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Oregon Joins Lawsuit to Break Facebook's Illegal Monopoly

Salem, OR— Oregon Attorney General Ellen Rosenblum today joined a bipartisan coalition of 48 attorneys general in <u>filing a lawsuit against Facebook</u>. Inc., alleging that the company has illegally stifled competition—and continues to do so— in order to protect its monopoly power.

The lawsuit alleges that over the last decade, Facebook illegally acquired some competitors in a predatory manner and blocked the growth of others, with the result that Facebook users were deprived of the benefits of competition even as the company backtracked on consumer privacy protections — all in an effort to boost its bottom line through increased advertising revenue.

"In the course of my work as a consumer privacy advocate, I have often heard people say that average Oregonians have little power to change Big Tech. That's just not so!" Attorney General Rosenblum said. "Today's lawsuit against Facebook sends a clear message: All Oregonians deserve protection from harm —especially when the perpetrator is a tech behemoth."

Profits Over People

According to the lawsuit, Facebook's unlawful monopoly leaves users with no choice but to stay on Facebook's platform or to try to rebuild their online networks from scratch – trapping them in a manner reminiscent of the way telecom companies used to prevent customers from changing carriers by forcing them to change their phone numbers in order to leave. With a captive audience, Facebook has broad latitude to control the content users see, and to use the personal information it collects, solely to promote its business interests — even when they conflict with the interests and preferences of users. Moreover, the complaint contends, the company's business decisions have steadily eroded privacy protections and limited users' ability to control their own data.

"The Wrath of Mark" – How Facebook Buys, or Buries, the Competition

The harm to consumers over the last decade comes as a direct result of Facebook's acquisition of companies that pose competitive threats, the lawsuit claims. Facebook targets competing platforms for acquisition to ensure that users have no alternatives — a strategy that fuels the

company's unfettered growth and further entrenches its position. Examples include Facebook's acquisition of Instagram and WhatsApp, both hugely popular apps that posed unique threats to Facebook's monopoly.

Antitrust Violations

Facebook is specifically charged with violating Federal antitrust laws, Section 2 of the Sherman Act, and Section 7 of the Clayton Act.

Remedies

The coalition asks the court to halt Facebook's illegal, anticompetitive conduct and block the company from continuing this behavior in the future. Additionally, the coalition asks the court to restrain Facebook from making further acquisitions valued at or in excess of \$10 million without advance notice to the plaintiff states.

Finally, the court is asked to provide any additional relief it determines is appropriate, up to and including ordering the divestiture or restructuring of illegally acquired companies, current Facebook assets, or business lines.

The complaint was filed in the U.S. District Court for the District of Columbia. Separately, but in coordination with the multistate coalition, the Federal Trade Commission (FTC) also filed a complaint against Facebook today in the same court. The coalition wishes to thank the FTC for its close working relationship and collaboration during this investigation.

Oregon is joined in the lawsuit by New York, California, Colorado, Florida, Iowa, Nebraska, North Carolina, Ohio, Tennessee, the District of Columbia Alaska, Arizona, Arkansas, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the territory of Guam.

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The Oregon Department of Justice (DOJ) is led by Attorney General Ellen Rosenblum and serves as the state's law firm.