

Meta Platforms, Inc. (Meta), formerly known as Facebook, has faced several legal challenges, including a recent \$37.5 million settlement for tracking users' locations without permission and a \$650 million settlement for illegal use of facial recognition data.[1] Now, Meta faces a lawsuit regarding its desire to acquire Within Unlimited, a virtual reality company.[2] Meta owns, among other things, social media applications Facebook and Instagram, direct messaging applications Messenger and WhatsApp, and virtual reality applications and software Quest and Beat Games.[3] The FTC argues that Meta has the resources required to develop its own version of Within Unlimited's successful application Supernatural, and Meta's decision to instead attempt to purchase Supernatural impedes competition and innovation.[4] More importantly, Meta's proposed purchase of Within Unlimited arguably violates antitrust laws. Although Meta's Chief Executive, Mark Zuckerberg, admitted that many companies design and build their own applications, Zuckerberg stated that Meta's interest in Within Unlimited is not a serious departure from the status quo.[5]

This is not the first lawsuit brought by the FTC against Meta. Previously, the FTC unsuccessfully attempted to prevent Facebook's acquisition of Instagram and WhatsApp.[6] However, this is the first time the FTC preemptively challenged one of Meta's deals, demonstrating FTC chair, Lina Khan's, aggressive stance against Big Tech and monopolies.[7] Although the FTC spent considerable time, effort, and money fighting Meta's many acquisitions, Meta laid off 13 percent of its staff and saw its first-ever loss in advertising revenue in 2022 .[8] This raises the question of whether the FTC is successfully fighting against anticompetition to promote fair business practices and promote consumer protection. Thus far, the largest wins against Meta have been those brought in class action lawsuits. Would the FTC's time and resources be better spent targeting actual tech dominators?

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[1] Jonathan Stempel, *Meta Reaches \$37.5 Mln Settlement of Facebook Location Tracking Lawsuit*, Reuters (Aug. 23, 2022), <https://www.reuters.com/legal/litigation/meta-reaches-375-mln-settlement-facebook-location-tracking-lawsuit-2022-08-23/>; Megan Sauer, *Some Facebook Users Are Receiving \$397 Checks Over Data Privacy Violations—And These Tech Companies Could be Next*, CNBC (May 25, 2022) <https://www.cnbc.com/2022/05/25/facebook-paying-users-over-data-privacy-lawsuits-google-could-be-next.html>.

[2] Barbara Ortuatay, *FTC Challenges Facebook Parent Meta's Acquisition of VR Company*, PBS News Hour (Dec. 8, 2022), <https://www.pbs.org/newshour/economy/ftc-challenges-facebook-parent-metas-acquisition-of-vr-company>.

[3] *FTC Seeks to Block Virtual Reality Giant Meta's Acquisition of Popular App Creator Within*, FTC (July 27, 2022), <https://www.ftc.gov/news-events/news/press-releases/2022/07/ftc-seeks-block-virtual-reality-giant-metas-acquisition-popular-app-creator-within>.

[4] *Id.*

[5] Joel Rosenblatt, *Mark Zuckerberg Testifies Meta's Acquisition of VR Start-Up Would Help Competition*, Los Angeles Times (Dec. 20, 2022), <https://www.latimes.com/business/story/2022-12-20/zuckerberg-meta-supernatural-ftc-trial>.

[6] Associated Press, *FTC Didn't Stop Facebook-Instagram. How About Meta-Within?*, U.S. News (Dec. 16, 2022), <https://www.usnews.com/news/business/articles/2022-12-16/ftc-didnt-stop-facebook-instagram-how-about-meta-within>.

[7] Rosenblatt, *supra* note 5; Associated Press, *supra* note 6.

[8] *Meta Layoffs-Facebook Continues to Cut Costs by Cutting Headcount*, Forbes (Dec. 7, 2022), <https://www.forbes.com/sites/qai/2022/12/07/meta-layoffsfacebook-continues-to-cut-costs-by-cutting-headcount/?sh=7c376ebe8456>.