

Google likely next in antitrust push on tech giants

April 12 2012, by Paul Handley



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In an [industry](#) in which companies can soar to near-monopoly positions in a few years, justice authorities on both sides of the Atlantic will keep pursuing tech giants as they fight to defend their market positions, they said.

But tech industry dynamics -- the pace of change, and the complex economics of technology and network-bound markets -- could make it

harder to prosecute any of them.

"There are economic conditions that are present in the industry, together with the speed at which it changes, that make it an industry that the government really has to keep an eye on," said Gary Reback, a [Silicon Valley](#) lawyer who was deeply involved in the landmark anti-trust push against Microsoft in the 1990s.

"In the tech industry we have the network effects, which are very strong; we have the first-mover advantage," like Microsoft locking users into its program platform, he said.

"We have all kinds of things like that which makes the industry more susceptible to monopolization."

Wednesday's Justice Department charges against Apple and five large [book publishers](#) is at face value a more garden-variety anti-trust case, alleging that the publishers colluded to set prices for [e-books](#).

Apple, as a reseller, allegedly worked with them as it sought to erode Amazon's dominance in the business.

That makes it different from the case against Microsoft, that eventually saw the [software giant](#) put under a near decade of [Justice Department](#) oversight, and the likely case being built by US authorities against Google.

Both are rooted in so-called "monopoly maintenance" accusations: that they used their dominant positions to illegally undermine rivals and newcomers.

Those cases are harder to prove, but no less important for consumers than a classic price-fixing ring, said Reback.

We're definitely going to continue to see lots of cases in the tech industry," said Gus Hurwitz, of the Center for Technology, Innovation and Competition at the University of Pennsylvania.

But Hurwitz argues that many of the anti-trust pursuits -- though not that against Apple and the publishers -- have probably been unwarranted.

"The mere acquisition of monopoly power isn't illegal; we don't want to punish firms for competing successfully," he said.

"Given the pace of innovation, it is hard to say that intervention is needed, unless you have some clear showing that yes, companies are getting together and conspiring to set prices."

"Microsoft was arguably fighting a losing battle against the internet at the time," he said.

Even in the e-book case, he said, Apple's role as is not clearly a classic violation of anti-trust laws.

"The case against Apple is going to be much more difficult," he told AFP.

"This industry is really just five years old.... It's really remarkable to see such a major case brought in so young an industry," he added.

Antitrust expert Joseph Bauer, professor of law at the University of Notre Dame, said it was valuable to keep up pressure on the tech giants to preserve competition.

"The premise of the antitrust law is not only having a large number of competitors but having vigorous competitors who are really able to compete."

And he pointed out that the pressure is not just coming from Washington.

"Anti-trust enforcement now takes place at least as vigorously on the east side of the Atlantic as well as our side."

"The EU was quite active against Microsoft and is now quite active against Apple."

"Competition is worldwide," he said, noting that US agencies working in tandem with EU counterparts on some cases.

Google is understood to be in the sights of regulators in both Europe and the US now.

Reback said the authorities need to focused on the search-driven advertising industry that Google dominates rather than social networking, where Facebook is almost all-powerful.

"There are people still entering the market in social networking. You don't see that in search. Search is the real problem right now," he said.

"I think the Europeans are going to come down on them ([Google](#)) hard and I think the Federal Trade Commission and our states will do that as well."

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