

Antitrust Law and the Crackdown on Big Tech

Background

The internet has become an essential part of our daily lives. It is where many of us connect with friends and family, research, and study for our courses, and it is starting to become where the vast majority of people receive their news. Platforms such as Google, Facebook, Instagram, Microsoft Office, and Amazon wield much of the influence over the advertisements we see, the news we read, and the data we allow to be collected.

These platforms and other Big Tech entities, such as Apple, also bear the responsibility of ensuring that they function in an innovative, safe, and non-anti-competitive manner. In the past few years, regulatory regimes around the world have pivoted to focus on how to reign in Big Tech's power, and one of the most seismic developments has been the seismic shift in regulatory control coming from competition/antitrust authorities.

Investigations into Big Tech in the US

In the United States, Federal Judge Amit Mehta delivered a 286-page judgment in which he ruled that Google had spent billions of dollars on exclusive deals to create an illegal monopoly within the search market. Justice Mehta went as far as to title Google a "monopolist".

Throughout the trial, the DOJ presented various arguments demonstrating that Google had paid a sum of around \$10 billion per year to multiple wireless carriers, browser developers, and most notably Apple. This resulted in a blatant violation of US Antitrust law and amounted to \$26 billion in 2021.

Google, which is now the search engine used for roughly 90% of Internet searches, argued that its outstanding market share was a result of high investment into product development despite being in a highly competitive environment.

Jonathan Kanter, the head of the DOJ's Antitrust division stated that the decision came as a "landmark decision [which] holds Google accountable" and "paves the

path for innovation for generations to come and protects access to information for all Americans”.

Kent Walker, who is the president of global affairs at Alphabet Inc. (Google’s parent company) said that the company will be appealing the ruling.

What makes the decision so monumental is that it comes as the biggest win against Big Tech in court in decades. With a case against Apple and a second against Google coming next, both of which deal with monopolies over digital advertising.

The Federal Trade Commission has also recently filed cases against Amazon and Meta. This could be the beginning of a crack-down on Big Tech, with the implications remaining to be seen and maybe depending heavily on this November’s general election.

The desire to increase consumer welfare is at the core of this endeavor to reign in Big Tech. Anti-competitive agreements, such as the ones Google took part in, tend to result in a lack of options for consumers, paving the way for large corporations to either increase prices or decrease quality.

Potential Regulatory Shift in the UK

Regulatory regimes are also experiencing changes around the world. The United Kingdom Competition & Markets Authority (CMA) is currently in the process of scrutinizing a proposed merger between telecommunication companies Vodafone and Hutchinson 3G (Three). How these changes are reflected in our day-to-day interactions with these platforms remains to be seen but may result in a more diverse market for consumers.