US Justice Department Proposes Google to Sell Chrome: Antitrust Case Explained

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Why in News?

The U.S. Department of Justice (DoJ) and multiple states proposed measures to address Google's alleged monopolistic practices, including the possible sale of its Chrome web browser.

This comes after a landmark ruling in August, where Judge Amit Mehta of the US District Court of Columbia said, "Google is a monopolist, and it has acted as one to maintain its monopoly."

Antitrust Case Against Google in US Courts

- **Background**
  - The antitrust case against Google is a significant legal battle centered around the company's alleged monopolistic practices, primarily in the search and advertising markets.
  - The case involves multiple lawsuits filed by the U.S. Department of Justice (DoJ) and several state attorneys general.
  - These lawsuits have accused Google of using anti-competitive tactics to maintain and expand its dominance in online search, advertising, and related markets.
- **Multiple antitrust lawsuits**
  - **Search market**
    - The US DOJ filed a lawsuit against Google in 2020, alleging that the company violated antitrust laws by creating barriers to entry and maintaining a monopoly in the search market.
    - In August 2024, a federal judge ruled that Google violated the Sherman Act by maintaining a monopoly in the search and advertising markets.
    - The DOJ is considering breaking up Google's businesses, including Chrome, Play, or Android.
  - **Digital advertising**
    - The DOJ is also suing Google for anti-competitive practices in the digital advertising industry.
    - The DOJ is seeking to determine if Google is using its power to edge out competitors.
  - **App store**
    - In December 2023, Epic Games won an antitrust case against Google in the app store, alleging that Google maintained monopoly power in the Android app distribution market.

US Antitrust Actions Against Big Tech

- **Background**
  - In recent years, U.S. agencies have accused major tech companies like Amazon, Meta, and Google of monopolistic practices that stifle market competition.
- **Google's Search Monopoly Case**
  - The DoJ and several states sued Google in 2020 for maintaining dominance by paying companies like Apple and Samsung billions to prioritize Google for search queries on devices.
- **Landmark Verdict**
  - In August 2023, Judge Amit Mehta ruled Google as a monopolist and directed the DoJ and states to propose corrective measures, potentially including breaking up Google's business units, to address its search monopoly.
- **Potential Impact of Proposed Measures on Google**
  - If implemented, the proposed measures could significantly disrupt Google's business, which is projected to generate over $300 billion in revenue this year.
  - Google, which holds around 90% of the online search market and 95% of the smartphone search market, could face 10 years of regulation and oversight by the federal court that ruled the company monopolistic.

Proposed Remedies for Google’s Search Monopoly

- The petitioners propose measures to address Google’s monopolistic practices and foster competition:
    - **Encouraging Competition and Innovation**
        - Solutions aim to create an open search ecosystem, enabling rivals to compete for consumers and advertisers.
    - **Divestment from Android and Chrome**
        - Google may be required to divest from Android to prevent its use for excluding rival search providers.
        - The proposal also calls for divestment from Chrome, citing its control over search distribution as a barrier to competition.
    - **Restrictions on Exclusive Agreements and Acquisitions**
    - Google should be banned from entering exclusive agreements with content publishers and acquiring competitors in search or ad technology without prior approval.
    - **Prohibition on Owning Search-Related Assets**
        - Google should be prohibited from owning web browsers, search competitors, query-based AI products, or related ad technologies.
    - **Data Sharing Requirements**
        - Google must provide rivals with ad and user-side data for 10 years, free of charge, with privacy safeguards to ensure fairness and transparency.

Google’s Response to Proposed Remedies

- Google’s parent company, Alphabet, criticized the proposals as “staggering” and accused the Department of Justice (DoJ) of pushing a “radical interventionist agenda.”
- It argued that the measures would:
    - Harm consumers, developers, and small businesses.
    - Undermine U.S. global technological leadership.
    - Disrupt popular Google products, including Search and AI advancements.

Potential Outcomes and Legal Proceedings

- Judge Amit Mehta has scheduled a trial for April to address the proposals. If accepted:
    - Google may be forced to sell Chrome within six months.
    - The company would be barred from favoring its own services, such as YouTube.
    - Google plans to appeal any penalties, potentially prolonging the legal battle further.
- The stance of the incoming administration under President-elect Donald Trump on the case remains unclear, adding further uncertainty to the proceedings.

Q.1. Why does the US Justice Department want Google to sell Chrome?

The DOJ argues that Google's control over Chrome is a barrier to competition in search and digital advertising, and its divestment could foster a more competitive ecosystem.

Q.2. What impact could the proposed remedies have on Google?

If implemented, the proposed remedies could disrupt Google's $300 billion business, requiring it to sell Chrome, divest from Android, and adhere to stricter regulations for the next decade.

News: Why US Justice Department wants Google to sell Chrome | Times of India

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