



COMPETITION COMMISSION OF INDIA

Case No. 23(1) of 2024

In Re:

Alliance of Digital India Foundation

... Informant

AND

Alphabet Inc.

... Opposite Party No. 1

Google LLC

... Opposite Party No. 2

Google Ireland Limited

... Opposite Party No. 3

Google Asia Pacific Pte Limited

... Opposite Party No. 4

Google India Private Limited

... Opposite Party No. 5

CORAM

Ravneet Kaur

Chairperson

Anil Agrawal

Member

Sweta Kakkad

Member

Deepak Anurag

Member

ORDER UNDER SECTION 26(1) OF THE COMPETITION ACT, 2002

1. Information in Case No. 23 of 2024 has been filed by the Alliance of Digital India Foundation ('ADIF') under Section 19(1)(a) of the Competition Act, 2002 (the 'Act'), against Alphabet Inc., Google LLC, Google Ireland Limited, Google Asia Pacific Pte Limited and Google India Private Limited ('Google'), alleging contravention of the provisions of Section 4 of the Act.
2. ADIF is stated to be an alliance of individuals/ start-ups/ companies that aims to improve the start-up ecosystem in India and actively helps in identifying and dealing with issues concerning the growth and functioning of start-ups in India. ADIF, as a body, is stated to represent the interests of various stakeholders such as start-ups, app developers, *etc.* and espousing the objective of improving the start-up ecosystem of the country.



3. Alphabet Inc. is stated to be a US-based multi-national technology company engaged in the business of internet-related services and products. Google LLC, formerly Google Inc., is stated to be a Delaware limited liability company and wholly owned subsidiary of Alphabet Inc., its holding company. Google LLC provides a variety of information technology related services, with a principal focus on search, advertising, operating systems, platforms, and enterprise. It also offers an internet search service. Google Ireland Limited is stated to have been set up in 2003 as a subsidiary of Google LLC and is responsible for providing services to the company's users in the European Economic Area and Switzerland. Google India Private Limited is an Indian subsidiary of Google LLC and has been stated to be appointed by Google Asia Pacific Pte Ltd., Singapore as a non-exclusive authorised reseller of online advertisement space in India provided by Google Asia Pacific Pte Ltd., through Google Ads program to advertisers in India.
4. All five Google entities together are stated to be a 'group' in terms of clause (c) of the Explanation to Section 4 read with clause (b) of the Explanation to Section 5 of the Act.
5. The Commission considered the Information in its ordinary meeting held on 08.01.2025, and *vide* an order of even date, sought response from Google thereupon. Google filed its response to the Information on 09.04.2025.
6. Thereafter, *vide* order dated 11.06.2025, the Commission, upon consideration of the matter, decided to pass appropriate order(s) in due course.
7. The present is one of such order(s) passed.
8. At the outset, it is noted that allegations purporting to distinct markets and different products/ conducts of Google have been levelled in the Information filed in Case No. 23 of 2024.
9. As such, the Commission decides to segregate the said matter into three sub-cases *viz.*
 - (a) Case No. 23(1) of 2024 which shall deal with the allegations of abuse of dominance by Google in the Online Display Advertising services market through its Google AdTech Stack;
 - (b) Case No. 23(2) of 2024 which shall deal with the allegations of abuse of dominance by Google in the Online Search Advertising services market through its Google Ads Policies; and



- (c) Case No. 23(3) of 2024 which shall deal with the remaining miscellaneous allegations of abuse of dominance by Google of (i) leveraging its dominant position in the general search market to increase profits from online search advertising market by imposing unfair conditions (including pricing conditions), (ii) indulging in non-transparent ad review and ad redressal process under inconsistent Google policies, and (iii) removing third-party cookies from websites under its 'Privacy Sandbox' in Chrome browser.
10. Accordingly, in the present matter, the Commission shall analyse the allegations made by ADIF regarding abuse of dominance by Google in the Online Display Advertising services market through its Google AdTech Stack.
 11. There are two forms of digital advertising, online search advertising and online display advertising. Online search advertising is when an advertiser pays for its advertisement to appear on the search engine results page ('SERP') with 'sponsored link' below the results, from a user's search on an internet search engine. The reason behind advertisers opting for search ads is because search-users generally tend to click mostly on the top few search results on the SERP. Google provides online search advertising services through its Google Ads, formerly known as Google AdWords.
 12. On the other hand, online display advertising refers to placement of visual ads (banners, images, videos) on websites, mobile apps, or other digital platforms. They are ads that appear in the advertisement space (or 'ad inventory') of a third-party website. As per ADIF, Google provides all types of Online Display Advertising, including advertising in banners or videos on webpages, in mobile apps, and alongside social media content.
 13. ADIF has stated that online advertising services are not substitutable with offline advertising services. Further, online search advertising is also not substitutable with online display advertising because the process of advertisement in online search advertisement is different from the online display advertising. Advertisers using online search advertising target in-market consumers who have already shown interest in their product or services. On the other hand, advertisers using online display advertising target out-market consumers through raising brand awareness. Search ads are considered 'pull' advertising while display ads are considered 'push' advertising.



14. In the Online Display Advertising market, ‘Publishers’ are those entities which sell their ad inventory, while ‘Advertisers’ are those entities who compete for the ad inventories of publishers. There are two ways for publishers to sell their ad inventories to advertisers. First is directly approaching the advertisers. While this may be feasible for big enterprises, who are in a position to directly approach and negotiate with big advertisers, the same is not feasible for smaller websites/ publishers. Therefore, they use the second approach *viz.* participate in ‘programmatic advertising’ to sell their ad inventories to advertisers. In this structure, there are several intermediaries involved, Ad Server, Supply Side Platform (‘SSP’), Ad Exchange, and Demand Side Platform (‘DSP’), which are run by algorithms, that automatically connect a number of publishers with number of advertisers in real time. Publishers hence, get benefitted by real time bidding, run by these intermediaries.
15. As per ADIF, programmatic sale of advertising space is not substitutable with direct sale of advertising space. Direct sales are based on an agreement between the publisher and advertiser specifying the number of impressions to be shown in a specified period of time, the pacing of the ads and their placement within the publisher’s website, and the price. The costs involved in direct negotiation for display advertising are generally higher than programmatic sales, particularly as they typically involve the most attractive inventory. Many publishers are unlikely to have the time, resources or expertise to sell all ad inventory on their websites *via* direct deals. On the other hand, in programmatic advertising, for advertisers who want to display their advertisements on the website of a publisher, the advertiser can programmatically bid on the advertisement inventory of the publisher. It provides the advertisers opportunity to decide whether to buy a given impression in ‘real time’ based on information not only about the context in which the ad will be displayed, but also permits targeting their marketing messages to particular audiences on the basis of detailed consumer profiles.
16. ADIF has also submitted that open online display channels are not substitutable with closed owned and operated (‘O&O’) online display channels which are often referred to as ‘walled-garden’. Walled gardens are closed platforms where users experience and interact with services, apps and content that is presented to them by those in control of the concerned ecosystem. For closed channels there is a publisher which sells very large volumes of ad inventory and has significant resources to sell its own ad inventory

directly to advertisers using its own systems. However, in open channels, instead of a single source publisher, there are a wide range of publishers (blogs, online newspaper websites, *etc.*) which compete to sell their inventory to a wide range of advertisers through complex intermediation services offered at various levels of the ad-value chain.

17. In the above background, ADIF has made allegations with respect to the conduct of Google *vis-à-vis* programmatic bidding on open channels, stating that Google dominates across the value chain of Online Display Advertisement Market including all the intermediaries and platforms involved, and unfairly abuses the process.
18. The various operators in the value chain of display advertising intermediation ecosystem are collectively called as 'AdTech Stack'. The 'AdTech Stack' is an intermediary chain containing all technologies (including SSPs, Ad Exchanges and DSPs) that enable the process of online display advertisements. The AdTech Stack facilitates the programmatic buying and selling of ad inventories through a bidding process. There are a total of seven key intermediaries in AdTech Stack. These key intermediaries can be broadly divided into the following three parts:



19. Publisher Ad Servers are tools that publishers use to organize and manage their ad inventory. SSPs are platforms used by publishers in automating the sale of their inventory and in choosing the most profitable advertisement to display. On the other hand, Advertiser Ad Servers are tools that advertisers use to manage and track all ads and campaign information in one location. DSPs are platforms used by advertisers to help them purchase ad inventory from suppliers of ad inventory as effectively and cheaply as possible, according to the parameters set by the advertiser. DSPs are used by advertisers to connect to Ad Exchange/ SSPs/ ad networks and buy ad inventory of publishers. Ad Exchange is an intermediary platform that facilitates the buying and selling of ad inventory between publishers and advertisers through their agencies. The Ad Exchange receives a request from the seller side to auction ad impressions. The Ad



Exchange solicits bids on the impression from the buyer side, chooses winning bids and transmits information on the winning bids back to the seller side.

20. As per ADIF, Google Ad Manager ('GAM') is Google's publisher-facing platform. 'AdX' is Google's Ad Exchange. Formerly, Google also had a separate Publisher Ad Server/ SSP viz. DoubleClick for Publishers ('DFP'). Google Display & Video 360 ('DV360') (for bigger advertisers) and Google Ads (for smaller advertisers) are Google's DSPs.
21. As per ADIF, Google operates its services across the entire AdTech supply chain, and is the largest provider of AdTech services at each level of the supply chain. In fact, Google is the only company that offers AdTech services across the entire AdTech supply chain. Further, Google is a dominant player in digital advertising across ad formats. This is by virtue of its market share in terms of ad inventory and revenue, access to large troves of consumer data, cross linkages across different service offerings and ensuing network effects, and significant entry barriers which no new player can match or overcome. Google is hence, *prima facie* dominant in the overall relevant market for online display advertising services in India even when analysed in terms of factors stated under Section 19(4) of the Act. The French Competition Authority in its Google Display Advertising decision (Decision 21-D-11) dated June 7, 2021 has also found Google to be dominant in the market for platforms for the sale of online non-search advertising space *i.e.*, market for online display advertising services.
22. As per ADIF, Google's dominance in the online advertisement markets has led to an anti-competitive environment and harmed the stakeholders of the market, as the nascent AdTech competitors are being driven out of the market. Hence, due to the lack of any effective alternative to Google's services, advertisers and publishers are dependent on Google. This helps Google assert its dominance over advertisers and publishers by imposing exploitative prices (Google takes a nearly 35% cut from the earnings from digital advertisers), forcing unfair conditions, not maintaining any transparency, *etc.*
23. ADIF has also submitted that Google is in a dominant position both in the separate relevant markets for SSPs, Ad-Exchanges and the supply of DSPs for open online display advertising in India.



24. ADIF has alleged that Google has abused its dominant position in the online open display advertising services market, on at least, four counts:
- (a) self-preferencing by tying the services of its Publisher Ad Server/ SSP (DFP) with Ad Exchange (AdX) and offering them as a single GAM function, in contravention of the provisions of Sections 4(2)(a)(i), 4(2)(b)(i) and 4(2)(c) read with section 4(1) of the Act;
 - (b) self-preferencing by tying the services of its SSP (DV360) with Ad Exchange (AdX) in contravention of the provisions of Sections 4(2)(a)(i), 4(2)(b)(i) and 4(2)(c) of the Act; and
 - (c) self-preferencing by linking access to its vertical's YouTube ad inventory to the use of its SSP DV360, in contravention of the provisions of Sections 4(2)(c), 4(2)(d) and 4(2)(e) read with section 4(1) of the Act; and
 - (d) indulging in Dynamic Allocation, 'Last Look' advantage, non-participation in Header Bidding, Open Bidding, Unified Pricing Rules, *etc.*
25. ADIF has also submitted that Google offers intermediation services in the online advertising market through its AdSense for Search. As per ADIF, by determining which advertiser 'wins' an ad placement and by determining fees across the AdTech stack in a non-transparent manner, Google is also in contravention of the provisions of Section 4(1) read with Section 4(2)(c) of the Act.
26. With respect to each of the above allegations, ADIF has, *inter alia*, stated as under:
- 26.1 On tying of DFP with AdX
- 26.1.1 Historically, the functions that an SSP conducted were performed by two separate platforms: the Ad Exchange would run auctions on the demand side to select which advertiser's bid would win an ad impression and the SSP would make decisions to maximise the price at which ad inventory is sold, such as setting price floors and deciding which buyers can bid for particular ad inventory.
- 26.1.2 However, over time, Google tied its Ad Exchange function with SSP (as a single offering called GAM) functions so that both the roles outlined above are now generally performed by SSP. Google modified the working of its SSP (DFP) in



such a manner post launch of its AdX in 2009 that certain features of the same became unavailable to other Ad Exchanges.

- 26.1.3 In 2018, Google changed its contract to rebrand DFP and AdX as a single offering called GAM. Google eliminated separate agreements for AdX and DFP, thus, tying DFP and AdX, forcing publishers to a combined contract for both DFP and AdX. Currently, as DFP and AdX are tied, it is impossible for a publisher to access AdX without using DFP. If a publisher is to access the largest source of available advertiser demand, it must license DFP as its SSP although GAM, DFP and AdX are separate products. DFP and AdX continue to function as before, providing the same ad-serving and Ad Exchange functionality that existed before Google introduced GAM.
- 26.1.4 However, publishers are forced to use DFP because Google permits publishers to clear transactions for impressions through AdX, only if the publisher is using DFP. For many publishers, AdX is a must-have Ad Exchange because AdX provides access to as many sources of demand as possible, which has a significant impact on publishers' revenues. Google however, permits AdX to bid in real time, only if a publisher licenses DFP. With a different ad server, AdX would not enter bids in real time. This arrangement made no short-term economic sense for Google, because an Exchange placing static bids, which are systematically lower than real-time bids, is less likely to win an impression. A lower win rate, in turn, generates less money for the Ad Exchange, as an Ad Exchange can take its revenue share only if it wins the impression. Google however, decided to forgo immediate revenue from real-time bids in order to exercise control in the supply side market. With the largest cross section of advertiser demand captured in AdX, and by offering more valuable, real-time bids only to publishers using DFP, publishers are coerced to use DFP as their SSP. Publishers cannot afford to forgo the most valuable real time bids from the largest Exchange, even though they may not want to hand over control of their inventory to Google. Google thus, forces publishers to use DFP for trading through its Ad Exchange. On the other hand, Google does not allow third-party SSPs to meet the demand from AdX under conditions equivalent to those offered by DFP.



- 26.1.5 So, through tying DFP with AdX, Google has increased the financial injury to publishers. Google continues to charge separate fees for ad-serving and Ad-Exchange services. In the absence of tying of DFP with AdX, there could have been greater competition in SSP and Ad Exchange markets. So, by tying DFP with AdX, Google imposed unfair terms on publishers, significantly limited and restricted the services that competing SSPs would provide to publishers, and is limiting and restricting the publishers from dealing with different SSPs, leading to denial of market access to different SSPs. Thus, such self-preferencing by Google through tying of DFP with AdX amounts to violation of the provisions of sections 4(2)(a)(i), 4(2)(b)(i) and 4(2)(c) read with section 4(1) of the Act by Google.
- 26.1.6 The French Competition Authority in Google Display Advertising decision (Decision 21-D-11) noted that Google does not allow third-party servers to meet the demand from AdX under conditions equivalent to those offered by DFP and held that the DFP Ad server of Google favours its AdX SSP and, conversely, its AdX SSP favours its DFP ad server.
- 26.2 On tying of DV360 with AdX
- 26.2.1 Google makes many features of its DSP DV360 unavailable to advertisers, if they participate in Ad Exchanges other than AdX. As a result, advertisers must move more of their spending into AdX, thereby enhancing Google's market power. The vast majority of DV360 advertising spend is intermediated by AdX. Also, Google deliberately restricts the ability of advertisers using non-Google DSPs to trade through Google's AdX, hence only allowing advertisers that use DV360 to bid for inventories.
- 26.2.2 Tying of DV360 with AdX causes significant financial harm to advertisers which amounts to imposition of unfair terms on them in contravention of the provisions of Section 4(2)(a)(i) read with section 4(1) of the Act. Further, Google is significantly limiting and restricting the services that competing DSPs could provide to advertisers by forcing advertisers to use its DSP DV360 for using its AdX. This anti-competitive practice also results in denial of market access to non-Google DSPs. Hence, such self-preferencing by Google through tying of



DV360 with AdX amounts to violation of the provisions of Sections 4(2)(b)(i) and 4(2)(c) read with section 4(1) of the Act as well.

26.2.3 The French Competition Authority in Google Display Advertising decision (Decision 21-D-11) noted that “*the DSP DV360 directs its clients’ purchases to the AdX SSP.*” The UK Competition and Markets Authority’s (‘CMA’) Report on Online Platforms and Digital Advertising dated 1st July 2020 also noted that AdX enjoys unrivalled attractiveness, since it is the only SSP for ad space that is able to fully meet the demand of buyers using the Google Ads and Google DV360 buying platforms. Yet, on one hand, the combination of the DV360 and Google Ads platforms constitutes the leading programmatic buyer of advertising space, and on the other hand, a significant portion of the advertisers of the Google Ads and Google DV360 DSPs use only one buying platform. Further, Australian Competition and Consumer Commission (‘ACCC’) in its Digital Advertising Services Inquiry Final Report dated 28th September 2021, also notes that demand from DV360 is easier to access through Google’s SSP. ACCC notes that Google is preferencing its own SSP by sending more advertiser demand from DV360 to its own SSP than to non-Google SSPs.

26.3 Linking access to YouTube ad inventory to use of DV360

26.3.1 Google’s DSP DV360 is a platform that offers advertisers with services like planning campaigns, managing audience data and most importantly, buying ad inventory of Google as well as other publishers. Ad inventory on YouTube, which is Google’s O&O video advertising platform, can only be purchased through DV360. This restriction by Google forces advertisers to use DV360 only in general as it would be easier for them to use one DSP for accessing all ad inventories as opposed to using multiple DSPs for different inventories and this acts as a significant entry barrier for other DSPs. Even if advertisers multi-home, that would not alleviate competition concerns since access to critical ad inventory of YouTube is only available on Google’s DSP. This position helps YouTube attract some of the big advertisers. Once an advertiser is hooked to DV360 for using it as their DSP, they may not look further for any other competitors.



- 26.3.2 The ACCC in its Digital Advertising Services Inquiry Final Report also supports this argument as it concludes that advertisers can purchase YouTube inventory through AdTech supply chain only *via* Google's own DSPs. It found that alternative channels are not a practical alternative for advertisers to purchase YouTube ad inventory as: (i) they prevent advertisers from reaping the benefits of programmatic advertising since they sit outside the AdTech supply chain and require separate negotiations with Google; (ii) it is more beneficial for advertisers to limit the number of platforms used to purchase advertising and; (iii) there is a smaller volume of inventory available *via* alternative channels, and that it is generally more premium or unique ad inventory. It is therefore, likely to be more difficult and expensive to access in comparison to purchases through Google's DSPs.
- 26.3.3 The UK CMA Report on Online Platforms and Digital Advertising also notes that some of the big advertisers use only DV360 as their single DSP due to exclusive access to YouTube. In fact, a major reason for single-homing on Google by advertisers is the unique access to YouTube inventory. The Commission has previously held in its order dated 20.10.2022 passed in Case No. 39 of 2018 titled *Umar Javeed and Others v. Google LLC and Another* (which stands affirmed by the Hon'ble NCLAT) that Google is dominant in the market for online video hosting platform in India since YouTube occupies the top position in the video streaming apps globally and in India and commands significant competitive strength over its rivals. Hence, tying its dominant service with another service *i.e.*, DV360 by Google is evidently, an abuse of dominance, which excludes competitor DSPs from the market as they are prohibited from selling the ad inventory of Google. Further, "*advertising revenue of YouTube has registered a remarkable growth of more than 35% in 2019 (over the year 2018) as against total Google advertising revenue growth of 15% (over the year 2018)*" which clearly substantiates that Google is profiteering from its abusive conduct.
- 26.3.4 Consequently, the tying in of YouTube Ad inventory with DV360 by Google leads to denial of market access to other DSPs in contravention of the provisions of Section 4(2)(c) of the Act. Such conduct also amounts to tying-in in violation of Section 4(2)(d) of the Act. Google has been held to be dominant in the tying



market *i.e.*, market for online video hosting platform in India, and it forecloses competition in the supply of DSP services by forcing advertisers to use the tied service *i.e.*, DV360 to access YouTube inventory. By linking YouTube exclusively to the DV360 platform, Google is also leveraging its dominant position in video streaming market to secure its position in intermediation market of open display advertising, which is a violation of Section 4(2)(e) of the Act also. Such conduct of Google significantly restricts competition for supply of DSP services by foreclosing distribution channels for rival DSPs and thereby, reducing their incentive to innovate and offer choice to users. Such leveraging by Google allows it to not only protect but also reinforces its dominant position in the market for supply of DSPs for open online display advertising.

- 26.3.5 The UK CMA Report on Online Platforms and Digital Advertising concluded that *“Google has leveraged its strong position in search advertising and its wider ecosystem in the open display market. Google has been able to use its market power in search to build its position as a DSP, including through leveraging its wider data and large base of advertisers, and through tying some of its owned-and-operated inventory (notably YouTube) to its DSP services.”* Additionally, *“Google can leverage the importance of YouTube for advertisers to increase its market power in the DSP market by allowing advertisers to buy YouTube inventory programmatically only through DV360. This restriction affects advertisers’ choices of DSP for non-Google inventory because.... a single DSP is typically used for a given campaign. As a result, advertisers who want to include YouTube inventory in their campaigns have a strong incentive to use DV360 for the entire campaign. As we have seen above, access to YouTube is one of the main reasons why advertisers choose DV360; several DSPs submitted that exclusive access to YouTube provides a very significant advantage to DV360 and creates a barrier to the growth of competitors”*. The ACCC Digital Advertising Services Inquiry Final Report also found that restrictions on YouTube inventory (which is crucial for advertisers due its dominance on account of reach and scale of users) lessens competition in the supply of DSP services by making Google’s DSP a ‘must have’ as it is the only way to access this inventory.



26.4 Indulging in Dynamic Allocation, ‘Last Look’ advantage, non-participation in Header Bidding, Open Bidding, Unified Pricing Rules, *etc.*,

26.4.1 There have been several evolutions in order to have a completely automated and seamless ad inventory buying/ selling process. These include – Real Time Bidding, Waterfall system, Dynamic Allocation, Header Bidding.

26.4.2 Under the old waterfall system, the Publisher Ad Server would first check to see if there were any direct deals in place that needed to be fulfilled if an ad impression was available. If there were no direct deals or if they had already been fulfilled, the Publisher Ad Server would then offer the ad impression to SSPs, one at a time, in a set order determined by the publisher. Publishers set the order of SSPs based on what they estimate the SSP would bid (based on its historical bids). The publisher ad server would then call each SSP in sequence, with each having the ability to submit a real-time bid for the ad impression. This process would continue until an SSP purchased the ad impression (generally when an SSP submitted a bid higher than the price floor set by the publisher) or no SSPs were left to bid. However, it was an inefficient system as the publisher would potentially miss out on revenue that it could have earned because there is a possibility of an SSP with higher historical bids winning the auction while leaving another SSP (with lower historical bids) which is quoting a higher bid for the present auction. Thus, in 2014, Google launched a feature in its ad server DFP called ‘Dynamic Allocation’. Under this, Google’s publisher ad server would allow Google’s SSP an opportunity to submit a real-time bid outside of its usual order in the waterfall process. It would do this by taking the estimated bids for each SSP (based on their historical bids), and sending the highest estimated bid as a price floor to Google’s SSP, which was given the opportunity to run an auction and submit real-time bid for the ad impression before the other SSPs were called. Google’s SSP could win the auction as long as it was willing to bid \$0.01 higher than the price floor (that is, the highest estimated bid of a competitor SSP). No other SSP was provided this opportunity, and other SSPs would only be called to bid if Google’s SSP did not win the ad impression. From this bidding process, it is clear that Google self-preferred its own SSP over other SSPs, which conduct is a violation of Section 4 of the Act.



- 26.4.3 This was also followed by ‘Enhanced Dynamic Allocation’ where Google’s publisher ad server would now take the prices of any direct deals, as well as the estimated bids from non-Google SSPs, and set the highest priced direct deal or estimated bid as a price floor. Third-party SSPs could win the ad impression, if their estimated bid was higher than the direct deal (and Google’s SSP had not submitted a bid), but only Google’s SSP could run an auction to submit a real-time bid to beat the price floor.
- 26.4.4 As such, in 2015, to increase competition for their ad inventory, publishers adopted a new technology called ‘Header Bidding’, which provided other SSPs an opportunity to submit bids to compete for inventory on a real-time basis. However, without providing any legitimate reasoning, Google did not (and still does not) participate in header bidding. The result of this is that Google’s SSP gained a unique ‘last look’ advantage over rival SSPs when publishers were using header bidding.
- 26.4.5 The French Competition Authority in Google Display Advertising decision (Decision 21-D-11) noted that until September 2019, Google misused information relating to the bid amount its rival SSPs integrated *via* ad cascade or *via* header bidding to adjust the behaviour of its own services. This provided Google three competitive advantages over other rival SSPs. They are the (i) Right of Last Look, (ii) ability to adjust its revenue share dynamically, and (iii) ability to optimise the operation of its AdX platform.
- 26.4.6 In 2019, Google introduced its proprietary server-side solution which allows multiple third-party SSPs to directly compete against one another in a single real-time auction *viz.* Open Bidding. Google represents that since Google is now a part of Open Bidding, it does not enjoy the benefits of Last Look. However, it has developed another method by which it is replicating the benefits it enjoyed before the advent of Open Bidding. Google has introduced a ‘Minimum Bid to Win’ feature, where after the conclusion of an auction, it tells the authorised bidder what would have been the minimum price to win an auction. Therefore, it does not simply tell the price at which the impression was sold, but also the minimum price that would have been required to successfully buy the auction. Through the competitive advantage of ‘Last Look’, Google knew the minimum winning price



before the auction, while here it knows after the auction. The result is the same however, simply because impressions are bid in the thousands every second. Advertisers are not simply participating in one auction for one impression, but thousands of auctions successively. As such, Google can use the minimum price it has derived from the Minimum Bid to win other impressions. It can use it to buy the impression of the same user at the same page at minimum price. It can also further train its bidding algorithms for future auctions with this data. Again, this creates an information gap where Google can bid at minimum prices while its competitors have no such information and have to compete with Google on different terms.

26.4.7 Google in 2019 has also introduced Unified Pricing Rules, under which it has stopped publishers using its platform from setting differing price floors. The publishers have no freedom to choose the DSPs of their own choice, hence, it is restricting publishers' ability to set different price floors, which is not in publishers' interests. This shows abuse of dominance by Google because it is able to impose unfair and restrictive terms on the publishers without any competitive restraint. Both the UK CMA and the ACCC have found this to be anti-competitive because it is restricting publishers' ability to set different price floors, which is not in publishers' interests. Hence, Unified Pricing rules was a clear example of Google leveraging its market power in publisher ad serving to benefit its DSPs, to the detriment of publishers.

26.5 Determining which advertiser 'wins' an ad placement and determining fees across the AdTech stack through 'AdSense for Search' in the online advertisement market, in a non-transparent manner.

26.5.1 Google also offers intermediation services in the online advertising market. Google offers its 'AdSense for Search' which displays ads on third-party websites when search users enter a keyword in the search bar of the said websites. AdSense for Search enables website publishers to market advertising space on the pages of their websites to generate income. This service enables third party websites to market advertising space on the pages of their websites to generate income.



- 26.5.2 In its Google Search (AdSense) decision (Case AT. 40411) dated 20th March 2019, the European Commission ('EC') took the view that Google is dominant in online search intermediation through AdSense. The European Commission found Google abusing its dominant position by forcing its Direct Partners (Publishers using AdSense for Search) into Google Service Agreements ('GSA'). These agreements contained an Exclusivity Clause, Premium Placement and Minimum Google Ads Clause and the Authorizing Equivalent Ads Clause, which were found to be abusive by the EC. Similar clauses may be forced upon publishers in India, hence, Commission may investigate Google's conduct through Google AdSense.
- 26.5.3 Commission may investigate the Google AdSense's advertisement allocation process because there is no transparency in Google's method to determine the allocation of advertisement in a publisher's website. Google violates Section 4(2)(c) of the Act because its bidding systems are not transparent when determining ad placement.
- 26.5.4 Furthermore, Google is not transparent with its fees structure. Non-transparency in fees structure gives an opportunity to include hidden fees across the supply chain, which results in forcing advertisers to exit the market because they cannot pay the fees. Due to non-transparency, publishers and advertisers are not able to make informed decision while buying and selling ad inventories. The absence of transparency smacks of unfairness, contributing to abuse by dominant entity. On non-transparency in fees across the supply chain of AdTech, the ACCC, in its Digital Advertising Services Inquiry Final Report, showed its concern by saying that access to information about fees across the supply chain may promote competition as it allows advertisers to optimise their engagement with platforms and also enables publishers to make effective decisions in terms of selecting the best ways to sell their inventory. Similarly, the UK CMA, in the Online Platforms and Digital Advertising Report, held that lack of transparency would harm the revenue of publishers because of the hidden fees, such as post auction bid shading. The CMA found that, "*on average publishers receive around 65% of initial advertising revenue that is paid by advertisers (i.e. the overall 'ad tech take' is around 35%).*" The CMA further held that Google has the ability and



incentive to extract additional hidden fees by using their data advantage. This results in foreclosure of market to many advertisers which could not adjust their spend and are forced to shut down their business because they could not reach their customers. Hence, this is a violation of Section 4(2)(c) of the Act.

27. On the basis of the above detailed submissions, ADIF has alleged that Google is abusing its dominant position in online display advertisement which harms the publishers, advertisers, competing platforms and search-users due to violation of Sections 4(2)(a)(i), 4(2)(b)(i), 4(2)(c), 4(2)(d) and 4(2)(e) read with section 4(1) of the Act.

28. In respect of the above allegations, Google, in its response dated 09.04.2025, has, *inter alia*, stated as follows:

28.1 The allegations made by ADIF are similar to the issues being investigated in Case Nos. 41 of 2021, 10 of 2022, 36 of 2022, and 34 of 2024 by the Director General ('**Publishers Case**'). The scope of the Publishers Case encompasses Google's AdTech intermediation business which directly relates to the ADIF Complaint. There are at least four overlapping issues between the present Information and the Publishers Case: (i) Google's alleged unfair conditions in Search Ads Policies; (ii) Google allegedly leveraging its position in the general search market to enter and protect its position/ increase profit in the online advertising market; (iii) tying and bundling among Google's AdTech offerings; and (iv) opacity in ad placement. The case has been under investigation for 03 (three) years, where Google has made detailed submissions and responded to the DG's queries concerning these products and issues. Adding another complaint that presents allegations around similar products at this stage of the investigation would not introduce any novel issue that cannot be examined by the DG. Nevertheless, given the limited role of an Informant in an investigation, closing the inquiry will not prejudice ADIF. ADIF will still have the opportunity to raise its concerns directly with the DG as a third party. The Commission has already included four informants in the said case and allowing continuous addition of complainants to inquire into issues already under investigation would lead to unnecessary duplication, waste of resources, and a prolonged regulatory process without contributing to any meaningful resolution.



- 28.2 ADIF is wrong to contend that: (i) online display advertising services are not substitutable with offline advertising services; (ii) online display advertising is not substitutable with online non-display advertising; (iii) programmatic advertising is not substitutable with direct deals; and (iv) open online display channels are not substitutable with O&O channels. Online display advertising faces stiff competition in India from many sources. Advertisers allocate their advertising budgets amongst a wide spectrum of outlets such as TV, radio, outdoor, print media, and digital. Google's online display advertising must compete with players from all these formats for advertiser spend and a share of the overall advertising budget.
- 28.3 ADIF is also wrong to suggest that Google is dominant in the market for online display advertising services in India. The assessment of factors like Google's market share, alleged barriers to entry, alleged network effects and economies of scale, alleged access to data, alleged cross-linkages in different markets, acquisitions and integration, alleged switching costs, have been wrongly made by ADIF.
- 28.4 ADIF is also wrong to suggest that *"Google is the only company that offers ad tech services across the entire ad tech supply chain."* Google competes with other global companies that offer tools across the AdTech stack, including Xandr (formerly called AppNexus and now a part of Microsoft), which offers an ad server, a SSP, and a DSP. In India specifically, Google competes with Xandr (Microsoft) at every level of the AdTech stack and with the likes of JioAds, The Trade Desk, Magnite, Colombia, Amazon Ads, PubMatic and OpenX, each of which compete at at least one level.
- 28.5 The competitiveness of other ad tech intermediaries is evidenced by the prevalence of multi-homing. In India, large publishers on an average use 06 (six) different platforms to sell inventory, and advertisers and media agencies use over 03 (three) platforms on an average to buy ads. The SSPs include Xandr, Magnite, PubMatic, The Trade Desk, Colombia, Outbrain, Criteo, Inmobi, etc. DSPs active in India include Xandr, Magnite, Roku, Criteo, Taboola, Amazon Ads, The Trade Desk, Yahoo advertising, etc.
- 28.6 ADIF correctly identifies that Ad Exchanges/ SSPs operate differently to products at other levels of the AdTech Stack. However, the terms 'Ad Exchange' and 'SSP' are often used interchangeably since, as ADIF correctly notes, *"the functions of SSPs has [sic] been tied with those of Ad Exchanges."* For this reason, Google does not



consider there to be a distinction between SSPs and Ad Exchanges anymore. Google offers an Ad Exchange functionality in GAM through AdX. ADIF characterises DFP as an SSP, but this is incorrect. DFP is in fact a publisher ad server. The ad server functionality (historically referred to as DFP) is now a part of GAM. There is however, no separate market for Ad Exchanges/ SSPs for open online display advertising in India. In any event, Google is not dominant in the market for Ad Exchanges/ SSP for open online display advertising services in India.

28.7 ADIF also correctly identifies that DSPs operate differently to advertiser ad servers. Google offers an advertiser ad server named Campaign Manager and a DSP named DV360. However, there is no separate market for DSPs for open online display advertising. In any event and without prejudice to Google's position that the appropriate market is a single two-sided market for facilitating display ad transactions, Google is not dominant in the alleged market for DSPs for open display advertising.

28.8 At no point has Google tied DFP with AdX. Publishers have always been able to use DFP and AdX separately. They can use DFP without using AdX and can freely choose to call third-party SSPs without calling AdX at all. In fact, contrary to ADIF's assertion, AdX integrates with over 500 different DSPs and 250 ad networks, and DFP supports over 100 different ad networks and Exchanges. Publishers using DFP can separately choose whether or not to call AdX for a particular impression. Real-time bidding on AdX demand does not require publishers to use DFP. Publishers using third-party ad servers can obtain real-time demand from AdX on equivalent terms as publishers using DFP.

28.9 There is no tying with DV360. ADIF incorrectly alleges that Google makes some features unavailable to advertisers participating through third-party SSPs, but does not specify what these are. DV360 is inventory agnostic and bids into AdX and over 80 different third-party SSPs. Similarly, AdX also receives bids from many third-party DSPs.

28.10 ADIF incorrectly alleges that AdX is a 'must-have'. Publishers across India engage in multi-homing and will use AdTech intermediaries that they believe can maximise their revenues. AdX is not a 'must-have' for publishers; rather it forms a suite of ad tech tools that they connect with to ensure that they are selling their inventory in the



most efficient way. Additionally, most advertisers multi-home on Google Ads, DV360 and other buying tools, meaning that AdX has access to similar demand as other Exchanges. When advertisers decide to single-home, it is generally an active choice by advertisers given their performance goals, rather than the result of constraints that prevent certain advertisers from multi-homing.

28.11 Google's exclusive access to YouTube's ad inventory is not a unique feature of Google's buying tools because rivals offer effective alternatives to YouTube. YouTube is one of the several options for advertisers seeking to purchase video display and falls within the broader spectrum of online display advertising inventory (which includes open display and O&O). Alternatives to advertising on YouTube account for a much larger proportion of available video display inventory. Other platforms also make their O&O inventory available only to first-party buyers. For example, Meta's DSP provides exclusive access to inventory on Facebook, Instagram, and Messenger. Similarly, Amazon DSP has exclusive access to display, video and audio ads on Amazon's O&O inventory. Google's key DSP competitors also have strong O&O inventory, such as Oath (on Verizon, AOL and Yahoo!), Amazon (on Prime Video) and Adobe (which has partnerships with Facebook, Snap, and Freewheel), and The Trade Desk (which has partnerships with Hulu and Sling). Google has acted in the same manner as its competitors and there is no incentive to provide third-party access to YouTube when Google's own ad buying tools are restricted from accessing other O&O inventory. Advertisers, that do not wish to use DV360, can still purchase YouTube inventory through direct deals. Direct deals place significant competitive constraints on programmatic advertising. Advertisers are not restricted from negotiating deals directly with YouTube.

28.12 Given the prevalence of these mix-and-match strategies, Google makes its services available and commercially attractive on a standalone basis. It also makes significant efforts to ensure that they are interoperable with third party services. Google's AdTech platform fees do not depend on whether inventory is bought or sold *via* Google or non-Google intermediaries. A consequence of this mix-and-match strategy is that the ultimate percentage of revenues paid in fees by any given news publisher or advertiser for any given unit of ad inventory is likely to be unique, as it will depend on the specific combination of interoperating ad tech products used by that individual news



publisher or advertiser. It remains the case, however, that, when ads flow through both Google's buy-side and sell-side services, publishers receive the majority of the payments that advertisers make for their ad to be shown.

- 28.13 ADIF also wrongly alleges that because Google's ad buying tools are needed to access YouTube inventory, it is "*easier for [advertisers] to use one DSP for accessing all ad inventory*". Multi-homing proves that advertisers use more than one DSP. Advertisers decide where to spend their budget in order to maximise their Return on Ad Spend ('ROAS'). If advertisers feel they can improve their ROAS by spending through alternative ad buying tools, such as those from Meta and Amazon which have exclusive access to their O&O inventory, then they are incentivised to switch their spend accordingly. Similarly, if Google were to increase the prices or reduce the quality of its own buying tools, advertisers, who are constantly tracking their spend and ROAS, would rationally shift their spend away from Google. Therefore, advertisers are incentivised, and do, multi-home across different buying tools.
- 28.14 ADIF makes numerous factual errors, such as misunderstanding how Google's products work when it talks about developments in Programmatic Digital Advertising, and how a given product interacts with the wider ecosystem. It is also complaining about conduct which is not attributable to Google. ADIF provides explanations of how Google's products work which are outdated *e.g.* in relation to the alleged 'last look' which, if it ever existed, was brought to an end in September 2019. ADIF suggests that real-time bidding preceded the 'Waterfall', it gives only cursory attention to Open Bidding, and states that Google launched Dynamic Allocation.
- 28.15 Ad Exchanges emerged around 2005 to address the inefficiencies of ad networks by providing an auction across demand sources. SSPs, when they first emerged around 2007, attempted to solve the problem faced by publishers when a single ad network was unable to fill all of a publisher's remaining ad inventory. SSPs attempted to solve this problem by offering ad network management, a set of features publishers could use to optimize the order of their 'Waterfall'. The 'Waterfall' in this context refers to the practice by publishers at the time of calling a number of ad networks sequentially in order to fill the remaining ad inventory. DFP (later acquired by Google in 2008) developed Dynamic Allocation. Dynamic Allocation helped publishers maximise yield from the sale of their inventory by solving some of the inefficiencies of a



‘Waterfall’ setup. It improved publisher revenue by allowing what was then the DoubleClick Ad Exchange to submit real-time bids into DoubleClick’s ad server, thereby increasing competition across demand sources (this became known as ‘real-time bidding’). Dynamic Allocation did not allow programmatic demand to compete with guaranteed line items, to ensure that the guaranteed line items served. In March 2014, Google introduced Enhanced Dynamic Allocation to enable publishers to facilitate competition between a publisher’s direct deals and real-time demand for inventory that previously would have been reserved for sale *via* those direct deals. This benefits the publisher because it maximises revenue opportunities, without impacting the publisher’s direct deals. In 2015, header bidding emerged and gave publishers the opportunity to put different SSPs in real-time competition for the same impression. When header bidding is used by a publisher, the publisher includes code in its web pages to execute the header bidding process. When a user visits the publisher’s site, the browser calls participating SSPs or other demand partners either directly or *via* a header bidding server, the publisher has configured to submit bids, and runs an auction between those bids. The header bidding auction is concluded before the publisher ad server (*e.g.* DFP) is called. In response, in 2015, Google began developing Exchange Bidding (rolled out globally in April 2018 and now called ‘Open Bidding’), which allowed publishers to invite third-party Ad Exchanges and SSPs to submit real-time bids using industry-standard, server-to-server real-time bidding calls. Those bids are compared with bids from AdX buyers, remnant line items, and the publisher’s guaranteed line items in a first-price auction, with the highest bid (or, in the case of guaranteed line items, imputed bid) winning the impression. This provides a real-time auction for third-party Ad Exchanges and SSPs in GAM. Today, publishers use Open Bidding to get real-time competition between around 30 different third-party SSPs and ad networks. Open Bidding was, and is, Google’s competitive response to header bidding. In September 2019, Google completed the transition from a ‘second-price’ auction system to the Unified First-Price Auction for AdX. Previously, under a second-price auction, the price paid by the winner of the auction was set by the higher of the floor price and the second highest bid. Second-price auctions are simple because advertisers have an incentive to bid their true valuation, irrespective of what other advertisers bid. This means that advertisers can achieve their optimal outcome simply by submitting bids equal to the



value they are willing to pay. This property lowers transaction costs and ensures that Google Ads remains simple to use for all advertisers. There is no need for the advertiser to engage in more complex bid optimisation strategies. However, the industry began to shift from second-price auctions to first-price ones. Google followed this trend and GAM now runs a first price auction, which compares the bids that the news publisher has obtained for its inventory via a range of different channels at the same time. The winning bidder (provided they beat the floor price) pays the amount they bid. This simplifies the previous process and helps publishers to maximise their revenue opportunities. The transition also increased auction transparency by ensuring that the buyer with the highest bid wins the auction, and pays the amount they bid.

- 28.16 DFP mitigated the inefficiency of the ‘Waterfall’ through Dynamic Allocation; ‘Last look’ was not attributable to Google; Unified Pricing Rules equally treats AdX and third-party SSPs; Open Bidding fee reflects a valuable service comparable to rival solutions; and DFP provides equal information to all ad buyers in its auction.
- 28.17 ADIF has wrongly alleged that Google’s “*bidding systems are not transparent*” and that it “*include[s] hidden fees across the supply chain.*” Google is transparent and upfront with publishers on what the revenue share arrangements for its AdTech products are and how they apply. Where contractually possible, Google even makes public the standard revenue share rates for its products. In the interests of some parties, Google is contractually prevented from publicizing all of its fees, but tries to when possible. In any event, Google’s fees are transparent to the parties involved.
- 28.18 Google also provides tools in India that specifically improve transparency for customers. Google has developed a tool called ‘Confirming Gross Revenue (‘CGR’)’ to give buyers and publishers the ability to verify for themselves that alleged hidden fees haven’t been taken from digital advertising transactions when using GAM. CGR allows news publishers to run a revenue verification report and compare it to a buyer’s media costs. This solution promotes transparency and helps confirm that no hidden fees are taken by the DSP, the SSP or any other intermediary. Details of how news publishers using GAM can run a verification report are available on the Google Help Centre.



29. The Commission has examined in detail the averments made by ADIF and the submissions thereto made by Google, on all the afore-stated five allegations.
30. At the outset, the Commission notes that given the fact that all the Opposite Parties are entities engaged in ‘economic activities’ and the fact that they are, without going into their exact shareholding pattern, related to each other, it is clear that all the five Opposite Parties are a ‘group of enterprises’ within the meaning of the Act. The Commission has, in fact, in multiple previous cases, examined the conduct of these entities as a ‘group’, under Section 4 of the Act.
31. It is noted that the allegations in the present matter majorly pertain to the conduct of Google in the Online Display Advertising services market. ADIF has submitted that open online display advertising is not substitutable with any other form of advertising and that Google is in a dominant position in the online display advertising services, while Google has made submissions to the contrary. In this regard, it is noted that the Commission has already, in its order dated 07.01.2022 passed in the Publishers Case (*supra*), noted as follows:
- “32. ... The Commission at this stage is prima facie satisfied that, based on the global presence of Google, as adumbrated supra, it can be reasonably inferred that Google occupies a significant position in the market for online digital advertising intermediation services, as well. The investigation would bring out these aspects in detail.”*
32. It is further noted that the aforesaid allegations made by ADIF are already subject-matter of investigation before the DG in Case Nos. 41 of 2021, 10 of 2022, 36 of 2022 and 34 of 2024. This has also been acknowledged by Google in its response dated 09.04.2025.
33. However, Google has submitted that since the Publishers Case (*supra*) has been under investigation for 03 (three) years, adding another Information presenting allegations around similar products at this stage of the investigation would not introduce any novel issue that cannot be examined by the DG in the ongoing investigation itself. The Commission is unable to agree with the submission made by Google. It is noted that in the clubbed cases 41 of 2021, 10 of 2022, 36 of 2022, and 34 of 2024, the latest clubbing order was passed on 08.01.2025. It is not the submission of Google that the investigation in the said matters is in its last stages. Also, ADIF seems to represent the



stakes of major stakeholders in this ecosystem and therefore, there is no harm in giving it an opportunity to be a part of the ongoing investigation. Accordingly, given the fact that all the aforesaid five allegations made by ADIF in the present matter already forms part of the allegations being investigated in the Publishers Case (*supra*), in terms of the *proviso* to Section 26(1) of the Act, the Commission decides to club the present matter as well with Case Nos. 41 of 2021, 10 of 2022, 36 of 2022 and 34 of 2024.

34. The DG is directed to investigate the various alleged practices of Google in Online Display Advertising services and/ or AdTech intermediation services and submit a consolidated investigation report in the matters accordingly.
35. The Secretary is directed to send a copy of this order along with the Information received and the response of Google to the Office of the DG forthwith. The Secretary is further directed to serve a copy of this order to Google also, through its counsel, *via* e-mail.

**Sd/-
(Ravneet Kaur)
Chairperson**

**Sd/-
(Anil Agrawal)
Member**

**Sd/-
(Sweta Kakkad)
Member**

**Sd/-
(Deepak Anurag)
Member**

**New Delhi
Date: 01.08.2025**