

DOJ and Google will face off in landmark antitrust case next week

Article

Editor's note: This article originally made reference to the DOJ's 2023 antitrust complaint against Google rather than the 2020 complaint that is the subject of the trial. The article has been clarified.

The news: Google will defend itself in court next Tuesday against allegations from the Department of Justice (DOJ) that it used anticompetitive practices to stifle competition in mobile search, kicking off the regulator's first internet antitrust challenge since it sued Microsoft in 1998.

The claims: [In its complaint](#), the DOJ alleged that Google's payments to Apple to make its search engine the default for Safari on iOS, and its contracts with phone manufacturers requiring pre-installation of Google services on Android phones, amount to anticompetitive actions that limit consumer and advertiser choice.

- The DOJ argues that, by making itself the default search platform on mobile devices, Google prevents other competitors from achieving scale. In 2023, Google will own a large chunk of the \$68 billion US mobile search advertising market, per our [forecast](#).
- That dominance has let Google "charge advertisers more than it could in a competitive market," according to the complaint.
- Apple executives will appear on the stand during the trial after a judge denied the company's attempt to reject DOJ subpoenas.

Bad looks: Google may take comfort in a series of failed antitrust challenges from the Federal Trade Commission, but several controversies give the DOJ plenty of evidence to back up its claims.

- Google's arduous relationship with the publishing industry has perhaps reached its [lowest point yet](#) thanks to [AI](#) and clashes with regulators. Google and Meta [banned news content](#) in Canada in response to bills requiring them to pay publishers for content (though Google also has a [\\$100 million deal](#) with the New York Times).
- Recent issues with Google ad placements suggest the company is [struggling to manage its own scale](#). Reports from the **Media Rating Council** and industry activists **Adalytics** and **Fairplay** found that Google frequently misplaces ads and accidentally let firms [track children's data](#).
- Ad cost inflation is also top of mind for advertisers: Competitor **The Trade Desk** [plans to bid](#) below pricing floors to remedy what it calls a lack of standards in ad pricing.

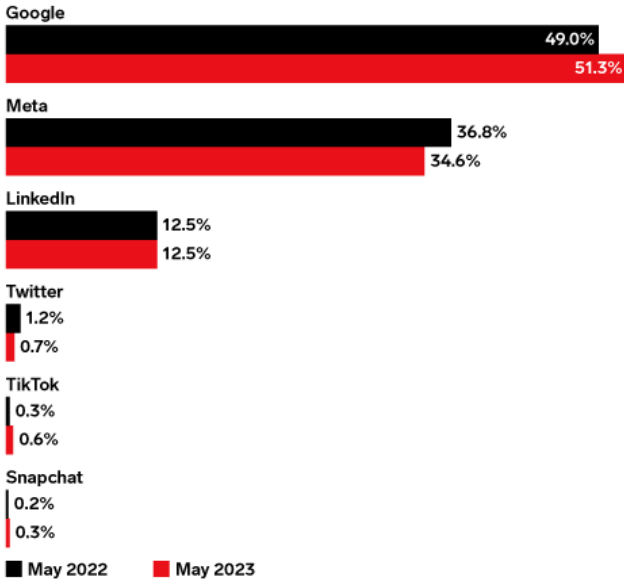
Our take: The DOJ's suit may be against Google, but it could also open the door for broader antitrust challenges against other internet giants that regulators like the FTC have struggled

to maintain.

- Despite its strong revenues, there is speculation that Google’s central position on the internet is **beginning to wane**—speculation that Google **is willing to play into**, pointing to rising competitors like **TikTok** as proof that it isn’t a monopoly.

Digital Ad Spending Share Among Advertisers Worldwide, by Company, May 2022 & May 2023

% of total



Note: represents activity on the Emburse platform; broader industry metrics may vary
Source: Emburse, "Where Are Digital Ad Dollars Going?" July 13, 2023

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