

BIG TECH

Google anti-trust trial decides Web's future

ECONOMY

15_09_2023



**Ruben
Razzante**



The myth of the omnipotence of large web and social platforms seems to be waning day by day. The tightening of regulations governing the presence of big tech companies on the digital services market and the crisis that many of them are going through financially are adding to legal troubles and heavy fines imposed on some of them by national and international courts.

But the news that has caused the greatest stir recently is the start, in the USA, of the first trial against Google over monopoly claims. The two parties facing each other are the Silicon Valley giant, Google, now used for about 90% of online searches and with an advertising business worth over \$160 billion on one side, and on the other, the US government, which has not filed a lawsuit of this magnitude since 1998. That year, in fact, it brought Microsoft into the dock on charges of abusing its dominant position because it had imposed its Explorer browser as the default web browsing software for Windows customers, its operating system. Microsoft, according to the prosecution, had thus stifled the birth and development of other browsers, first and foremost Netscape.

Today, Google is accused by the US government of having systematically violated anti-monopoly rules, and the ten-week trial without a jury has already been described as 'historic': it is the biggest antitrust trial in the last 25 years and the future of the web will depend on its outcome.

According to the state attorneys general who initiated the lawsuit, Google unlawfully reached its 90% share of online searches and, in doing so, left consumers worse off than if there had been real competition. One of the attorneys leading the lawsuit against the behemoth, Phil Weiser, claims that the company took the liberty of uploading misleading ads on its search engine, safe in the knowledge that it had no real competition to contend with. "Over time, Google has been increasingly able to establish and protect its dominant position, and to push these ads aggressively," said Weiser.

The lawsuit against Google is just one of the antitrust cases brought by the US government against major tech companies, but it is the first to reach court. The lead plaintiffs are Colorado, Tennessee, and the US Department of Justice, joined by all other US states except Alabama, the territories of Puerto Rico and Guam, and the District of Columbia. The trial opens after three years of pre-trial proceedings, in which the parties have produced 5 million pages of documents and fielded around 150 witnesses. Google put hundreds of employees to work on the case, hired three major law firms, and opposed (successfully) the video transmission of the trial. To protect the confidentiality of Google's data, the trial will be mostly closed to the public and the media.

According to the prosecution, Google made exclusive deals with major manufacturers in order to make its search engine the default. The web giant allegedly paid millions of dollars to ensure that partners chose Google instead of competitors. This is why Apple, Samsung, Lg, and Motorola decided to include its search software in their smartphones by default. Partnerships thus represent a powerful strategic weapon for the giant, but a serious penalisation for rivals. In his opening speech, the prosecuting attorney, Kenneth Dintzer, stated that “this case is about the future of the Internet and whether Google will ever face significant competition”. This behaviour is a violation of the Sherman Act, the oldest US antitrust law, and a second violation since Google has illegally squeezed out its rivals by sharing advertising revenue with smartphone manufacturers, browser developers, and wireless carriers.

Within the online search industry, accumulating data on user behaviour is crucial, and Google, thanks to its dominant position, is able to make search results and ads more effective.

However, the judicial process promises to be a complex one: first, Google's responsibilities will be discussed, and only if its guilt is proven, will it move on to consider how to punish the giant. None of the defendants will face jail time, but Google could be barred from certain business strategies. The giant could also be forced to sell parts of the company or substantially change agreements with its competitors.

The proceedings could also have a big impact on the rest of the US technology industry, so much so that other investigations have been opened against Meta (Facebook) and others. Some legal experts believe that the trial will also be a way to test the effectiveness of US antitrust laws, introduced in the late 19th century to counter large agricultural and industrial monopolies, which by now may prove obsolete for handling complicated cases such as those involving technology companies. Thus, in the digital ecosystem, diatribes on dominant positions have far more incisive implications

on the market than those on monopolies or oligopolies in the traditional media market, which have long poisoned, for example, politics. A dominant position on the Net has a far more devastating impact and dangerously undermines the democratic balance of a state.