

Anti-Trust Suit Against Facebook

Student's Name or Students' Names

Department Affiliation, University Affiliation

Course Number: Course Name

Instructor's Name

Assignment Due Date

Anti-Trust Suit Against Facebook

Facebook, currently known as Meta Platforms, Inc., is one of the largest technology companies in the world. The company has acquired several companies since its establishment in January 2004 (Kendall, 2021). For instance, Facebook acquired Instagram in April 2012 for an estimated \$1 billion. Facebook also acquired WhatsApp, a mobile messaging company, in 2014 for \$19 billion. Other companies acquired by the multinational company include Oculus, Mapillary, Onavo, and Giphy. The American tech giant has battled several lawsuits since its establishment in 2004. In July 2019, the Federal Trade Commission (FTC) put it under anti-trust investigations. The FTC filed another anti-trust suit against Facebook in August 2021. According to FTC, Facebook bought WhatsApp and Instagram to eliminate them as competitors (McLaughlin, 2021). As a result, Facebook violated anti-trust laws. FTC's allegation that Facebook violated anti-trust laws by acquiring WhatsApp and Instagram is justified because Facebook overtly intended to eliminate competition, ward off existential threats, and maintain its dominance in the social networking market.

Facebook bought Instagram and WhatsApp with the sole intent to eliminate the two companies as competitors (Kendall, 2021). For many years, the company has failed in its attempts to innovate. FTC considers Facebook a monopolist who has survived multiple existential threats by buying innovative competitors. The company's tendency to acquire competitors has buried successful developers of various technology apps. On the other hand, Facebook has successfully maintained its dominance in the US big tech world. Many of the companies that Facebook acquired had ground-breaking mobile features. Facebook's offerings of mobile features had fallen apart. Since the company lacks serious competition, it has successfully

honed an advertising model based on surveillance and continually imposed burdens on the users (Kendall, 2021).

The American conglomerate lacked the technical know-how and business acumen to survive the recent shift to mobile applications; therefore, it moved swiftly to avoid existential threats (McLaughlin, 2021). Since Facebook could not measure up to this transition, it illegally acquired or buried strong competitors in the market to protect itself against threats. This conduct proves that Facebook is against competition and would only wish to maintain its popularity by eliminating serious competitors (McLaughlin, 2021). Congress passed anti-trust laws to curb such monopolistic behavior being exhibited by Facebook. The company's actions have ostensibly suppressed innovation and thwarted attempts to improve product quality. The users' experience on social networks has also been degraded by these illegal acquisitions and other monopolistic behaviors. Today, Facebook is subjecting users to more intrusive ads, privacy issues, and low levels of data protection (McLaughlin, 2021).

FTC provided adequate evidence to show that Facebook intended to maintain a dominant position in the social networking market. Facebook achieved this by harming rivals and promoting monopolistic behavior (Kang, 2021). The case filed by FTC in August 2021 contains a more detailed analysis of the market share. It also demonstrated how Facebook is intentionally flexing its financial muscle to get rid of the competition. The federal agency also revealed in the lawsuit how Facebook deliberately starved competition from accessing its enormous user base. It did this by blocking rival apps from plugging into the Facebook platform (Kang, 2021). Based on these arguments and the existing body of evidence, Facebook should be broken up and held culpable for violating anti-trust laws.

Facebook infringed on anti-trust laws when it bought Instagram and WhatsApp. The company appears to have acquired the two companies mainly to crush the competition. Following the acquisition of these previous competitors, the company now enjoys monopolistic power in the global social networking market. FTC's action will break the current monopolistic situation by compelling Facebook to divest/separate from WhatsApp and Instagram. The action will further restore competition and end illegal acquisitions. Users will benefit from enhanced innovation, improved privacy, and high levels of data protection.

References

- Kang, C. (2021, October 4). *Facebook urges court to dismiss latest F.T.C. antitrust suit*. The New York Times. <https://www.nytimes.com/2021/10/04/technology/facebook-ftc-antitrust-suit.html>
- Kendall, B. (2021, August 19). *Facebook hit with new antitrust suit from Federal Trade Commission*. Wall Street Journal. <https://www.wsj.com/articles/facebook-hit-with-renewed-antitrust-lawsuit-as-ftc-tries-again-11629387483>
- McLaughlin, D. (2021, August 19). *Facebook hit by new U.S. antitrust case as FTC seeks do-over*. Bloomberg. <https://www.bloomberg.com/news/articles/2021-08-19/facebook-set-to-be-hit-by-new-u-s-antitrust-case-in-ftc-do-over>
-

WritingElites.net

The Custom Writing Experts

Need an Original, High-Quality, Plagiarism-Free Critical Thinking Essay Like This One?

Order Now
