

# ANTI-TRUST TRIALS AGAINST BIG-TECHS



## Context

The US government and 48 states and territories have sued Facebook for illegally crushing competition and are seeking to break up the company by overturning its acquisitions of Instagram & WhatsApp.

## What are the charges?



The basic charge is that Facebook, in fear of competition, plays by an anti-competitive strategy playbook.

It either buys potential competition or, if it cannot, cuts them off from accessing its large platform.

The lawsuits highlight Facebook's acquisition of Instagram and WhatsApp, which happened when Mr. Zuckerberg saw them as real threats to Facebook's continuing success. Whatever Facebook cannot acquire faces, as a lawsuit puts it, the "wrath of Mark".

The action against Facebook, however, is not to be seen in isolation, and is linked to the growing backlash against what is called 'Big Tech' globally.

## US Anti-trust Trial



The US Congress grilled the top bosses of the big four technology companies, Google, Facebook, Amazon, and Apple and sought to know if they had become too big to fail and if they were stifling the competition from other smaller companies.

Technology companies such as Google, Facebook, Amazon, and Apple have been under the radar of governments in many countries for being big spenders and trying to steamroll competition by either buying them or pushing other vendors to avoid working with their competitors.

## Conclusion



With this lawsuit, the big tech companies are likely to come under more scrutiny from regulators including the CCI in India.



## What are Anti-Trust Laws?

Antitrust laws are regulations that monitor the distribution of economic power in business, making sure that healthy competition is allowed to flourish and economies can grow.

## Global scenario

Europe and the U.S., especially, have moved against these technology companies not just on anti-trust charges but also on cases involving violation of privacy.

There seems to be a growing realisation about the disproportionate clout that these technology platforms have in the global scheme of things, which they exploit to further their domination in the industry.

And that it is futile for regulators and policymakers to continue with a light-touch approach in the technology industry.

In fact, calls for the break-up of technology firms have been put forward by politicians in the U.S.

With its immense scale, BigTechs have on more than one occasion managed to startle regulators and administrators, not to mention civil society and activists, by its grandiose plans which seemed to threaten the existing world order.

The offer for a free limited version of the Internet and plans for a new digital currency are a few examples.



## Indian scenario

Various antitrust probes are going on against Google in India.

Off-late, the Competition Commission of India has raised issues with Google's commercial flight search option, its dominant position in the search marketplace, the abuse of its dominant

position in the Android phone and smart television market, and accused it of following a high and unfair commission mechanism for apps listed on its Play Store.

In India, competition policy has been implemented via the Competition Act, 2002 which establishes a Competition Commission of India to prevent anti-competitive practices, promote and sustain competition, protect the interests of the consumers and ensure freedom of trade in the markets in India.