

Turkish Competition Board to Initiate Google Investigation

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The Turkish Competition Board ("**Board**") will conduct a full scope investigation into Google's exclusivity agreements with original equipment manufacturers. The Board had previously ruled (after a preliminary investigation) that such a review was not necessary. However, the Board's decision was effectively overturned by the Administrative Courts, on appeal by Yandex (the complainant).

Yandex' Complaint to the Board

Yandex complained to the Board that Google (including the economic unity of Google Inc., Google International LLC and Google Reklamcılık ve Pazarlama Ltd. Şti.) had established agreements with original equipment manufacturers that violated rules on restrictive trade practices and abused its dominant position. It claimed that Google breached Articles 4 and 6 of Law No: 4054 on Protection of Competition.

The Board's Preliminary Decision

The Board considered Yandex' allegations and ruled that no further investigation was warranted. Rather than conduct further review, it instructed the Board's Presidency to prepare an opinion to Google, instructing the company to remove provisions regarding exclusive pre-installation of certain applications from its agreements with original equipment manufacturers, as well as to cease related practices.

In its preliminary decision, the Board noted that while Google's exclusivity agreements with original equipment manufacturers could prevent competition, these agreements do not prevent consumers from downloading other parties' applications from the application store. Ultimately, the Board held that although consumers are free to download any application from the application store, prioritizing best rated applications within the stores will eventually hinder market competition.

Yandex' Appeal

Yandex filed a lawsuit before an Administrative Court, seeking to suspend execution of the Board's preliminary decision.

At the first instance, the Administrative Court rejected Yandex' claim. Yandex appealed the lower court's decision to a Regional Administrative Court.

The Regional Administrative Court recently held in Yandex' favor, ruling to suspend execution of the Board's decision not to investigate Google's arrangements further. The effective result is that the Board will now pick up the topic again and initiate a full scope investigation into Yandex' allegations about Google's competition law violations.

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