

## FTC Creates Technology Task Force to Focus on Tech Competition

MARCH 4, 2019

On February 26, 2019, the U.S. Federal Trade Commission's (FTC) Bureau of Competition announced the creation of a task force dedicated to monitoring competition in U.S. technology markets. This task force will monitor and review potential mergers, consummated mergers, and other potentially anticompetitive conduct, such as monopolistic practices. The task force will initially focus on potentially anticompetitive conduct related to markets for online advertising, social networking, mobile operating systems and apps, and platform businesses. The new task force team will include senior FTC officials and approximately 17 experienced staff attorneys who will join the task force from within the FTC.

According to FTC Director Bruce Hoffman, the need for this task force is because "technology markets, which are rapidly evolving and touch so many other sectors of the economy, raise distinct challenges for antitrust enforcement." In his remarks announcing the task force, Hoffman also stated that the task force would look into not only prospective mergers and ongoing behavior, but also consummated mergers, which could result in break-ups or demands to "spin off" previous acquisitions to recreate the pre-acquisition market. These reviews will not be limited to reportable transactions that meet the Hart-Scott-Rodino Act (HSR) reporting thresholds (\$90 million for 2019). Hoffman also indicated there would be coordination between the task force and the FTC's Consumer Protection Bureau relating to the potential intersection of privacy and competition.

This task force comes amid public and political pressure for U.S. antitrust agencies to review the alleged dominance of large U.S. technology companies. While the initial focus of the task force may be the dominance of large technology companies, recent history demonstrates that U.S. antitrust agencies often engage in comprehensive reviews of entire industries. Moreover, the comments by the FTC Director announcing the task force indicate that the task force will also review smaller transactions that fall below the HSR filing thresholds, revealing a broad mandate for the task force. Thus, every company in the technology sector should be aware that the task force could focus on its prospective transactions, recently completed transactions, and conduct.

This new task force, in conjunction with the recent policy shift by the U.S. Department of Justice (DOJ) involving the intersection of competition and standard essential patents, demonstrates the FTC's and DOJ's commitment to protect free and fair competition that spurs innovation and benefits American consumers in the rapidly evolving technology sector. All technology companies, large and small, should take care to not attract antitrust scrutiny of

their transactions or conduct from the agencies, because an antitrust investigation can be a costly business distraction that burdens a company with significant requests for information and creates operational uncertainty.

2 Min Read

### Related Locations

- Charlotte
- Chicago
- Dallas
- Houston
- Los Angeles
- New York
- San Francisco
- Silicon Valley
- Washington, DC

### Related Topics

- Antitrust and Competition
- Federal Trade Commission (FTC)

### Related Capabilities

- Antitrust/Competition
- Technology Antitrust
- Technology, Media & Telecommunications

### Related Regions

- North America

### Related Professionals



Jeffrey Kessler



Eva Cole