

Google broke trade law with search monopoly, US court rules

Article

The news: In a landmark decision, US District Judge **Amit Mehta** has ruled against **Google** [in an antitrust case](#), finding the tech giant broke US trade law by monopolizing the search and advertising markets. As the first major tech monopoly lawsuit decided in recent years, it could potentially lead to greater search competition and innovation.

This verdict stems from lawsuits filed in 2020 by the US Department of Justice and 38 states accusing Google of anticompetitive practices.

According to court filings:

- **Google controls nearly 90% of US search market share**, rising to 95% on mobile devices.
- Its closest rival, **Microsoft's Bing**, holds [a mere 6% market share](#).
- The company spent \$26 billion in 2021 on exclusive agreements to be the default search engine.
- These deals were deemed anticompetitive, violating Section 2 of the Sherman Act.

The ruling: Google's monopoly has led to higher advertising prices and lower quality search services, while stifling competition from smaller players.

- The court dismissed Google's defenses, including its argument that its market share results from a superior product that users prefer.
- A key revelation was the extent of [Google's payments to Apple for default search status](#) on iPhones—**\$20 billion in 2022 alone**.
- During final arguments, Judge Mehta focused on these payments, questioning how any company could compete given such financial barriers.

Why it matters: This verdict sends a clear message: **Even tech behemoths aren't immune from antitrust laws.**

“Google’s loss in its search antitrust trial could be a huge deal—depending on the remedy,” said EMARKETER senior analyst [Evelyn Mitchell-Wolf](#). “A forced divestiture of the search business would sever **Alphabet** from its largest source of revenues. But even losing its capacity to strike exclusive default agreements could be detrimental for Google.”

Our take: This ruling could mark a pivotal moment in the tech industry's history. It challenges the notion that market dominance through aggressive business tactics is acceptable.

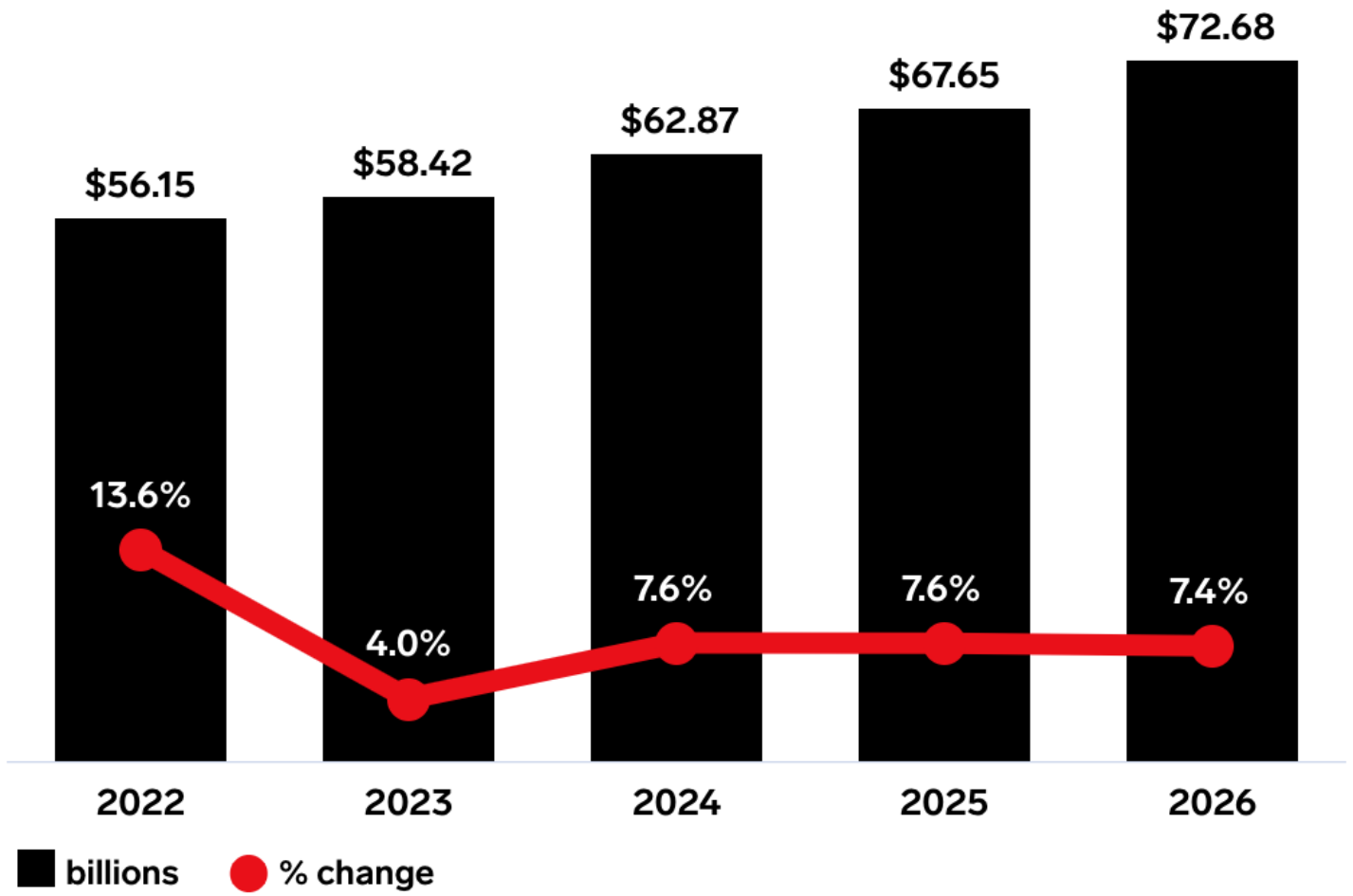
- The decision could spark a wave of similar investigations into other tech giants, with the US government currently pursuing cases against **Amazon**, **Apple**, and **Meta**.
- The real test lies in the enforcement of this ruling. Will it truly break Google's stranglehold on search, or will the company find new ways to maintain its position? It’s hard to imagine a fine

of any amount that could discourage Google from defending its market dominance.

- As we await the next chapter in this saga, including Google's upcoming battle with the DOJ over its advertising technology business this fall, one thing is clear: The tech world is watching closely. This verdict could be the catalyst for a new era of digital competition.

Google Search Ad Revenues

US, 2022-2026



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes contextual text links, paid inclusion, paid listings, and paid search; includes YouTube advertising revenues; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites

Source: EMARKETER Forecast, March 2024

