

AdMob clearance signals need for even greater antitrust scrutiny

The widespread concerns that Google has used its dominance in search to foreclose competition in other forms of online advertising have deepened with the news that the US Federal Trade Commission has decided not to oppose Google's acquisition of AdMob.

As we wrote in our [newsletter on 26 April](#), the acquisition of AdMob by Google would combine the leading supplier of mobile ads, especially ads that run in mobile applications like those on the Apple iPhone, with Google, which has already used its overwhelmingly dominant position in the supply of search advertising to become AdMob's leading competitor in the supply of mobile ads.

The combination of Google's AdWords advertising platform with AdMob will allow Google to extend its dominance in search advertising to the new and growing world of mobile advertising, risking harm to a broad group of companies that are investing in mobile advertising and depriving consumers of choice and innovation. Moreover, it will protect Google's search and search-related advertising businesses from the competitive challenges that advertising on mobile applications poses to search.

Although the [FTC acknowledged](#) that the deal "raised serious antitrust issues," it stated that Apple's recent entry into mobile advertising left too many questions for the Commission to conclude that the Google-AdMob deal would necessarily violate U.S. antitrust law.

ICOMP expects the reaction from online advertisers and publishers to be one of dismay and a feeling of déjà vu. After Google acquired DoubleClick in 2008 [**FTC cleared in 2007, DG Comp in 2008**], many publishers and advertisers expressed their great concern that Google would be able to extend its dominant position in search advertising to online advertising more broadly.

Once it had obtained dominance at every step in the online advertising chain - from advertiser to viewer - it was difficult to see how anyone else could compete at any individual link in that chain. The AdMob deal takes that concern one step further. It extends the monopoly to the newest form of online advertising. It does so not through competition and innovation, but through Google effectively buying its way to dominance.

However, even if the US competition authorities have decided that they have insufficient grounds to block the deal, this latest in a string of Google acquisitions will surely raise increasing warning signals to competition authorities around the world that the behaviour of Google requires increased scrutiny.

That scrutiny must now take place in a way that is co-ordinated around the world and which takes into account not just one deal at a time but the whole range of Google's anticompetitive practices. These range from book scanning and other ways in which it blatantly ignores the interests of intellectual property owners to other harmful practices such as search penalties and discrimination as well as the ways it binds in users such as advertisers and publishers through one-sided exclusionary contracts.