

Zuckerberg testifies that Meta's lack of VR fitness app doesn't keep him up at night

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Meta Platforms Inc. Chief Executive Officer Mark Zuckerberg says the fact his company doesn't have a virtual reality fitness app up doesn't keep him up at night, but acquiring it would boost competition and



improve such applications.

"It's less important that we own the experiences than (that) they exist," he said at a trial in San Jose, California. "By joining us I think we can also help them be able to pioneer the category" and "spur other companies who are doing other good things in this space."

Zuckerberg took the witness stand to defend his company's acquisition of virtual reality startup Within Unlimited Inc. against a Federal Trade Commission antitrust suit. His testimony Tuesday is part of Meta's push to defeat the lawsuit seeking to block the company from acquiring the maker of Supernatural—a popular VR fitness app. Zuckerberg's testimony follows that of Meta Chief Technology Officer Andrew Bosworth a day earlier.

The Federal Trade Commission claims Meta's plan to buy the competitor will give it an unfair advantage in the burgeoning VR market. The argument is an early test for FTC Chair Lina Khan and her more aggressive stance to antitrust enforcement.

FTC lawyer Abby Dennis asked Zuckerberg if in the history of computing, platforms and apps have generally "gone together." She cited deposition testimony Zuckerberg gave earlier in the case, in which, according to Dennis, he said Facebook intended to build most of the apps for its platform itself.

Zuckerberg agreed that many companies, including Google and Microsoft Corp. build the key apps for their platforms.

"The apps tend to hold the platform together rather than the other way around," he said. But he resisted Dennis's suggestion that the acquisition of Within was a significant departure for his company. Facebook, and now Meta, have focused on communication and social interaction apps,



he said. "We're not trying to build every app ourselves," he said.

The FTC sued Meta in July over the deal, alleging the company was seeking to create a monopoly in <u>virtual reality</u> much in the same way Facebook bought up Instagram and WhatsApp to extend its dominance in social networking. During the Trump administration, the agency sued the company seeking to unwind those deals retroactively. That case is pending.

The Within suit represents the first time the FTC has preemptively challenged a deal by the social media giant, which has bought more than 100 smaller companies over the past decade. Tech companies and investors are closely watching the suit amid concerns the case may make startup acquisitions more difficult.

US District Judge Edward Davila has said he will issue a decision by the end of the year on whether to block Meta's acquisition while the FTC conducts a lengthier, administrative proceeding on the deal in 2023. Bosworth testified Monday that if Meta loses the preliminary trial it will walk away from the deal rather than battle a longer legal fight.

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