

Baidu under attack over "monopoly"

BEIJING, April 24 -- Baidu has been accused of abusing its dominant position online to "punish" a company that cut back spending on advertising with the Internet search engine.

Tangshan Renren Information Service Company (TRISC) Wednesday said Baidu had "monopolized the Chinese search engine market", demanding more than 1.1 million yuan (160,000 U.S. dollars) in compensation after one of its subsidiary websites was blacklisted.

It is believed to be the first case to deal with an alleged breach of the Anti-Monopoly Law, which came into effect this month. The suit opened at Beijing No. 1 Intermediate People's Court Thursday but a verdict was still pending.

TRISC claimed reports from multiple sources prove Baidu has "more than half of total market share" and said it exercised its power to eradicate the competitiveness of the plaintiff's website, as well as impair market dynamics.

"After we lowered the amount we paid for Baidu's advertisement service last May, Baidu punished us and coerced us to reuse the service by doing so," a spokesman for TRISC told the court.

The number of visits to its website "dropped sharply" on July 10 from 2,961 to 701. While a search for the company on the U.S.-based search engine Google found 6,690 pages, Baidu found only four, he said.

The promotion service offered by Baidu charges enterprises to have their site moved up the results lists following a search.

Baidu refuted the monopoly allegations and said the so-called "search engine market" does not even exist because there is no pricing scheme involved in most searching activity.

"Searching services provided by our engine is free to Net users and enterprises," responded Baidu, adding that a website can easily exclude itself from being listed in search results by installing a simple program.

Baidu also questioned the figures provided by TRISC, saying the reported increase in its usage was a "seasonal phenomenon", and added that, "as a precedent of anti-monopoly cases in Western courts, companies are normally investigated for two years".

Competition among fast-emerging search engines is also tight and users easily switch between them, it said.

The Internet firm also said it had blocked the TRISC site because the firm had cheated and created illegally links to increase hits for its website.

"Search engines are dedicated to providing the best experience free of charge," it said, adding that it was "normal in the industry" to crack down on such sites.

Baidu ruled out TRISC's proposal for an out-of-court settlement on condition that the defendant compensates its "losses".

(Source: China Daily)