Attorney General Cameron Joins Multistate Lawsuit to Halt Facebook Inc.’s Anticompetitive Business Practices

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FRANKFORT, Ky. (December 9, 2020) – Attorney General Daniel Cameron today joined a bipartisan coalition of 48 attorneys general in filing a lawsuit against Facebook Inc. (Facebook), alleging the social media giant engaged in anticompetitive business practices to protect its monopoly.

The lawsuit, filed in federal district court, alleges that, over the last decade, Facebook, Inc. violated federal anti-trust laws by illegally acquiring competitors and cutting services to smaller competing companies. The coalition also contends that these illegal business practices harmed Facebook users by depriving them of the benefits of competition, reducing privacy protections, and decreasing services to increase advertising revenue.

“Our office joined this bipartisan coalition of attorneys general from across the country to bring this lawsuit and protect Kentucky consumers from Facebook’s anticompetitive business practices,” said Attorney General Cameron. “Facebook’s conduct has harmed consumers and small business, and we’re working alongside our state and federal partners, like the FTC, to put an end to these practices and ensure Facebook operates ethically in the marketplace.”

Since 2004, Facebook has operated as a personal social networking service that facilitates sharing content online without charging users a monetary fee. Instead, the company provides these services in exchange for a user’s time, attention, and personal data. Facebook monetizes its business by selling advertising to firms that attach immense value to the user engagement and highly targeted advertising that Facebook can deliver as a result of the vast trove of data it collects on users, their friends, and their interests.

In an effort to maintain its market dominance in social networking, Facebook has acquired rivals. The company has also attempted to squash third-party developers by inviting them to utilize the company’s platform, allowing Facebook to maintain its monopoly over the social networking market and make billions from advertising.

The attorneys general allege that Facebook has hindered users from using their own data, like friend lists, by preventing them from easily moving their information to another social networking service. This decision forces users to either stay put or start another online profile from scratch, if they want to try an alternative.

Because Facebook users have nowhere else to go, the company is now able to make decisions about how to curate content on the platform and use the personal information it collects from users to further its business interests, even if those choices conflict with the interests and preferences of Facebook users.

Additionally, while consumers initially turned to Facebook and other apps now owned by the company seeking privacy protection and control over their data, many of those protections are now gone.

The multistate coalition has requested that the court:
- Halt Facebook’s illegal, anticompetitive conduct and block the company from continuing this behavior in the future.
- Restrain Facebook from making further acquisitions valued at or in excess of $10 million without advance notice to the plaintiff states.
- Provide any additional relief it determines is appropriate, including the divestiture or restructuring of illegally acquired companies, or current Facebook assets or business lines.

The coalition has worked closely with the Federal Trade Commission (FTC) to investigate Facebook’s business practices. Separately, but in coordination with the multistate coalition, the FTC also filed a complaint against Facebook.


A copy of the complaint is available here.