

Meta withheld information on Instagram, WhatsApp deals: FTC

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Meta Platforms Inc. withheld information from federal regulators during their original reviews of the Instagram and WhatsApp acquisitions, the U.S. Federal Trade Commission said in a court filing as part of a lawsuit

seeking to break up the social networking giant.

The company formerly known as Facebook bought photo-sharing app Instagram in 2012 and the messaging app WhatsApp in 2014. Both transactions were scrutinized by the FTC at the time before they closed—Instagram as part of an in-depth review and WhatsApp with a simple 30-day one.

In the years since, the agency has faced significant criticism for allowing the deals to move forward. In 2020, the antitrust agency sued Meta alleging that it monopolized the personal social networking market by buying up emerging rivals. Meta is seeking to have the case thrown out before a trial, arguing that it has invested billions in the apps and that the FTC shouldn't be able to renege on its prior approval of the mergers.

In its filing Tuesday, however, the FTC said the case involves "information Meta had in its files and did not provide" during the original reviews.

"At Meta's request, the FTC undertook only a limited review" of the deals, the agency said. "The FTC now has available vastly more evidence, including pre-acquisition documents Meta did not provide in 2012 and 2014."

Meta said that it met all of its legal obligations during the Instagram and WhatsApp merger reviews. The FTC has failed to provide evidence to support its claims, a spokesperson said.

"The evidence instead shows that Meta faces fierce competition and that Meta's significant investment of time and resources in Instagram and WhatsApp has benefited consumers by making the apps into the services millions of users enjoy today for free," spokesperson Chris Sgro said in a statement. "The FTC has done nothing to build its case over the past

four years, while Meta has invested billions to build quality products."

Instagram's popularity has been key to Meta's continued success. Instagram produced \$16.5 billion in the first six months of 2022, bringing in almost 30% of the company's overall revenue, according to court filings in the case. Meta doesn't break out Instagram revenue during its quarterly earnings reports.

The [court filing](#) isn't the first allegation that Meta failed to turn over information that might have impacted the initial merger reviews. In 2017, European antitrust regulators fined Meta 110 million euros (\$122.1 million) for providing misleading information about the WhatsApp deal.

Meta has also degraded its platform for users most reliant on their apps, significantly increasing the ad load on first Instagram and then its flagship product Facebook, the agency said in the filing. It also "chronically deprived Instagram of resources to innovate and improve features," the FTC said.

U.S. District Judge James Boasberg in Washington, who is overseeing the lawsuit, hasn't indicated when he may rule on Meta's request nor has he set a trial date for the case.

The case is U.S. Federal Trade Commission v. Facebook Inc., 20-3590, U.S. District Court for the District of Columbia.

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