AG Fox Sues Monopolist Google For Violating Antitrust Laws

Montana Attorney General Tim Fox, along with the US Department of Justice and ten other state attorneys general, filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to prevent Google from unlawfully maintaining monopolies through anticompetitive and exclusionary practices in the search and search advertising markets.

"As one of the wealthiest companies on the planet, Google is the monopoly gatekeeper to the internet for billions of users and countless advertisers worldwide," Attorney General Tim Fox said. "For years, Google has accounted for nearly 90 percent of all search queries in the country and has used anticompetitive tactics to maintain and extend its monopolies in search and search advertising. By filing this lawsuit, we're seeking to stop Google's anticompetitive conduct and to restore competition for American consumers, advertisers, and all companies which rely on the internet economy," Fox added.

As alleged in the complaint, Google entered into a series of exclusionary agreements to lock up the primary avenues through which users access search engines, and thus the internet, by requiring that Google be set as the default or exclusive search engine on billions of mobile devices and computers worldwide. In particular, the complaint alleges Google has unlawfully maintained monopolies in search and search advertising by:

- Entering into exclusivity agreements that forbid preinstallation of any competing search service;
- Entering into tying and other arrangements that force preinstallation of its search applications in prime locations on mobile devices and make them undeletable, regardless of consumer preference;
- Entering into long-term agreements with Apple that require Google to be the default and *de facto* exclusive general search engine on Apple's popular Safari browser and other Apple search tools; and
- Generally using monopoly profits to buy preferential treatment for its search engine on devices, web browsers, and other search access points, creating a continuous and self-reinforcing cycle of monopolization.

These anticompetitive practices harm competition and consumers, reducing the ability of innovative new companies to develop, compete, and discipline Google's behavior.

Antitrust laws protect our free market economy and forbid monopolists from engaging in anticompetitive practices. They also empower Attorney General Fox as *parens patriae* on behalf of Montana citizens to bring cases like this to remedy violations and restore competition. Decades ago, a case against Microsoft involving the US DOJ and a coalition of state AGs recognized that antitrust laws forbid anticompetitive agreements by high-technology monopolists to require preinstalled default status, to shut off distribution channels to rivals, and to make

software undeletable. Today's complaint alleges Google uses similar agreements to maintain and extend its own dominance.

The <u>complaint</u> alleges that Google's anticompetitive practices have had harmful effects on competition and consumers. Google has foreclosed any meaningful search competitor from gaining vital distribution and scale, eliminating competition for a majority of search queries in the United States. By restricting competition in search, Google's conduct has harmed consumers by reducing the quality of search (including privacy, data protection, and use of consumer data), lessening choice in search, and impeding innovation. By suppressing competition in advertising, Google has the power to charge advertisers more than it could in a competitive market and to reduce the quality of the services it provides them.

In addition to Montana, other participating states include Arkansas, Florida, Georgia, Kentucky, Indiana, Louisiana, Mississippi, Missouri, South Carolina, and Texas.

Google, which has a market value of \$1 trillion, is a limited liability company organized and existing under the laws of Delaware, and is headquartered in Mountain View, California. It is owned by Alphabet Inc., a publicly traded company incorporated and existing under the laws of Delaware and headquartered in Mountain View, California.