

Big Tech backlash kicks into gear with antitrust moves

September 10 2019, by Rob Lever



District of Columbia Attorney General Karl Racine (L) and Texas Attorney General Ken Paxton speak during the launch of an antitrust investigation into large tech companies outside of the US Supreme Court in Washington

The backlash against Big Tech moved into a new phase Monday as

officials from nearly all US states announced an antitrust investigation into the dominance of internet giant Google.

The announcement from 50 attorneys general calls for a probe into whether Google abused its power in the online ecosystem at the expense of rivals or consumers.

The move, described as a preliminary probe of Google's actions in [online advertising](#), highlights the growing complaints about Big Tech dominance and follows a separate investigation into Facebook announced last week by a coalition of US states.

Texas Attorney General Ken Paxton said the probe underscores fears about how Google benefits from data harvested from the online ecosystem.

"What we've all learned is that while many consumers believe the internet is free... the internet is not free," Paxton told a news conference in front of the US Supreme Court.

"There is nothing wrong with a business becoming the biggest game in town if it does so through free market competition, but we have seen evidence that Google's [business practices](#) may have undermined consumer choice, stifled innovation, violated users' privacy and put Google in control of the flow and dissemination of online information."

Utah Attorney General Sean Reyes, who joined the news conference, said: "The question for us is whether Google has strayed from its founding principles to not do evil."



Facebook and Google are confronting antitrust investigations in the United States, a sign of growing concerns of the dominant position of big online platforms

Pennsylvania's Josh Shapiro added: "We're looking into whether Google's business practices have undermined [free market competition](#)—and hurt consumers."

The probe is being backed by 48 states—with only California and Alabama absent—and joined by Puerto Rico and the federal District of Columbia, and officials stopped short of calling for any specific remedies such as a breakup—which some Google critics have called for.

"It is an investigation to determine the facts," Paxton said. "Right now it

is on advertising but the facts will lead where the facts will lead.

The latest probes come on top of a review launched earlier this year by federal regulators of major online platforms to determine if they have "stifled" innovation or reduced competition.

Consumer choice?

Kent Walker, Google's senior vice president of global affairs, said in a blog post Friday that the company would cooperate with regulators while stressing that its services "help people, create more choice, and support thousands of jobs and small businesses across the United States."

According to research firm eMarketer, Google leads the US digital ad market with a 37.2 percent share worth some \$48 billion this year and is expected to control 20 percent of all US ad spending, online and offline combined.

Google is by far the largest online search engine and captures nearly 75 percent of search-related online ads in the US, according to eMarketer.



Google says its services create more consumer choice, but that it would cooperate with regulators on antitrust investigations

States take up slack

Christopher Sagers, a Cleveland State University professor of antitrust law, said it was potentially "very significant" to see the state coalitions working on antitrust.

"After the past few years, the Trump administration's antitrust program has come to seem pretty inactive, influenced by a lot of politics that have made it hard to interpret," Sagers said.

On Friday, New York state Attorney General Letitia James announced

an action on behalf of seven other states and the District of Columbia to probe "whether Facebook has stifled competition and put users at risk."

Facebook offered no immediate comment, but in the past it has claimed it is not a monopoly and that consumers have many choices for how to connect with people online.

'Fishing expedition'?

The antitrust actions come against a backdrop of declining [public trust](#) in big online firms, and fines levied against Facebook and Google over privacy violations.



Nebraska Attorney General Doug Peterson (R) joins state officials announcing a

preliminary probe of whether Google has abused its monopoly power

Yet the legal basis for an antitrust action remains unclear, said Eric Goldman, director of the High Tech Law Institute at Santa Clara University.

"It remains to be seen if the (attorneys general) have any merit to their complaints or if they will be conducting a fishing expedition hoping to find some damning evidence," Goldman said.

"Companies as large as Google or Facebook probably have minor problematic practices the AGs could target, but I'm still waiting for any evidence that would support more structural challenges to the internet giants' practices."

Charlotte Slaiman of the consumer group Public Knowledge welcomed the new investigations as "an important and powerful step" which "can help [consumers](#) and innovative competitors access markets for platforms that are more fair and more competitive."

© 2019 AFP

Citation: Big Tech backlash kicks into gear with antitrust moves (2019, September 10) retrieved 9 April 2024 from <https://techxplore.com/news/2019-09-big-tech-backlash-gear-antitrust.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.
