

# Big Tech and antitrust: where things stand

October 20 2020

---



Amazon, Apple, Google and Facebook are too powerful and will likely emerge from the coronavirus pandemic even stronger, the head of a US congressional antitrust committee said

The US antitrust suit against Google is just one of several actions in the United States against the massive firms which have become increasingly dominant in parts of the economy.

Even as the massive case against Google works its way through the system, Amazon, Apple and Facebook could also find themselves in the crosshairs of regulators.

A Justice Department official said in announcing the Google lawsuit that the agency's review of internet platforms is ongoing.

"Today's review is a milestone but not a stopping point," Deputy Attorney General Jeffrey Rosen said.

The combined value of Amazon, Apple, Facebook and Google based on share price has more than tripled during the past five years to more than \$5.4 trillion and the companies have weather the economic impact of the pandemic better than most.

A recent House of Representatives panel report accused the four Big Tech firms of acting as "monopolies," calling for sweeping changes to antitrust laws and enforcement.

Investigations into how fairly US tech giants are operating are being led by antitrust enforcers in the US and elsewhere.

Here is a summary of the main issues:

## **Google**

The blockbuster lawsuit filed Tuesday by the US government accuses Google of maintaining an "illegal monopoly" in online search and advertising.



A blockbuster lawsuit filed by the US government accuses Google of maintaining an "illegal monopoly" in online search and advertising

The suit contends Google's actions shut out competitors and proposes that the court consider a range of remedies including a possible breakup, but it offered few specifics.

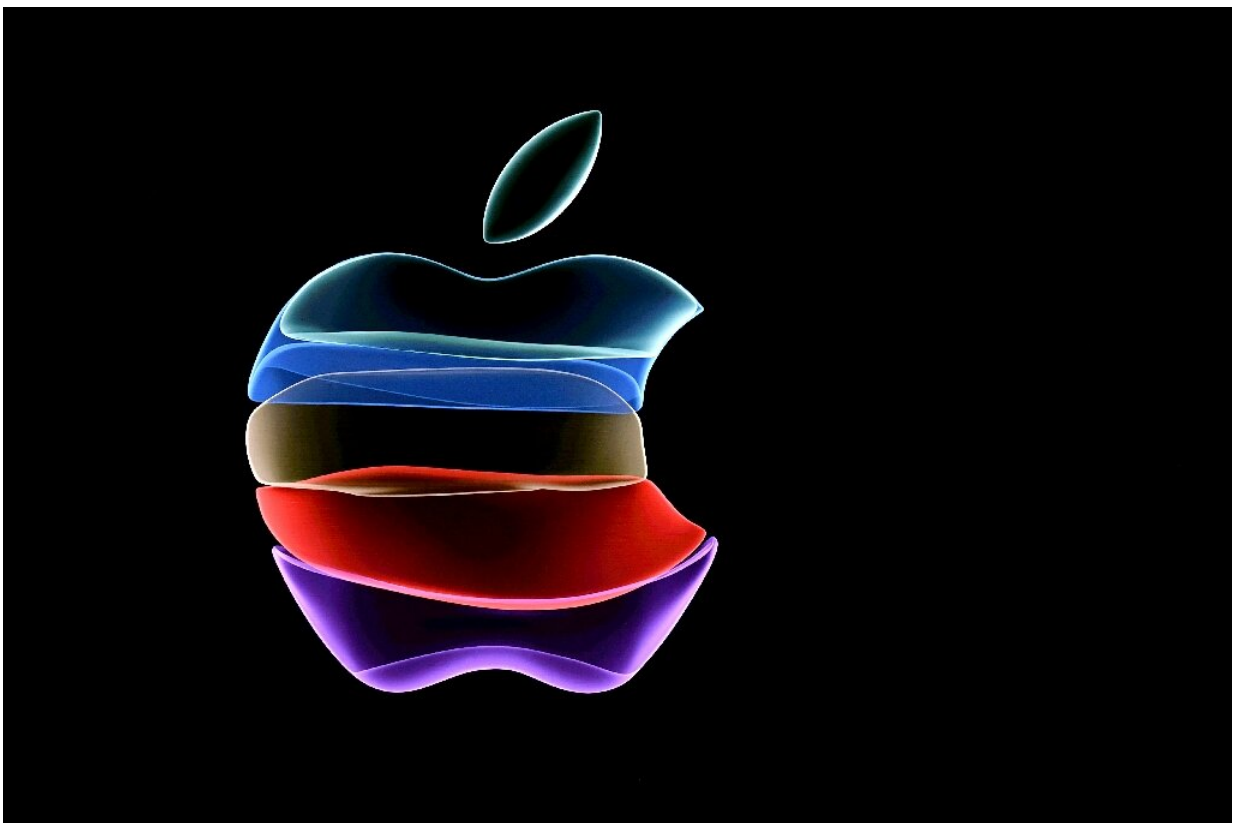
Smaller players on the internet have complained that Google is biased toward recommending its own services such as maps, travel booking, and business reviews that can generate money from ads or transactions.

Google has countered that it seeks to deliver the best results to online queries, and that people are free to use other easily available search engines.

Google controls about 90 percent of search and, along with Facebook, dominates the lucrative digital advertising market.

US concerns about possible anti-competitive practices date back at least eight years, when a Federal Trade Commission investigation ended with Google promising to change its ways.

The largest unit of parent holding firm Alphabet, Google has been facing antitrust probes in Europe related to its shopping and advertising operations as well as how it manages Android, the dominant mobile operating system.



Some developers say Apple takes too big a bite of the revenue and maintains rigid policies that may hamstring services competing with those of the iPhone maker

## **Apple**

The complaints against Apple center on its App Store, for which it collects 30 percent of subscription fees for most third-party services.

Some developers say Apple takes too big a bite of the revenue and maintains rigid policies that may hamstring services competing with those of the iPhone maker. Fortnite-maker Epic Games has taken Apple to court over the practice.

Streaming music giant Spotify filed a complaint with EU authorities alleging Apple has been using its platform to unfairly promote its own Apple Music service.

Apple has argued its App Store delivers billions to independent developers, and that its practices are reasonable compared with other digital marketplaces.

## **Amazon**

Amazon is the undisputed leader in online commerce, accounting for some 40 percent of US e-commerce sales, according to research firm eMarketer.





Amazon is the undisputed leader in online commerce, accounting for some 40 percent of US e-commerce sales, according to research firm eMarketer

Aside from Amazon's size, its relationship with third-party sellers on its marketplace platform has drawn scrutiny from regulators.

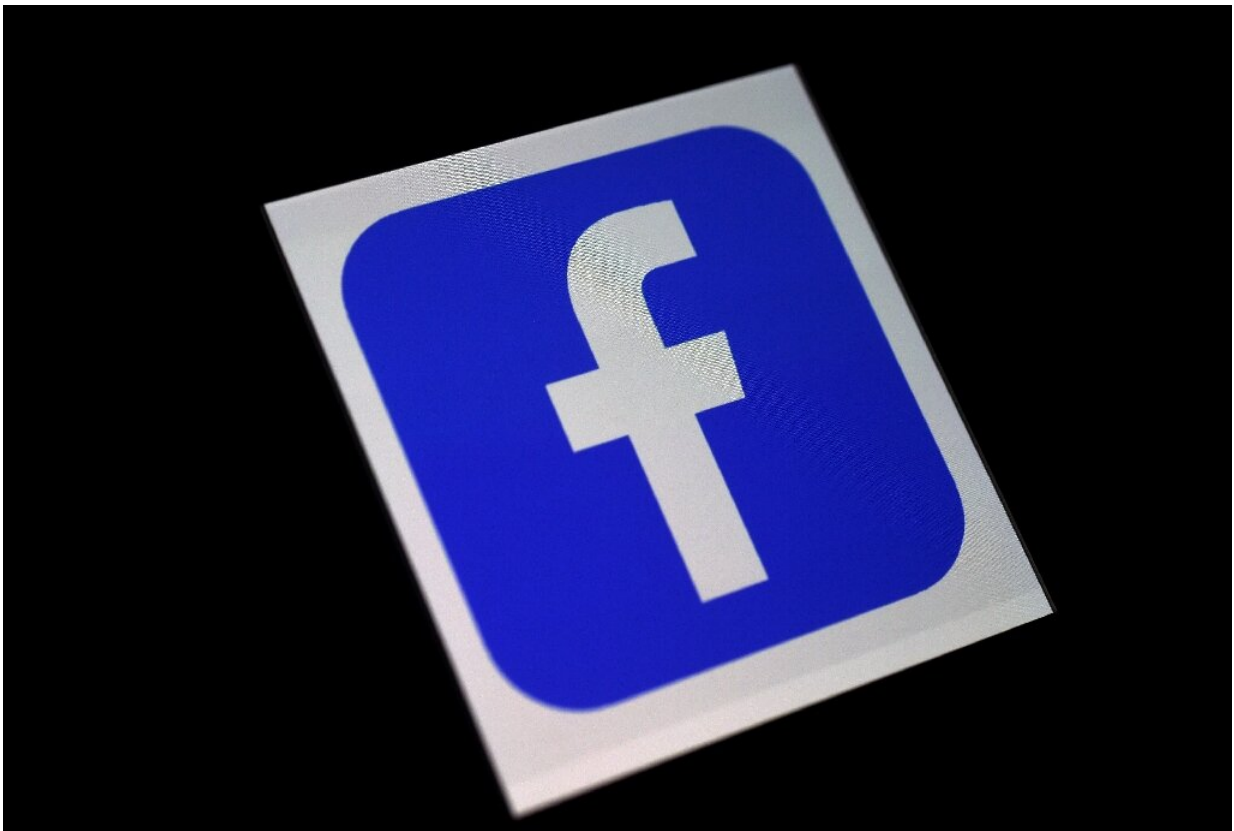
At least one report suggests Amazon improperly used data from marketplace sellers to develop its own competing products—a charge the company has denied.

Some critics of the company argue that companies like Amazon and Apple should not be allowed to own the "platform" while competing with others in that space, but any such restriction would need legislation.

## Facebook

Facebook is the leading social network, reaching close to three billion people worldwide with its core platform along with Instagram and messaging services WhatsApp and Messenger.

An estimated seven-in-ten US adults use Facebook and its reach allows it to play an outsized role in digital advertising and in delivering news and information.



An estimated seven-in-ten US adults use Facebook and its reach allows it to play an outsized role in digital advertising and in delivering news and information

While many of the complaints about Facebook are about how it handles content such as political misinformation and hate speech, some activists say Facebook was allowed to squelch competition by buying up smaller rivals, and that this could form the basis of an antitrust action.

A Federal Trade Commission review of acquisitions dating back to 2010 could potentially "unwind" some of the deals.

© 2020 AFP

Citation: Big Tech and antitrust: where things stand (2020, October 20) retrieved 10 April 2024 from <https://techxplore.com/news/2020-10-big-tech-antitrust-1.html>

<p>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.</p>
--