. Google wants to prevent any transparent uniform pricing in the newly created market for press publishers' rights. However, this was and remains the declared intention of the EU and German legislators. The law applies to all, even to globally operating market dominators. This is one of the great promises of our constitution (Grundgesetz), which at the same time places the press and its importance for opinion-forming in participatory democracies under the special protection of Article 5 GG. We trust in quick decisions by the Arbitration Board."*

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).