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AG PAXTON LEADS MULTISTATE COALITION IN LAWSUIT AGAINST GOOGLE FOR ANTICOMPETITIVE PRACTICES AND DECEPTIVE MISREPRESENTATIONS



December 16, 2020 | Press Release

AG Paxton Leads Multistate Coalition in Lawsuit Against Google for Anticompetitive Practices and Deceptive Misrepresentations

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Attorney General Ken Paxton announced today that the State of Texas is leading a multistate coalition in a lawsuit against Google for multiple violations of federal and state antitrust and consumer protection laws, including anticompetitive conduct, exclusionary practices and deceptive misrepresentations in connection with its role in the multi-trillion-dollar online display advertising industry. Google's monopolization of online-display advertising includes an anticompetitive agreement with Facebook, making misrepresentations to users and customers, and suppressing competition.

The internet revolutionized the way people consume content as well as the type of ads that companies can purchase to reach consumers, including online-display ads. In addition to representing both the buyers and the sellers of online-display advertising, Google competes

directly against the buyers and sellers they separately represent—all while operating the largest exchange on which these ad products are bought and sold. Google's exchange trades in billions of ad impressions a day.

"Google is a trillion-dollar monopoly brazenly abusing its monopolistic power, going so far as to induce senior Facebook executives to agree to a contractual scheme that undermines the heart of competitive process. In this advertising monopoly on an electronically traded market, Google is essentially trading on 'insider information' by acting as the pitcher, catcher, batter and umpire, all at the same time. This isn't the 'free market' at work here. This is anti-market and illegal under state and federal law," said Attorney General Ken Paxton. "Google's monopolization of the display-advertising industry and its misleading business practices stifle innovation, limit consumer choice and reduce competition. Texas and its coalition of allied states bring this action to lift the veil on Google's secret practices and secure relief to prevent it from engaging in future deceptive and misleading practices."

Today's lawsuit alleges that Google monopolized or attempted to monopolize products and services used by advertisers and publishers in online-display advertising. The complaint also alleges that Google engaged in false, misleading and deceptive acts while selling, buying and auctioning online-display ads. These anticompetitive and deceptive practices demonstrably diminished publishers' ability to monetize content, increased advertisers' costs to advertise and directly harmed consumers.

The Office of the Attorney General hired The Lanier Law Firm and Keller Lenkner, LLC to aid the State of Texas in its claims against Google, a subsidiary of Alphabet Inc. OAG's contracts with these law firms comply with Chapter 2254 of the Texas Government Code, which requires that outside counsel in cases like this be compensated by a "lodestar" method derived from their hourly billing rates.

Read a <u>copy of the lawsuit here</u> (<u>https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2020/Press/20201216_1%20Complaint</u>

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