

**Written Statement for the Record**

**by**

**Brian Warner**

**for a hearing before**

**The House Judiciary Subcommittee on Antitrust, Commercial and Administrative  
Law**

**titled**

**Online Platforms and Market Power, Part 2: Innovation and Entrepreneurship**

**Rep. David Cicilline, Chair**

**Rep. James Sensenbrenner, Ranking Member**

**Tuesday, July 16, 2019**

Thank you, Chairman Cicilline, Ranking Member Sensenbrenner, Committee Chair Nadler and Ranking Member Collins, for your critical leadership in launching this investigation into the monopolistic power of the tech giants and for convening this hearing on the crucial subject of the impact the tech giants have had on Innovation and Entrepreneurship. And thank you for accepting my written testimony on the devastating effects Google in particular has had on web-based businesses, consumers and the internet at large through its monopoly on online search.

There is no question that Google has a monopoly on online search. Any reasonable person knows this is a fact. The three vital questions I hope to help you answer today are: 1) whether Google has used its overwhelming market power as a monopoly to benefit itself while crushing competition, 2) whether these actions have had negative impacts on the open internet as a public good and 3) whether these actions have created harm for everyday internet consumers. The answer to all three questions is an emphatic YES.

My name is Brian Warner and I'm writing this testimony today to share my experiences as the founder of a website called CelebrityNetWorth.com. CelebrityNetWorth (CNW) aims to provide accurate and informative content about the finances of notable people to an audience of dedicated users and curious individuals.

I had the idea for CNW in 2008. I was curious about the net worth of Larry David, so I decided to type it into Google. In response to my query, there wasn't any helpful information. Upon doing some research, I realized this was a common thing people searched for, so I decided to build a company that attempted to make educated guesses based on the sourcing of a full-time research team. My hunch was correct: celebrity net worth queries are among the most popular searches performed on Google. As our site grew, and because we had worked to satisfy the high level of user demand in the marketplace, the practice of searching for this type information only became more frequent

From the standpoint of innovation of entrepreneurship, the internet was an open and inviting landscape when I initially founded CNW as a side project. While working a full-time day job, I would come home at night and write articles for CNW. Slowly, I built a small but growing business. We generated content that could not be found anywhere else on the web and that had never existed previously in response to demand in the marketplace. The information we produce to this day is unique. It is not commodity information like the height of a famous building or the time of day.

In those early days Google was my most-crucial business partner. CNW was built to specifications that Google promised would allow anyone with a high quality site and unique content to rank well on its results pages. Google benefited not only by having a way to satisfy the curiosities of people looking to find the information we assembled through its search portal, but it also earned a cut of ad revenue generated off its Google AdSense ad units which were displayed to our users.

In a transcribed interview Google included in its S-1 documents it filed with the SEC when going public in 2004, Google co-founder Larry Page was asked if his company would ever consider becoming a portal or walled garden like AOL or MSN that created its own content to keep users as long as possible. Here is how he responded:

*"We want you to come to Google and quickly find what you want. Then we're happy to send you to the other sites. In fact, that's the point. The portal strategy tries to own all of the information... Most portals show their own content above content elsewhere on the web. We feel that's a conflict of interest, analogous to taking money for search results... **We want to get you out of Google and to the right place as fast as possible. It's a very different model.**" [Emphasis added.]*

For many years, the public representations Google made to the marketplace about how its business would operate were followed by a wave innovators and entrepreneurs creating unique non-commodity content businesses because Google was promising to provide an open and free platform off which anyone could launch a new idea and reach consumers. Thousands of unique and innovative web businesses that we love today were born in

these fertile conditions. It was a symbiotic relationship that helped cement Google's search dominance. People came to Google because they knew it was not a walled garden, but a turnstile utility akin to what Page described for finding the content they were looking for on the world wide web. To this day, a good portion of our organic search traffic comes from "navigational queries" -- people typing our domain name into google as opposed to simply visiting the site directly.

CNW experienced incredible growth in its first three years of operation. We had created an untapped content niche for which there was high demand in the marketplace. By May 2012 the site was large enough to allow me to quit my day job. Entrepreneurial innovation, plus hard work and a little luck, enabled me to build a prosperous independent business. I was living the American dream.

Unfortunately, within a few months of me quitting my day job, some cracks started to show in Google's benevolent model. In July 2012, when users performed "net worth" searches for a handful of our most famous entries, Google began displaying the numeric answer from our site directly at the top of the search result page. Imagine a large bold number taking up one-third of the result page. No attribution was given to any source, even though the numbers were clearly unique and original to CNW. Our information had simply been scraped and presented as if it was Google's own intellectual property.

The good news was that Google seemed to only be interested in presenting non-attributed scraped information for a tiny handful of celebrities from our database. We moved on with our lives, hoping this would be the worst of their encroachments. We were wrong. This optimism was short-lived.

By 2014 we had a staff of 12 writers, developers and designers. We were thriving and even entertaining acquisition offers. At the time, I thought of our site as one of Google's best partners and that we had limitless potential. I could never have imagined that within three very painful years CelebrityNetWorth would be brought to the brink of insolvency. And the culprit wouldn't be shifting user tastes or a technological change. The culprit was Google.

On April 23, 2014, I received an email from a Data Researcher at Google. In subsequent calls and emails the Data Researcher explained that net worth queries were one of Google's most consistently popular categories of search. As such, she was tasked with finding an API or dataset from our site that would help "enhance user experience at Google Search". If we granted Google access to an API, any user who searched for a celebrity's net worth would be shown a large box with our answer at the top of the search result page.

I asked the Data Researcher why we would ever allow this. What benefit could giving away our most valuable asset possibly create for CNW? Clearly this would cause a catastrophic drop in traffic since users would no longer need to visit our site and therefore would no longer generate ad revenue. When pressed, the Google team said it would be good exposure for our brand. What they left unsaid was that the implementation of such a scheme would have accelerated our demise. Google's diminutive (and sometimes non-existent) attribution to original content creators means fewer clicks and eyeballs to the web. The nebulous suggestion that "exposure" would make up for this somehow demonstrates how starkly different Google's motives are today.

On this same call I asked if we could be paid a flat fee or a royalty for providing an API. I was told they would not pay a fee and if we did not agree to give them an API they would either make one on their own or **scrape one together from other sources**.

I declined Google's request to provide an API to our data.

The Google Data Researcher's line about scraping together their own API left a bad taste in my mouth. So, soon after the call, as a precaution, I added five completely conjured celebrities to the site. I used stock photos with entirely made up names, biographies and net worth numbers. I published the pages backdated several years so they were nearly invisible to the world. The purpose of creating these pages was to enable CNW to detect illegal scraping by Google.

By mid-2015, Google began displaying "Featured Snippet" net worth answer boxes for roughly 1,000 of the most popular celebrities in the world. The Snippets often did not provide attribution, or were attributed to aggregator sites like Wikipedia or Google's own YouTube where someone happened to have included "celebrity's name + "net worth" in their video's title or description.

CNW's traffic dropped 20% from this release. But the worst was yet to come.

February 19, 2016 was one of the worst days of my life and absolutely the worst day in the history of my business. February 19, 2016 is the day Google began displaying net worth results – copied whole cloth - *for every single celebrity in our database*.

From this day forward, any internet user who searched google for one of the 25,000+ celebrities listed in our database was shown a large Featured Snippet answer at the top of

the page. The Featured Snippet also incorporated images of the celebrity scraped from the web to create a widget that took up 40% of a desktop result page and 80% of a mobile result page. This is still how Google displays most net worth results today.

Google's net worth widgets make it nearly impossible for a user to click through to a website. Not only does the user already have the content, but the Featured Snippet combined with various other Google widgets have buried the ten blue organic links so far down the page that users couldn't click to a site even if they tried.

But it got worse. On this same day in February 2016, our pages were no longer the top organic result in Google for these same searches. Beyond scraping our content to populate its competing boxes and creating user interfaces which pushed the ten blue links to less relevant sections of the page, Google made changes to its organic algorithm such that our appearance in the "below-the-fold" organic ten blue links went from the top of page one to the middle of page two.

As a general rule of search engine user behavior (which these days just means Google), fewer than 5% of users click beyond page 1 of results.

Our traffic plummeted by 50% overnight.

And what about those conjured celebrities I added as a precaution? All five were all scraped right into Google's search result pages. It provided undeniable proof that after being turned down, Google simply went ahead and stole the entire database of content CNW took eight years and over a million dollars to build.

At this point Google had clearly crossed the line from benevolent pass-through platform to competition-killing monopolistic leech. With the flip of a switch, Google turned our original content into its own content. And with that move, Google would keep the searcher within its walled garden indefinitely. That is far more valuable to Google than taking a small cut of our AdSense ad revenue.

Today our traffic is 80% lower than it was in 2014. Our revenue and profits have dropped accordingly, which has forced me to cut our staff down to a bare bones team that operates at minimum hours to keep the site moving on life support. Perhaps not surprisingly, the quality of our content and product have dropped. We simply do not have the money to employ full-time researchers and build new products that might enable us to grow again. It feels like we are treading water with cement blocks around our feet.

## **Why Does This Matter Beyond CelebrityNetWorth?**

Perhaps the loss of one website that estimates the net worths of celebrities isn't the most obvious harbinger of a dying web. However, I implore you to see the larger picture for both the internet at large and consumers. Thousands of websites that the American people love and rely on every day require the oxygen that Google formerly provided to stay alive.

Think of your favorite website. That site will either not exist or will be significantly worse in the near future. And think about the websites that will never exist because they are never created. The open internet is what allowed sites like Wikipedia, WebMD, TheOnion, and yes, CelebrityNetWorth to exist.

It is my view that Google has removed essentially all of the oxygen from the open internet ecosystem. There is no longer any incentive or even basic opportunity to innovate as I did back in 2008. If someone came to me with an idea for a website or a web service today, I would tell them to run. Run as far away from the web as possible. Launch a lawn care business or a dog grooming business - something Google can't take away as soon as he or she is thriving.

In June 2019, search engine analyst Rand Fishkin put together a report about Google using data from web analytics firm Jumpshot. The data show that today an estimated 48.96% of all Google searches end with the searcher NOT clicking through to a website. The same report estimates that 7% of all search clicks go to a paid ad result and 12% go to properties owned by Google's parent company Alphabet. Moreover, those stats do not even show the full extent of the problem because the data largely relied upon desktop devices and could not track searches that took users to a Google-owned app like the YouTube or Google Maps.

Google's dominance today is vast, extending beyond online search into mobile operating systems, advertising, browsers, mapping, email and video. These business lines work in tandem to establish unchecked power in virtually every facet of the consumer internet. For example, when a YouTube video is shown in a Featured Snippet for a net worth search, not only is the original source choked off the page, but Google's sister property YouTube directly benefits from the traffic.

Every time Google commits a flagrantly anticompetitive act, it always points to a flimsy pro-consumer pretense for doing so. Google Product managers convince themselves that it's a

better *user experience* to simply provide the answer, but fail to consider the negative externalities of destroying a small business.

## WHY DON'T YOU SUE GOOGLE??!"

That's the first question everyone asks when they hear my story. It's a valid question that I struggled with for years. First of all, I do not have the financial resources to go to war with an \$800 billion company that employs an army of lawyers, lobbyists, think tanks and talking heads. (Google's CFO once bragged on an earnings call that they were proud to have spent \$100 million in legal bills on a single case!<sup>1</sup>) However, more importantly, Google has proven over and over to be a company that does not hesitate to dispense retribution against enemies and competitors. Because it controls essentially the entire internet, Google has endless levers at its disposal to significantly harm or snuff out a rival.

I don't think it's a coincidence that our organic rankings have continued to suffer since I've become a vocal critic of their practices. Earlier this year, within weeks of the publication of a Wired magazine article that included quotes from me and a recap of our story, the CNW mobile app was banned from the Google Play store without explanation or recourse. As a result we were also banned from using the Google's dominant Ad Mob mobile ad platform.

Whenever I speak out against Google publicly, I incur significant business risk. Giving on the record testimony to your Subcommittee is by far the largest risk I've ever taken.

Every online business feels this threat constantly. As a result, there is a mafia-like "omerta" in the web community when it comes to Google. It's why I'm guessing your Subcommittee may have struggled to find people willing to speak out publicly on the record about Google.

Thank you for your time and for giving me the opportunity to share my story. I hope my experiences have helped illustrate the consequences of Google's innovation killing anticompetitive monopoly.

Does Google use its overwhelming market power to benefit itself while crushing competition? **YES**. Do these actions have negative impacts on the open internet? **YES**. Are everyday consumers harmed by Google's practices **YES**.

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<sup>1</sup> "Look, we were very passionate about this issue at Google and so much so that we have made significant investment of approximately \$100 million to win this case. And once again, it just was the right thing to do and we did it." (Source: Google CFO Patrick Pachette, Google Inc. Q2 2010 Earnings Call Transcript; July 15, 2010)