FTC moves forward with Facebook antitrust lawsuit

Article





The news: A federal judge allowed the Federal Trade Commission's (FTC) antitrust lawsuit against **Facebook** to move forward. This is the latest challenge to break up the newly renamed **Meta**'s various social media properties, which the case claims it has abused.

Why it's worth watching: <u>Rebranding</u> Facebook to Meta does not erase pending inquiries the FTC initially filed a lawsuit against Facebook in 2020, which was <u>thrown out</u> in June 2021





and refiled in August 2021. The agency is looking to redouble its efforts to expose potential Meta monopoly abuses, <u>per</u> Insider.

- Judge James Boasberg of the U.S. District Court of the District of Columbia allowed the lawsuit to move forward after previously stating that the FTC had <u>not provided sufficient</u> <u>evidence</u> of monopoly power or abused the power by harming competition.
- Holly Vedova, director of the FTC's Bureau of Competition, said in a statement that the "FTC staff presented a strong amended complaint, and we look forward to trial."
- Boasberg said the FTC can proceed with claims that Facebook abused power through acquisitions, which the agency describes as "buy-or-bury"—a strategy in which companies threatened by competitors buy them to assimilate features or to kill off the competitor's product.
- Chris Sgro, a spokesman for Meta, said, "We're confident the evidence will reveal the fundamental weakness of the claims. Our investments in Instagram and WhatsApp transformed them into what they are today. They have been good for competition and good for the people and businesses that choose to use our products."

What's next? Meta has assembled a team of top lawyers to rally its defense. The judge's latest decision does narrow the scope of Meta's platform policies, which the company seems confident it can defend.

- The judge's decision is seen as a victory and a step forward in antitrust legislation, but the case could still face years in litigation before a final resolution.
- Even if the FTC's lawsuit fails, the resulting scrutiny of Meta's business models could hinder the company from acquiring competing social media services in the future.
- This has already started to happen: the UK's Competition and Markets Authority ordered Meta to <u>divest its ownership</u> in GIF search engine Giphy in December.





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