

GOVERNMENT

Facebook seeks to dismiss antitrust lawsuits

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Facebook looks to dismiss antitrust lawsuits in the U.S. Image credit: Facebook

By LUXURY DAILY NEWS SERVICE

Social media giant Facebook has filed motions to dismiss antitrust lawsuits brought by the Federal Trade Commission and state attorneys general in late 2020.

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In December 2020, the FTC sued Facebook for illegally maintaining its personal social networking monopoly through a years-long course of anticompetitive conduct, including the acquisition of rival platforms Instagram and WhatsApp ([see story](#)). In a motion filed March 10 in a federal court, Facebook argues that the FTC has failed to show that the platform has harmed competition and consumers.

"Our acquisitions have been good for competition, good for advertisers and good for people," Facebook said in a [statement](#). "Our products remain popular because we constantly evolve, innovate and invest in better experiences for people against world-class competitors."

Antitrust arguments

Facebook describes the antitrust lawsuits as "misguided" attempts to "do-over" acquisitions that FTC approved years ago. The company purchased Instagram for \$1 billion in 2012 and WhatsApp in 2014 for \$14 billion.

The FTC accused Facebook as having monopoly power and a market share "in excess of 60 percent," a claim Facebook dismissed since its consumer-facing products are available for free and in unlimited quantities.



Facebook acquired Instagram for \$1 billion in 2012. Image credit: Instagram

The social media company also argues that the FTC has not plausibly alleged anticompetitive conduct after approving the acquisitions, nor does the agency have the authority to "remedy past conduct."

When the FTC suit was filed last December, Facebook responded that it encourages competition by positioning Instagram as a valuable resource for small businesses and other large enterprises ([see story](#)).

Regarding the complaint by the state attorneys general, Facebook claims that the states waited too long to pursue legal action and concerns about issues such as digital policy should not be addressed through antitrust law.

The states and FTC have until early April to respond to Facebook's motion. The case is being heard by U.S. District Judge James Boasberg.

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