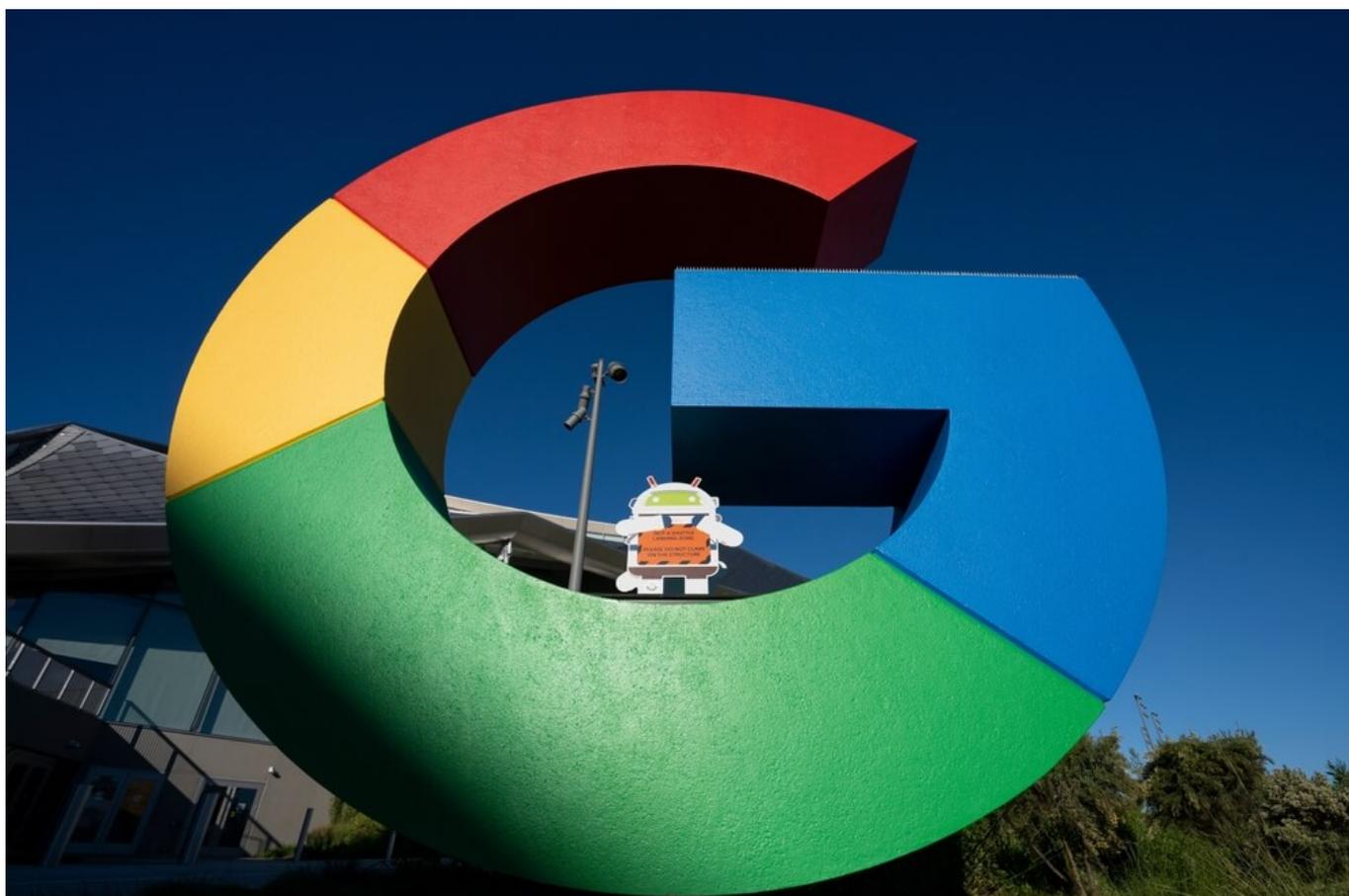




By: *Tomorrow's Affairs Staff*

The USA v. Google - a test case for the future of competition in the digital markets



As TA **announced** earlier, the US Department of Justice submitted on 6 May a **proposal** to the Virginia court requiring Google to sell its main digital advertising platforms: AdX, a real-time auction-driven ad exchange, and DoubleClick for Publishers (DFP), which is a server for managing ad space.

State prosecutors argue that such measures are necessary to restore competition in the markets that Google has illegally monopolised and to prevent a stranglehold on competitors in the exchange and ad management segments.

The lead prosecutor in *United States v. Google LLC* is Julia Tarver Wood (Chief Assistant Attorney General), while the case is being presided over by Judge Leonie M. Brinkema (U.S. District Court Judge for the Eastern District of Virginia).

Google **countered** that such separations would be excessive and that it would be sufficient to introduce measures to regulate business behaviour— opening up auction data through public APIs and removing exclusive contract clauses that oblige publishers to use only their solutions.

The company explained that the sale of AdX and DFP would jeopardise users by increasing costs, fragmenting services and disrupting interoperability, a point also made by the prosecutor's office.

Behind the technical arguments lies the conflict over the future shape of digital advertising: whether integrated models will be retained or whether independent platforms will return to power.

Media publishers

In recent decades, Google has developed a precise system for online advertising. Judge Leonie Brinkema held that the company has violated the AdX and DFP tie-up by blocking competition in access to auction data, harming publishers, the market process, and consumers of information on the open

internet.

Thanks to the integration of the platforms, Google collects extensive information about the prices paid by advertisers and about website traffic that is not available to small companies.

This forces media publishers to use the Google package if they want to maximise their revenue, despite the numerous fees they are charged.

Many publishers already support cutting off Google positions

Many publishers already support cutting off Google positions. Large media groups believe that separation would bring lower commissions and allow the development of new monetisation models.

European news organisations insist on structural measures rather than superficial asset sales, having rejected Google's offer to sell AdX as part of a solution under the DMA regulation last year.

Smaller publishers hope that splitting the market will facilitate the entry of independent ad networks and allow more diverse offers for ad targeting and billing.

Fragmentation can bring new challenges

On the other hand, fragmentation can bring new challenges. If AdX and DFP become separate platforms, publishers will have to manage multiple servers and exchanges, which means additional costs and technical complexity.

Advertisers could be faced with higher campaign latency and data synchronisation issues, which could impact ad effectiveness.

Careless splitting risks replacing a monopolistic input with a multitude of

incompatible systems, which would affect smaller companies in particular.

Past cases indicate that permanent changes to the structure are more effective than temporary fixes that can be easily avoided by altering contracts or algorithms

Google insists that open APIs for bidding data and the removal of exclusive contractual provisions would be enough to reduce the concerns of the prosecution.

They offered to standardise report formats and allow competitors to access auction data in real time. However, past cases indicate that permanent changes to the structure are more effective than temporary fixes that can be easily avoided by altering contracts or algorithms.

The pressure on Google

The reaction from Brussels and London could further increase the pressure on Google. In March 2024, the European Commission ruled that Google's ad tech violates the provisions of the Digital Markets Act, which requires unfettered access to exchanges and targeted advertising technologies.

When the DMA comes into force in the second half of 2025, regulators will have mechanisms in place to require the same or even stricter solutions.

Ofcom is considering applying similar principles to the UK market

In the UK, the Office for the Regulation of Communications (Ofcom) is considering applying similar principles to the domestic market, and the debate over splitting the technology giants is intensifying.

The Chinese regulatory authority is also following the case with interest, as it is part of its strategy to control the domestic internet giants.

Although the Chinese market has different dynamics and policies, the global trend clearly shows that powerful technology companies are not only expected to impose temporary restrictions but also to make structural changes that create new competitors.

The next phase

The next phase of the court case is scheduled for September 2025. The court will then examine detailed economic models and expert opinions on the effects of sales in opposition to temporary measures.

If the court issues a separation order, Google will almost certainly appeal, which could delay implementation by months. Even if the appeal is successful, pressure from regulatory and political bodies could prompt Alphabet to voluntarily reorganise its advertising sector to ease its regulatory burden and appease investors.

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If the separation is confirmed by the court, an appointed trustee would oversee the process of separating AdX and DFP, which could take nine to twelve months.

Potential buyers, ranging from private equity funds to large media conglomerates, would have to prove that they are able to operate under conditions of high auction frequency and large volumes of data.

During this period, the relevant authorities in Europe, India and other countries could require additional authorisation, which would make vertical and horizontal compliance even

more complex.

Strategic impact on Alphabet

In perspective, the separation would have a significant financial and strategic impact on Alphabet.

Annual revenue from advertising on AdX and DFP is estimated to be around nine billion dollars, and the loss of this profit would deal a blow to budgets for the development of artificial intelligence, cloud technologies, and hardware.



The USA v. Google case will be a test case for the future of competition in the digital markets - Department of Justice

On the other hand, removing the antitrust risks may increase the value of the remaining parts of the company in the eyes of investors, as the focus would shift to the growth of cloud and AI solutions, where Alphabet has competitive advantages.

For the ad tech industry as a whole, greater competition can create room for innovation: exchanges focused on privacy, contextual advertising or blockchain verification could usher in a new era of advertising.

Independent servers could offer specialised tools for thematic publishers—educational portals, non-profit organisations, or local media— for which Google's generic solutions are not suitable.

Ultimately, the USA v. Google case will be a test case for the future of competition in the

digital markets.

If Judge Brinkema accepts the proposal for structural measures, it will move beyond the theoretical discussions to the practical implementation of the new market organisation.

Publishers, advertisers and small ad tech companies will follow every step of the process, as it will set a precedent that will shape legal standards and business models for years to come. This dispute is not just a court battle – it is defining the boundaries of competition in the data economy for the next generation.