Google settles pending lawsuits to focus on wider antitrust battles

Article





The news: Google recently spent more than \$1 billion to resolve several lawsuits as it prepares for upcoming antitrust litigation with the US **Department of Justice** (DOJ) and EU regulators.





Google and other Big Tech companies are bracing for intense antitrust action relating to the European Union's **Digital Markets Act** (DMA), which goes into effect in May. UK and Japan governments are already copying the EU's legislation.

Google settles: The company seems to be getting ahead of other cases, including one levied by the <u>DOJ focusing on Google's search</u> and advertising businesses.

- Google spent \$700 million to settle states' claims that its Play Store coerced app makers into higher fees and tougher terms in December.
- It settled a patent lawsuit with Singular Computing in January and entered into a license agreement with the company.
- Google paid \$350 million to end a lawsuit accusing it of improperly sharing users' private information in February.

The Big Tech giant says it isn't clearing the decks for future litigation. "When it makes sense, we settle cases to avoid prolonged, uncertain, and costly litigation," said Google spokesman **José Castañeda**, per <u>The New York Times</u>. "And when we need to defend ourselves and the industry, we do."

Google outlines changes to comply with the EU's DMA: On Tuesday, the company also revealed changes to its search results as well as tools for app developers to promote third-party apps and competing app stores in compliance with the EU's new rules.

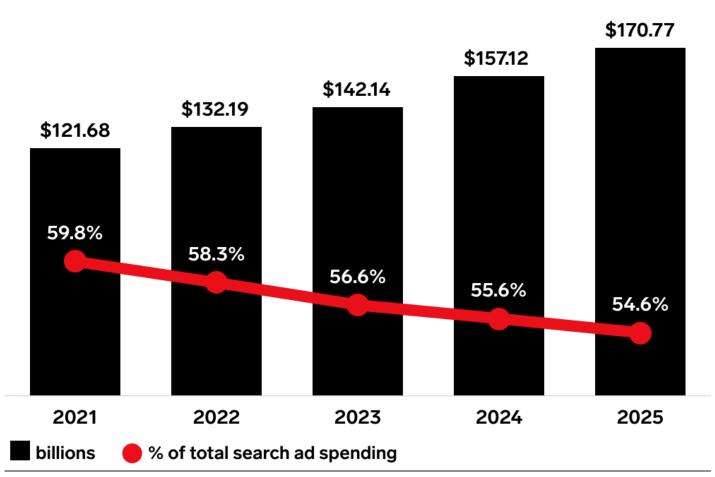
Our take: 2024 is shaping up to be a year of challenging lawsuits and regulatory changes that aim to alter Big Tech's long-standing and most profitable business models. Google and many of its competitors are likely focusing on the long game.

<u>Intensifying complaints against Big Tech's business models</u> are giving regulators the ammunition to alter revenue strategies as technology companies grow in size and influence.





Google Search Ad Revenues Worldwide, 2021-2025



Note: Exchange Rate; 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

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