

# GOOGLE-FACEBOOK “JEDI BLUE“ DEAL UNDER PROBE IN EU

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In December 2020, nearly a dozen U.S. states, led by Texas, sued Google for secretly running an illegal advertising monopoly. In the lawsuit, the attorneys general accused the search giant of making a secret deal with Facebook, now renamed as Meta Platforms Inc., to rig ad auctions.

Their complaint claimed that Google made a pact with Facebook, in 2018, after it saw the social media firm as a threat to its established dominance in digital advertising. And so, it sought to curtail Facebook's moves in exchange for a guaranteed special treatment in Google's ad auction platform.

The lawsuit also alleged that Google used an unlawful web of exclusionary and interlocking business deals to edge out competitors. In this case, it allowed Facebook to send bids directly into Google's widely used software, known as an ad server.

Both Google and Facebook denied the claims of the attorneys general, saying it is inaccurate and lacks legal merit. Meta's spokesperson said that these kinds of agreements help “to increase competition for ad placement”.

While the duo is still fighting the case in the U.S, their deal has come under the EU's antitrust commission's scanner.

The European Commission on Friday opened an investigation to assess whether the secret deal between the two tech giants breaches any EU competition rules.

Through the 2018 agreement “a competing technology to Google's Open Bidding may have been targeted with the aim to weaken it and exclude it from the market for displaying ads on publisher websites and apps,” Margrethe Vestager, EU's antitrust commissioner, said.

At the heart of the lawsuit in the U.S., and the probe in EU is the Google code-named “Jedi Blue” deal that could potentially exclude other ad tech services that compete with Google's “Open Bidding” software.

If the duo's practices are proven by the antitrust regulator, it could breach EU's competition law related to anticompetitive agreements between companies, and abuse of dominant position.

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