

## [With competition laws like this, no wonder Europe is doomed](#) [1]

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A [French court has found Google guilty of "unfair competition"](#) [3] and ordered it to pay €500,000 to a rival. (H/T [Cato @ Liberty](#) [4].) Google's crime was to offer its Maps application for free to anybody who wanted to use it. A rival firm which charges for its product sued Google for allegedly plotting to eliminate rivals from the market and then start charging for Maps.

For a start, this is obviously wrong. Google's entire business model is based around making money from advertising in free products: see its Gmail, Blogger, Youtube, Calendar and Search sites for examples. Google don't even charge businesses for using its products with their own branding (Google Apps). This is the dominant business model for most successful sites. The court has failed utterly to grasp business in the internet age. A product that doesn't charge can still make money from advertising, as Google and Facebook both do with some success.

That the rival firm is too backwards to be able to compete isn't a problem for the consumer. The only people who think Google will ever charge for any major service are the same tweenage girls who post Facebook statuses about "Facebook Gold" coming in at midnight unless 10,000 people post this message as their status. And the French courts.

This sort of kowtowing to uncompetitive firms victimized by "unfair competition" hits on why Europe's outlook is so bleak. "Unfair competition" laws put the needs of inefficient businesses ahead of those of consumers. The laws have been spectacularly abused in the last twenty years. [Microsoft was fined €497m](#) [5] for bundling Windows Media Player into Windows, Samsung has had [devices banned](#) [6] from sale because they used a 4x4 rectangular layout for its smartphone screens that looked a bit like Apple's, and Apple is currently [being sued](#) [7] because its Apple Stores are too good and outcompeting local French stores. In every case, the consumer has lost out.

Most recently, Google's new privacy policy is [facing an EU probe](#) [8]. Not only is Google wrong to provide high-quality products to everybody for free, it seems, but it must also let the EU determine its privacy policy. A normal person might think that, if you object to a company's privacy policy, you should just not use that company's products. But EU commissioners are not normal people ? they seem to think that everybody has a right to use Google as they see fit, whether Google like it or not.

Absent state intervention, firms will only be successful if they satisfy consumers better than anyone else. "Unfair competition" laws punish firms that have satisfied consumers the most. They are conceptually and practically anti-consumer. With rulings like the French Google Maps decision on one hand, and the European Union's bizarre, anti-private interference in private citizens' contracts on the other, it's hardly surprising that there are no French Googles or German Facebooks.

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