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Facebook is an illegal monopoly that should be broken up, N.J. and other states say in lawsuit

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New Jersey and dozens of other states accused Facebook on Wednesday of squashing competition to form a monopoly.

The federal lawsuit argues that Facebook, Instagram and WhatsApp should be broken apart because Facebook bought the two potential competitors illegally.

“Social networking companies like Facebook exert incredible influence,” state Attorney General Gurbir Grewal said in a statement. “But big tech companies that acquire and exert their power and influence over our behavior through unlawful means and in illegal ways must be held to account.”

Facebook pushed back against the claims.

“This is revisionist history,” Facebook Vice President and General Counsel Jennifer Newstead said in a statement sent by a spokesman.

Instagram and WhatsApp are popular because of the time and money Facebook invested in them, she said, and prying them apart now would both “punish” a successful business and send “a chilling warning to American business that no sale is ever final.”

“People and small businesses don’t choose to use Facebook’s free services and advertising because they have to, they use them because our apps and services deliver the most value,” Newstead added.

The lawsuit was a rare example of bipartisan cooperation. Grewal has filed dozens of lawsuits with other states in recent years, but many joined other Democratic attorneys general to target the Trump Administration.

Wednesday’s lawsuit both partnered with other conservative states, like Texas and Mississippi, and was bolstered by a separate complaint filed by the Federal Trade Commission.

The federal agency also argued that Facebook should be face new restrictions before they can buy more companies.

The suing states said Facebook employed a “strategy to thwart competitive threats” that deprived consumers of options.

Grewal has frequently criticized the social media giant in recent years, accusing Facebook of not doing enough to combat hate speech or stop price gouging amid the pandemic.

New Jersey's role in the case, filed in U.S. District Court for Washington, D.C., is led by Deputy Attorney General Robert Holup.