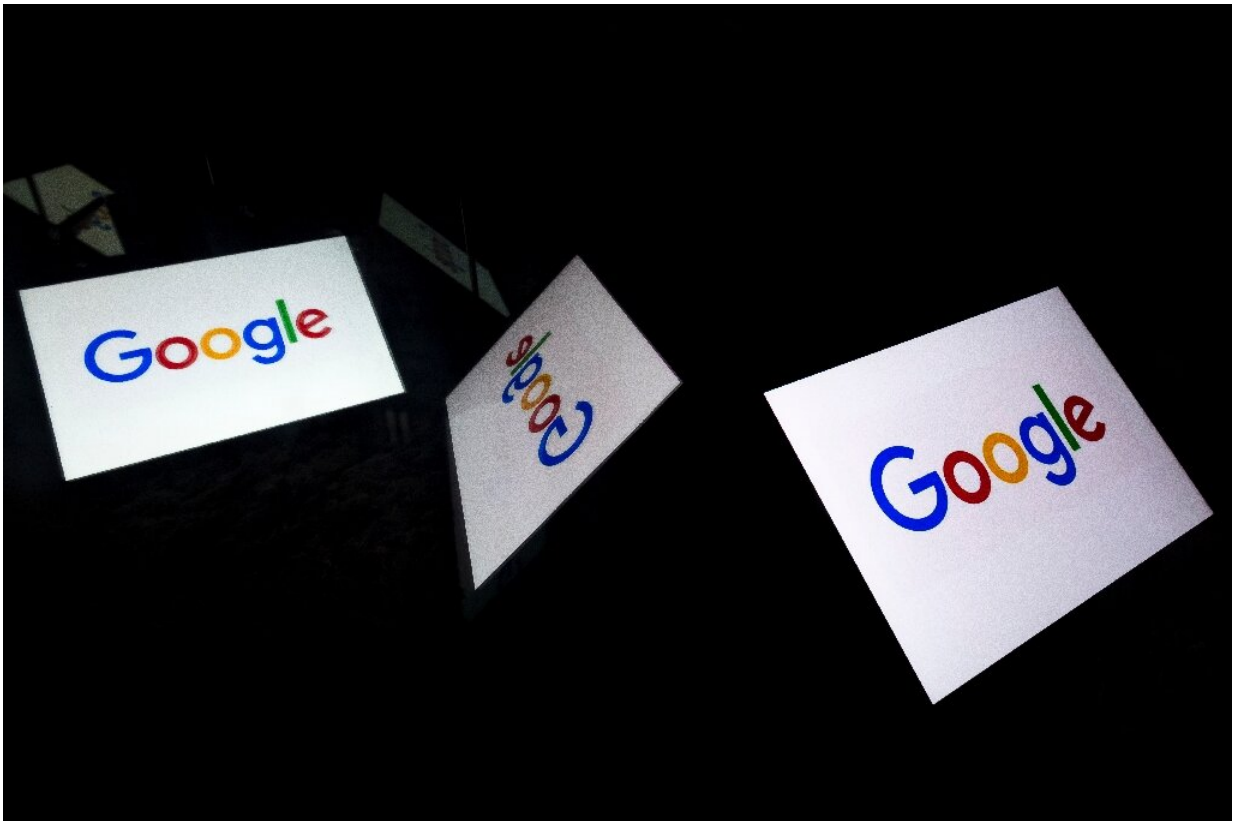


Texas leads US states suing Google for anti-competitive practices

December 16 2020, by Glenn Chapman



Google has been accused in the lawsuit filed by several US states of eliminating competition

Several US states led by Texas filed a suit against Google Wednesday over alleged anti-competitive practices, branding it an "internet Goliath"

that had eliminated competition in online advertising and was harming consumers.

"This Goliath of a company is using its power to manipulate the market," Texas Attorney General Ken Paxton said in a brief Twitter video announcing the suit.

He contended that Google rigged advertising auctions, taking advantage of its position serving up adverts as well as online search results.

"If the free market was a baseball game, Google positioned itself as the pitcher, the batter and the umpire," he said in the short video clip.

Texas is also alleging that Google has an unlawful agreement with Facebook to avoid competing.

Google rejected the accusations, saying it would strongly defend itself in court.

"Attorney General Paxton's ad tech claims are meritless, yet he's gone ahead in spite of all the facts," Google said in response to an AFP inquiry.

Google pointed out that digital ad prices and ad tech fees have fallen, saying those are "hallmarks of a highly competitive industry."

Amazon, Tripadvisor, Yelp and other internet firms involved in recommending products or services have complained that Google favors its own offerings in general search results.

While Google ad revenue has continued to grow, its share of the booming US online ad market is ebbing under pressure from competitors such as Facebook, Amazon and others, according to eMarketer.

The market tracker expected Google this year to command just shy of 30 percent of the US ad market set to total about \$42.4 billion.

Google software not only crawls the internet and indexes what it finds, it determines which results to provide for queries and what ads are displayed.

The California-based internet giant also handles auctions for ads competing to be displayed.

The suit was filed in a federal court in Texas, and Paxton portrayed it as a battle between the state and big tech.

The suit calls for Google to pay what could amount to a fortune in fines, and to hand over profits from online ads.

"The open internet is now threatened by a single company," the lawsuit argued.

"Google has an appetite for total dominance, and its latest ambition is to transform the free and open architecture of the internet."

US crosshairs

Google's long-running business model coupling a free search engine and free services like email and YouTube with paid advertising is already being put to the test in a landmark antitrust lawsuit filed by the US Justice Department.

The US government filed its blockbuster lawsuit in October accusing Google of maintaining an "illegal monopoly" in online search and advertising.

The country's biggest antitrust case in decades, it opens the door to a potential breakup of the Silicon Valley titan.

That politically charged case, which could take years to play out, draws new battle lines between the US government and Big Tech, with potentially major implications for the sector.

But the government is likely to face challenges proving monopoly allegations against the tech firm, which grew into one of the world's most successful companies by leveraging its powerful search engine for a network of services such as maps, email, shopping and travel that feed its data-driven digital advertising.

Legal experts point to the fact that it may be difficult to show Google's conduct was illegal under the longstanding "consumer welfare" standard in monopoly cases because its services are largely free.

The case—joined by 11 states including Texas, all of which have Republican attorneys general—comes against a backdrop of fierce political backlash against Big Tech giants.

The Justice Department argues that Google has cemented its monopoly position using deals with device makers to ensure its apps and services are prominently displayed, and sometimes can't be deleted.

Google called the Justice Department lawsuit "deeply flawed."

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