
5 things we learned so far about the Google antitrust case

Description

Google CEO Sundar Pichai testified Monday in the U.S. government's antitrust trial against the company. The executive defended Google's business tactics, including its deal with Apple and other partners to make Google the default search engine.

In January, the Department of Justice, along with eight states including New York, California and Colorado, demanded a jury trial in the lawsuit against Google. The lawsuit aims to "halt Google's anticompetitive scheme, unwind Google's monopolistic grip on the market, and restore competition to digital advertising." The action follows a 2020 antitrust claim over Google's dominance in the online search market.

The government has argued that Google uses its platforms and deals with partners to block out any competition in search or advertising, thus hindering competitors from accessing the data they'd need to improve their products.

Google argues that it's just doing business. Everybody wants Google as the default engine because it's the best. That doesn't make its actions illegal, the company says.

Monday's trial hearing revealed plenty of juicy tidbits, including the \$26.3 billion Google spent making itself the default search engine across platforms in 2021, how Google tried to take it further and have Chrome preinstalled on iPhones and more.

Google paid \$26 billion in 2021 to be everyone's default search engine

When Google's search head Prabhakar Raghavan testified in court on October 28, he revealed that the tech giant had paid \$26.3 billion in 2021 to multiple browsers, phones and platforms, from companies including Apple, Samsung and Mozilla, The Verge reports.

About \$18 billion of that total amount went directly to Apple, according to a New York Times report published earlier this month. Google has had its deal with Apple in place since 2003.

When questioned on the amount of money Google spends to get first pick of search engines, Pichai said that the decision was made with the consumer in mind. Google pays big bucks to be everywhere so that it can take in all the data and be the best search engine across different companies' devices, said Pichai, according to [The Verge](#).

Google understood the value of defaults very early on. US Justice Department lawyer Meagan Bellshaw showed Pichai a 2007 email from a Google product strategy meeting containing data showing that when people changed their browser homepage to Google, they did 15% more Google searches. When they switched away, their Google searches dropped 27%.

“Nitin argues that focusing on homepage market share is one of the most effective things we can do to make gains in search market share,” read an email that summarized the meeting and was sent to Pichai, as well as other Google leaders, according to The Verge.

The amount that Google spent on homepage market share has been a fixing point in the trial. Earlier this month, the CEOs of Microsoft and DuckDuckGo testified that their search engines would have been far more successful, even competitive with Google, had they been able to make similar deals with Apple. Microsoft CEO Satya Nadella even said he was willing to spend \$15 billion per year to get Bing into Apple’s default search, per [The Information](#).

Google agreed not to promote Chrome to Safari users

As part of its search deal with Apple, Google agreed not to promote Chrome to Safari users, [reports Bloomberg](#). Google would have been able to do this with banners, pop-ups and other annoying means in other Google apps.

The agreement also meant that Apple never switched to a Google competitor or allowed users to choose their browser when setting up their iPhones.

Google tried to be preinstalled on iPhones

Pichai admitted to attempting to get Tim Cook to preinstall Google on every iOS device back in 2018, according to [The Verge](#). He hoped to make Google and Apple’s services so connected as to be inseparable.

The way Pichai pitched it would have been a win-win for both companies. Google gets more people searching on its platform – not to mention all that juicy data – and Apple would get more revenue, as a result of the lucrative search agreement the two signed.

For whatever reason, Cook didn’t take the bait. Apple doesn’t preload third-party software onto its devices, and it wasn’t going to make an exception for Google.

Google’s deleted chat logs

During Pichai’s testimony, the DOJ touched on Google’s policy of deleting internal chat messages, despite being subject to a litigation hold. In February, the DOJ accused Google of systematically destroying chats through its history-off option, which deletes messages every 24 hours unless a user manually changed the setting.

Pichai said that he took action against the history-off default for chat in February to comply with the DOJ's litigation hold, according to [CNBC](#).

Bellshaw pulled up a message exchange in 2021 where Pichai asked for history to be turned off in a group chat. Pichai responded that he wanted to discuss a personnel matter and the subject had nothing to do with the litigation hold, which he said he takes great care to comply with.

A moment of nostalgia for Internet Explorer

Cast your memories back to 2005, when Microsoft's Internet Explorer became the default search engine. Back then, Google's legal chief David Drummond sent Microsoft an angry letter, saying that making Internet Explorer the search default was anticompetitive. Oh, how the tables have turned.

After establishing that Google understands the inherent value of defaults, Bellshaw brought up Drummond's letter to establish the hypocrisy of Google today. The letter declared that problems with a default setting are made worse by how changes to defaults are handled, and that most end users "do not change defaults."

These are exactly the arguments that other search engine companies, like DuckDuckGo, Brave or Microsoft's Bing, make when they accuse Google of being anticompetitive by making deals with Apple and others. The DOJ doubled down on this, saying Google has become the monopoly it denounced years ago.

What does it all mean?

The case is expected to continue for several weeks, bringing to a head one of the biggest fights in tech antitrust since the U.S. took Microsoft to trial in the 1990s.

If the judge rules against Google, the outcome could look a lot like the Microsoft deal, in which the computer company was required to change its behavior and share its APIs with third-party developers. Microsoft was also banned from making anticompetitive and exclusive deals with computer manufacturers.

Google might end up having to turn over all or most of the data it has collected to other search engines so they can improve their products and attract more users. The DOJ has said that Google gets 16 times more data than Bing does everyday.

The Google outcome could also have a ripple effect on other Big Tech cases. The FTC sued Amazon in September for using anticompetitive and unfair strategies to [illegally maintain its monopoly power](#). The DOJ has been investigating Apple for years over the company's policy for third-party apps on its devices and whether it unfairly favors its own products. There's an ongoing case between the FTC and Facebook, wherein the agency calls on Facebook to sell Instagram and WhatsApp.

Enforcers will want to show that antitrust law is still relevant and can successfully take on the biggest, most powerful companies in the world.

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