



NEWS FROM THE ATTORNEY GENERAL'S OFFICE

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Attorney General Morrisey Joins Multistate Lawsuit Against Facebook

CHARLESTON — West Virginia Attorney General Patrick Morrisey filed suit against Facebook Inc. as part of a bipartisan coalition of 48 attorneys general Wednesday alleging the company has and continues to illegally stifle competition to protect its personal social network monopoly.

The lawsuit claims Facebook illegally acquired competitors in a predatory manner and cut services to smaller threats, depriving users from the benefits of competition and reducing privacy protections and services – all in an effort to boost profits through increased advertising revenue.

“America thrives best with robust competition,” Attorney General Morrisey said. “We must not condone actions that block meaningful access to competition and exploit a user’s private information. Such behavior reduces consumer choice, stifles innovation and degrades privacy protections for millions.”

Facebook has operated as a personal social networking service since 2004. It facilitates sharing content online without charging users a monetary fee, but, instead, provides these services in exchange for a user's time, attention and private data.

The lawsuit sets forth multiple violations of federal antitrust laws. It alleges Facebook employs various methods to impede competitors in an effort to maintain market dominance and secure billions in potential advertising revenue.

The attorneys general assert Facebook has utilized two strategies – acquire potential rivals and suffocate or squash third-party computer software developers.

The lawsuit identifies Facebook's acquisitions of WhatsApp and Instagram – for nearly \$19 billion and \$1 billion, respectively – as examples of its strategy to eliminate competition with purchase prices significantly higher than market values.

The coalition further alleges that Facebook targets competitors with a 'buy or bury' approach: if a competitor refuses to be bought out, Facebook effectively eliminates the competitor's ability to operate within Facebook.

The lawsuit seeks to block Facebook from future acquisitions valued at \$10 million or more without advance notice to the plaintiff states. It also seeks to halt ongoing and future illegal, anticompetitive conduct, as well as a court order to divest illegally acquired companies.

West Virginia joined the New York-led lawsuit with attorneys general from Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, Wyoming and the territory of Guam.

Read a copy of the lawsuit at <https://bit.ly/37QAXsg>.

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