

Technology

Google Antitrust Woes Mount With Third Suit Targeting Dominance

By [Ben Brody](#) and [David McLaughlin](#)

December 18, 2020, 3:55 AM GMT+10 *Updated on December 18, 2020, 9:54 AM GMT+10*

- ▶ Latest Google monopoly case joined by 38 attorneys general
- ▶ New complaint pushes beyond Justice Department allegations

LISTEN TO ARTICLE



Google’s dominance in online search came under the broadest attack yet as a group of states filed the third antitrust lawsuit in two months against the internet giant owned by [Alphabet Inc.](#)

In this article

GOOGL
ALPHABET INC-A
 2,015.95 USD
 ▼ -67.86 -3.26%

FB
FACEBOOK INC-A
 254.69 USD
 ▼ -9.62 -3.64%

MSFT
MICROSOFT CORP
 228.99 USD
 ▼ -5.56 -2.37%

AAPL
APPLE INC
 120.99 USD
 ▼ -4.36 -3.48%

AMZN
AMAZON.COM INC
 3,057.16 USD
 ▼ -102.37 -3.24%

The lawsuit, filed Thursday by states including Colorado, Iowa and New York, marks the latest escalation of the antitrust battle against Google. It comes a day after 10 Republican state attorneys general led by Texas [sued](#) the company for anticompetitive practices, and follows an October complaint by the Justice Department.

“Never before have so many states and the federal government come together to challenge a company with such power,” Iowa Attorney General Tom Miller said in a statement Thursday. “Google has more data on consumers, and more variety of information, than perhaps any entity in history.”

The lawsuit, filed by 38 attorneys general, accuses Google of illegally monopolizing internet search and search advertising through a series of

anticompetitive contracts and conduct, hurting consumers and advertisers in the process.

The case also takes aim at deals to place Google on connected devices, homes and cars, which the attorneys general cast as an effort to protect competition in a new technological frontier.

Google countered in a blog post that it has improved search results in ways that many world regulators had previously deemed pro-competitive.

“This lawsuit seeks to redesign search in ways that would deprive Americans of helpful information and hurt businesses’ ability to connect directly with customers,” said Google’s director of economic policy Adam Cohen. “We look forward to making that case in court.”

Earlier: Google Monopoly Case by U.S. Sets Stage for Multi-Pronged Attack

The Justice Department and 11 Republican state attorneys general sued Google on Oct. 20 in the most significant monopolization case in more than two decades. That case focuses on Google’s agreements with Apple Inc. and other partners to provide Google search as a default to users.

The Texas-led case focuses on Google’s control over the technology that delivers display ads across the web. It alleges that Google reached an illegal deal with Facebook Inc. to persuade the social media giant to back off from competing in this market.

Colorado Attorney General Phil Weiser said during a virtual press conference that the new case goes beyond the Justice Department’s complaint. Unlike that suit, the states are targeting Google’s conduct in specialized search services, such as local queries, saying the company made it harder for users to access information from rival providers. Weiser said that the states will move to consolidate the suit with the federal case.

“Probably the most comparable case is 20 years ago, the Microsoft case,” Nebraska Attorney General Doug Peterson told reporters during the press conference. “We’re in a new time, a new era.”

The antitrust case against Microsoft Corp., which began in 1998 and focused on deals to distribute its software and operating systems, helped set the terms for competition in the emerging internet industry.

Antitrust actions against large technology platforms have escalated dramatically in the final weeks of the year. The Federal Trade Commission and a group of more than 45 states led by New York filed a pair of lawsuits recently against Facebook alleging the social-media giant thwarted competition to protect its monopoly. The suits sought court orders to unwind Facebook’s acquisitions of Instagram and WhatsApp.

Earlier: Google’s ‘Star Wars’ Facebook Pact Is Latest Antitrust Target

Critics have accused Google of using its dominance of the online search market to steal other companies' content for its own results and starve competitors of vital traffic. They also claim it has made acquisitions in online ads and video that reduced competition, and locked up key distribution channels on browsers and mobile operating systems.

Google argues that its search engine is popular and free, that rankings are driven by consumer needs and that prior deals passed regulatory scrutiny.

Google has said that the U.S.-led search case is "deeply flawed" and called Wednesday's filing "meritless" and "inaccurate." The company argues that platforms' agreements for prime placement before consumers are common in many markets and don't prevent users from switching to competitors.

Google also says it faces stiff competition from companies including Amazon.com Inc. for the most profitable searches, which show consumer intent to purchase goods and command greater advertiser dollars.

Like the Justice Department complaint against Google, the new state case targets the distribution deals Google reached with Apple and mobile carriers that the states say illegally cut off competition from other search providers. Those agreements have made Google the de facto search engine on nearly all mobile devices in the U.S., the states said.

[For more: The FTC's Antitrust Case Against Facebook Stakes Out New Ground](#)

What to know in tech

Get insights from reporters around the world in the Fully Charged newsletter.

Enter your email

Please enter a valid email address

Bloomberg may send me offers and promotions.

By submitting my information, I agree to the [Privacy Policy](#) and [Terms of Service](#).

The states also accuse Google of illegally monopolizing search by cutting off traffic to specialized search providers that focus on a particular commercial segments like travel, local businesses and shopping. Those search services rely on Google to get customers and represent a potential threat to Google's dominance, particularly because their niche offerings are attractive to advertisers, the states said.

Instead of competing fairly against those companies, Google used its gatekeeper role to exclude them, according to the complaint. Google limits the kind of ads those search providers can buy to attract customers. It also blocks certain companies from appearing in Google's OneBox feature that typically provides a map and listings, the states said.

"Google's decision to degrade access to such opportunities for specialized vertical providers lacks any legitimate business justification and is for the purpose and effect of excluding rivals," they said.

Yelp, which has long complained about Google conduct, cheered the states' lawsuit.

"For nearly a decade, Yelp's small public policy team has openly advocated for heightened antitrust scrutiny of Google's behavior, so it is gratifying to see Google finally brought to justice for this specific conduct," said Luther Lowe, a Yelp public policy executive.

Have a confidential tip for our reporters?

[GET IN TOUCH](#)

– *With assistance by Mark Bergen, and David Yaffe-Bellany*

(Adds lawsuit filed in Washington federal court in second paragraph)

[Terms of Service](#) [Do Not Sell My Info \(California\)](#) [Trademarks](#) [Privacy Policy](#)
©2021 Bloomberg L.P. All Rights Reserved
[Careers](#) [Made in NYC](#) [Advertise](#) [Ad Choices](#) [▶ Contact Us](#) [Help](#)