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## Newsroom

# AG Racine Joins Multistate Lawsuit Seeking to End Google’s Illegal Monopoly in Search

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December 17, 2020

*Bipartisan Coalition of 38 Attorneys General Allege Google Illegally Created Insurmountable Barriers to Entry for Competitors, Limiting Consumer Choice*

WASHINGTON, D.C. – Attorney General Karl A. Racine today joined a bipartisan coalition of 38 attorneys general in suing Google LLC for use of anticompetitive exclusionary contracts and conduct to maintain its monopoly power over online search engines and related advertising markets. The coalition alleges that this illegal conduct deprives consumers of competition that could lead to greater choice, innovation, and better privacy protections in violation of Section 2 of the Sherman Act. Furthermore, the coalition argues that Google has exploited its market position to accumulate and leverage data to the detriment of consumers. The attorneys general are seeking a range of remedies that would halt Google’s illegal conduct and remove any unfair advantages the company has gained.

**“Our country thrives on fair competition and richly rewards individuals and companies who win on a level playing field—so long as they play by the rules. No company, no matter how smart or how large, can retain its dominance by unlawfully thwarting the very competition that brought it success,”** said AG Racine. **“Anticompetitive behavior hurts consumers, competitors, and our very system of fair competition. Our bipartisan investigation revealed that Google has maintained several illegal monopolies related to internet search and internet search advertising through use of exclusionary contracts and other anticompetitive means. We believe this has stifled new innovations that could have improved the lives of consumers, while eliminating choice for District residents. State Attorneys General will act to protect a fair, competitive market, and ensure that no company uses its power to suppress innovation.”**

Google LLC, headquartered in Mountain View, California, is a multinational technology company specializing in search, cloud computing, and other Internet-based services and products. The company is supported primarily through its online advertising technologies, which feature prominently into its services. The more users accessing its services, the more money it generates from advertising. More than 90% of all online search queries worldwide go through Google, and the company commands nearly 40% of all online advertising markets—amounting to a plurality.

Section 2 of the Sherman Act declares it unlawful to “monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations.” In effect, Section 2 makes it illegal for a company to establish or preserve monopoly power through improper, anticompetitive actions.

A bipartisan multistate investigation revealed evidence that Google maintains illegal monopolies in search and search-related advertising through exclusionary agreements and other anticompetitive means. In decreasing the number of consumer choices available in search and search advertising, the company has been able to acquire and command vast amounts of consumer data—which, in turn, creates significant barriers for potential competitors and innovators, further fortifying Google’s monopoly. Moreover, the company is now using the same tactics to monopolize search engine access through new consumer products, such as smart speakers, televisions, homes, and Internet-connected devices within cars.

The lawsuit alleges that Google is depriving consumers of competitive choices and blocking innovation. The attorneys general argue that more competition in the general search engine market would benefit consumers, for example, though improved privacy protections and more targeted results and opportunities for consumers. Competitive general search engines also could offer better quality advertising and lower prices to advertisers.

Specifically, the lawsuit alleges that Google has violated Section 2 of the Sherman Act by:

- **Using exclusionary agreements to maximize consumer exposure to Google search and limit the reach of rival search engines:** Google has entered into a series of anticompetitive contracts with cell phone manufactures, cellular network providers such as Verizon and AT&T, Apple, and other device manufacturers, guaranteeing that its search engine is a default offering on a wide range of consumer products. These contracts have effectively cemented Google as the go-to search engine on computers, mobile devices, and next-generation devices.
- **Using its advertising tools to steer advertiser dollars towards Google and away from competitors:** Google's search-advertising management tool, SA360, continuously produces biased data to advertisers that artificially suggest better performance on its own platform despite promises to users that the company has not granted itself advantages over competing search engines, such as Bing. This tactic has allowed Google to inflate its own profits, to the detriment of advertisers and consumers.
- **Discriminating against specialized search sites:** Specialized search sites—such as those that provide travel, home repair, or entertainment services—threaten Google's revenue and dominant position by drawing users away from Google's platform. In response, Google deprives these sites access to prime real estate in its search results, decreasing the likelihood that consumers will use these services.

A copy of the complaint is available at: <https://oag.dc.gov/sites/default/files/2020-12/Google-Complaint.pdf>  
(<https://oag.dc.gov/sites/default/files/2020-12/Google-Complaint.pdf>).

The complaint, filed in the U.S. District Court for the District of Columbia, is separate from a lawsuit filed by the U.S. Department of Justice on October 20th. Upon filing the complaint, the coalition simultaneously filed a motion seeking to consolidate the two cases. The coalition is asking the court to restore a competitive marketplace by halting Google's anticompetitive behavior and compelling the company to give up advantages gained from its conduct. The coalition has also asked the court to provide any additional relief it determines appropriate, as well as reasonable fees and costs to the states.

The lawsuit is led by an executive committee made up of the attorneys general of Arizona, Colorado, Iowa, Nebraska, New York, North Carolina, Tennessee, and Utah. The executive committee was joined by AG Racine, along with the attorneys general of Alaska, Connecticut, Delaware, Hawaii, Idaho, Illinois, Kansas, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Washington, West Virginia, Wyoming, and the territories of Guam and Puerto Rico.

#### Attachments

[Google-Complaint.pdf](https://oag.dc.gov/sites/default/files/2020-12/Google-Complaint.pdf) (<https://oag.dc.gov/sites/default/files/2020-12/Google-Complaint.pdf>)

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