# Google faces unprecedented legal challenge as DOJ seeks breakup



In a landmark development that could reshape the landscape of American technology and antitrust law, Google is facing an unprecedented legal challenge as the United States Department of Justice (DoJ) seeks to enforce a court-ordered breakup of the tech giant. This move represents a significant escalation in the ongoing battle between government regulators and Big Tech companies, reminiscent of the high-profile antitrust case against Microsoft two decades ago.

The case, overseen by Jonathan Kanter, a progressive antitrust official appointed by President Joe Biden, was announced following a federal judge’s ruling in August that found Google had maintained an illegal monopoly by paying billions to device manufacturers, mobile carriers, and browser developers to secure its search engine's default status. This monopolistic practice allegedly allowed Google to dominate the general search engine market, where it handles over 90% of online search queries.

Google, a subsidiary of Alphabet Inc., plans to robustly appeal the ruling and any subsequent remedies, a process expected to extend over several years, potentially reaching the US Supreme Court. The company's legal defence hinges on arguments that regulatory actions constitute an "over-reach" and that the existing competitive environment in search advertising and artificial intelligence negates claims of monopoly. Google's defence was bolstered by the launch of OpenAI's ChatGPT, which it argues highlights thriving competition.

The tech behemoth suggests that instead of restructuring, the focus should be on revising its distribution contracts with partners like Apple and Mozilla, ensuring non-exclusivity while still allowing for compensatory agreements. However, the DoJ insists on structural remedies, suggesting that past conduct-based remedies have been insufficient and that divestitures may be necessary to curb Google's extensive market influence.

Experts are divided on the likely outcomes. John Kwoka, a professor at Northeastern University, supports comprehensive remedies, asserting that Google's complex operations require a wide array of solutions. Conversely, analysts from Bernstein note that the DoJ's current proposal lacks specificity despite its broad scope.

Political dynamics add another layer of complexity to the situation. As Google's legal battles unfold, changes in the US political landscape could influence the proceedings. The presidential elections in November and potential shifts in the administration could alter the regulatory approach, although the bipartisan criticism of Big Tech suggests enduring vigilance.

While the tech company faces this formidable legal challenge, Wall Street's response has been notably calm. Alphabet's shares dipped slightly, by 1.5%, post-announcement, maintaining its status as the fourth-largest listed company globally.

Adding to Google's woes, a California judge recently mandated that Google provide access to its Android platform for competitors to create their own app marketplaces, a ruling that aligns with the broader antitrust scrutiny over Google's dominance in digital advertising.

Google has raised concerns that enforced transparency, particularly concerning its proprietary technology, could inadvertently benefit international competitors such as China's Baidu and Russia's Yandex, potentially jeopardising consumer data security.

As Google navigates these legal and political challenges, the resolution of this antitrust litigation holds significant implications for the company and the broader tech industry, marking a pivotal moment in the regulation of digital monopolies in the United States.

Source: [Noah Wire Services](https://www.noahwire.com)

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