

US clears Facebook deal for Instagram

August 23 2012



Instagram's fan page is seen on Facebook. US regulators said Wednesday they closed an investigation into Facebook's billion-dollar deal to buy the startup behind Instagram, taking no action.

US regulators said Wednesday they closed an investigation into Facebook's billion-dollar deal to buy the startup behind photo-sharing smartphone application Instagram, taking no action.

The [Federal Trade Commission](#) said in a statement that Facebook's bid to buy Instagram "may now proceed as proposed."

In letters to both firms published on the FTC's website, the agency said for the first time that it had opened a probe into potential violations of federal laws on competition or deceptive practices.

But the letters said "no further action is warranted at this time."

"This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred," each of the letters said.

"The commission reserves the right to take such further action as the public interest may require."

The big ticket purchase was seen by some as a move by Facebook to strengthen defenses against [Google](#) and blazing hot newcomer Pinterest just ahead of the Facebook public offering.

"For years, we've focused on building the best experience for [sharing photos](#) with your friends and family," Facebook co-founder [Mark Zuckerberg](#) said in announcing the deal in April.

"Now, we'll be able to work even more closely with the Instagram team to also offer the best experiences for sharing beautiful mobile photos with people based on your interests."

Zuckerberg called the purchase "an important milestone for [Facebook](#) because it's the first time we've ever acquired a product and company with so many users," but promised it was a rare acquisition.

(c) 2012 AFP

Citation: US clears Facebook deal for Instagram (2012, August 23) retrieved 5 May 2024 from <https://phys.org/news/2012-08-facebook-instagram.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.