Google loses ad tech monopoly case



The US Department of Justice has won its antitrust case against Google, which accused the company of operating a monopoly in the advertising technology industry. The ruling, which marks Google's most recent antitrust loss following its Search case, says the tech giant's anticompetitive practices in two key markets "substantially harmed" publishers and users on the web.

"Plaintiffs have proven that Google has willfully engaged in a series of anticompetitive acts to acquire and maintain monopoly power in the publisher ad server and ad exchange markets for open-web display advertising," US District Judge Leonie Brinkema writes. "For over a decade, Google has tied its publisher ad server and ad exchange together through contractual policies and technological integration, which enabled the company to establish and protect its monopoly

power in these two markets."

Judge Brinkema found Google "liable under Sections 1 and 2 of the Sherman Act" due to its practices in the ad tech tool and exchange spaces, but dismissed the argument that Google had operated a monopoly in ad networks.

"We won half of this case and we will appeal the other half," Lee-Anne Mulholland, Google's vice president of regulatory affairs, said in a statement to *The Verge*. "The Court found that our advertiser tools and our acquisitions, such as DoubleClick, don't harm competition. We disagree with the Court's decision regarding our publisher tools. Publishers have many options and they choose Google because our ad tech tools are simple, affordable and effective."

Similar to Judge Amit Mehta's ruling in Google's Search case, Judge Brinkema also warned Google over its failure to preserve internal communications, citing an internal messaging app that "deleted records of chats between employees." She adds that while this "may well be sanctionable," the court didn't need to sanction the company in this case as it was able to make its decision using testimony and admitted evidence.

Over the course of three weeks, the DOJ argued that Google illegally monopolized three separate markets in the ad tech space: that for publisher ad tools, advertiser ad networks, and the ad exchanges that facilitate transactions. They also argued that Google illegally tied together their publisher ad server and ad exchange in violation of antitrust law. The upshot, according to the government, is that Google collects monopoly profits at the expense of publishers and advertisers, who have a worse experience with no real alternatives.

Google, on the other hand, argued that the government's whole view of the market was contrived and not based in reality. Google's tools help publishers and advertisers make money, and the fact that it has tools in different parts of the market

just helps them work well together to consumers’ benefit, they said. Google has legitimate business reasons for its behavior and the government simply wants to dictate how it can do business, they argued.

The decision comes as Google and the DOJ are getting ready to meet in another federal court across the river in DC for the remedies phase of the search trial. In that case, the DOJ under the Biden administration proposed breaking up Google by spinning out its Chrome browser and forcing it to syndicate its search results.

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