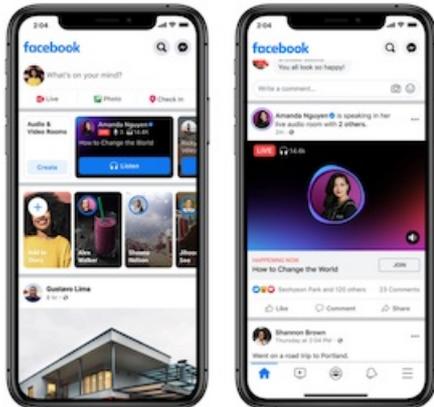


LEGAL AND PRIVACY

FTC amends antitrust lawsuit against Facebook

August 20, 2021



Facebook is facing an updated lawsuit from the FTC. Image credit: Facebook

By LUXURY DAILY NEWS SERVICE

The U.S. Federal Trade Commission has filed an amended complaint against social media company Facebook in its ongoing antitrust case.

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Although a federal judge dismissed the FTC's initial complaint this June, the commission was permitted to amend the filing. The FTC is accusing Facebook of illegally maintaining a monopoly in the social networking industry.

Facebook monopoly?

The FTC sued Facebook in December 2020, in cooperation with 48 attorneys general, for illegally maintaining its personal social networking monopoly through a years-long course of anticompetitive conduct, including the acquisitions of social platforms Instagram and WhatsApp in 2012 and 2014, respectively ([see story](#)).

On June 28, the U.S. District Court for the District of Columbia dismissed the initial complaint on the basis that the FTC failed to provide sufficient legal evidence that Facebook holds monopoly power in the U.S. personal social networking market ([see story](#)).

The new antitrust complaint, filed on Aug. 19, attempts to address the shortcomings identified by the court.

"Facebook's actions have suppressed innovation and product quality improvements," said Holly Vedova, acting director at the FTC Bureau of Competition, in a [statement](#). "And they have degraded the social network experience, subjecting users to lower levels of privacy and data protections and more intrusive ads."

The FTC argues that Facebook and Instagram are personal social networks, distinct and not interchangeable with more specialized social platforms such as professional social network LinkedIn or hyperlocal platform Nextdoor.

Other online platforms including Twitter and Pinterest are described by the FTC as "online services that focus on the broadcast or discovery of content based on users' interests." The FTC compares TikTok to YouTube and other streaming platforms, arguing that it is primarily a "content broadcasting and consumption service."

Snapchat is also categorized as a "personal social networking provider" by the FTC, and is identified as Facebook's

closest competitor despite having millions fewer users than Facebook and Instagram.

In a statement on Twitter, Facebook described the FTC's lawsuit as "meritless."

It is unfortunate that despite the court's dismissal of the complaint and conclusion that it lacked the basis for a claim, the FTC has chosen to continue this meritless lawsuit.

Facebook Newsroom (@fbnewsroom) [August 19, 2021](#)

Facebook released a statement on Twitter

"There was no valid claim that Facebook was a monopolist and that has not changed," Facebook said. "Our acquisitions of Instagram and WhatsApp were reviewed and cleared many years ago, and our platform policies were lawful.

"The FTC's claims are an effort to rewrite antitrust laws and upend settled expectations of merger review, declaring to the business community that no sale is ever final."

Facebook's has until Oct. 4 to respond to the amended complaint, per the court deadline.

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