Google Acquires Fitbit Amidst Anti-trust Investigation,T-Mobile and Sprint Merger Approved Despite Antitrust Concerns,Facebook Introduces New Corporate Logo and more

November 12, 2019

Internet Service Provider Protects Customer Data; Google Acquires Fitbit Amidst Anti-trust Investigation; T-Mobile and Sprint Merger Approved Despite Antitrust Concerns; EC Opens Anti-trust Investigations Against French Retailers; Facebook Introduces New Corporate Logo and more.

Internet Service Provider Protects Customer Data

Ziggo, an internet service provider, has refused to hand over sensitive information about its customers, to the film company Dutch Filmworks (DFW). DFW is the distributor of the film 'The Hitman's Bodyguard' and in an attempt to prevent any further piracy of its film, had asked Ziggo to handover the named and addresses of 377 people who had illegally downloaded the film.

A Dutch court however ruled that, since DFW had neither clarified the purpose for which it intended to use the customer data nor did it state the amount of fine that it would levy, Ziggo did not have to provide such data to DFW. Further, the Court also stated that in this case protecting the customer's privacy was more important than the alleged piracy since DFW had failed to prove that the IP address owners had actually downloaded the film.

Google Acquires Fitbit Amidst Anti-trust Investigation

In a recent acquisition Google acquired Fitbit, for USD 2.1 Billion. Fitbit is known for manufacturing fitness related wearable technology. During its initial launch, Fitbit had gained immense popularity, but over time, products like Apple's Watch and other similar products by Xiaomi and Samsung gained popularity in terms of both their devices itself and the pricing as well. Apple's Watch currently retails starting at USD 199 which is much less than Fitbit's smartwatch Versa 2.

Google's existing wearable operating system known as Wear OS could use a lot of improvement as the company itself does not have much expertise in this area. Therefore, acquiring Fitbit is a smart move on Google's part, as the search giant has struggled while integrating such technology into smartwatches. Fitbit's hardware is well-liked among the customers due to its distinctive look and styling and the fact that it controls both hardware and software for its gadgets, could prove to be beneficial for Google.

While addressing the issue of data privacy, Fitbit stressed that it values its customer's privacy and any personal data collected through its app will not be sold to anyone, including the Fitbit health and wellness data which will not be used for Google ads. Through this acquisition it is likely that the Fitbit brand would now be called Google Fitbit and by combining Fitbit's hardware with Google's operating software, we could soon get the first Pixel watch.

As a result of this acquisition Google and Fitbit which happen to be two of the largest technology companies in the US market for fitness tracking devices and data, will now be dominating this market. This acquisition is therefore being scrutinized by the Department of Justice (DOJ) and is simultaneously being opposed by several politicians as it could lead to anti-competitive practices. Google's acquisition of Fitbit has other regulatory implications with respect to data privacy, since it also involves the purchase and transfer of huge amounts of data related to the health and fitness activity of its customers.

Additionally, Fitbit presently has a larger share of the domestic market in the US, and almost six times more market share in North America than in the Asia Pacific region for smartwatches and fitness trackers. Google also has the added benefit when it comes to data ownership, since “several other smartwatch makers use a Google operating system to run their devices, giving the internet giant an even bigger net to scoop up people’s digital health and fitness data.”

Certain analysts though, believe that this merger could possibly reduce the quality for consumers due to weakened data privacy protections. This is also one of the crucial reasons due to which regulators are investigating each part of this acquisition with a microscope, apart from the obvious reason involving the alleged anti-competitive practices on the part of the parties involved.

T-Mobile and Sprint Merger Approved Despite Antitrust Concerns

The Federal Communications Commission (FCC) has recently approved the merger between two major mobile providers in the US, namely T-Mobile and Sprint, despite the fact that there are ongoing multi-state lawsuits involving the two companies, in addition to certain antitrust issues. While the Democrats voted against this merger, the two Republican Commissioners and the FCC Chairman, Ajit Pai, voted in favour of it.

The FCC is of the opinion that “the merger will enable the companies to close the digital divide between rural and urban areas and help deploy a 5G network.” Additionally, T-Mobile and Sprint also made certain offers which included, “coverage to 97 percent of Americans with its 5G network within three years and 99 percent of Americans within six years of the close of the merger.” The companies also committed to provide mobile broadband with speeds of at least 100 Mbps to 90 percent of Americans and speeds of at least 50 Mbps to 99 percent. However, if the two companies are unable to fulfil these offers, they will have to pay a fine of USD 2 Billion.

The opposing FCC Commissioners were of the opinion that the merger of these two companies would reduce competition which would in turn increase prices and lower the quality of the service being provided.

EC Opens Anti-trust Investigations Against French Retailers

The European Commission has opened an investigation into the alliance formed by two of the biggest French retailers namely, Casino Guichard-Perrachon ('Casino') and Les Mousquetaires ('Intermarché'). This investigation is being conducted on the claims that the two retailers have coordinated their conduct in the market, in breach of EU competition rules. In November 2014, the two retailers set up a joint venture for the joint procurement alliance of their branded products, INCA."

Following this, the Commission carried out unannounced inspections in 2017 and 2019 into Casino and Intermarché **"**as part of its own-initiative inquiry into possible collusion between retailers through purchasing alliances." The Commissioner in charge of the competition policy is of the opinion that, retailers joining hands and combining their resources can be extremely beneficial to the consumers as this can make the prices of food and health products more affordable for the consumers. However, if the retailers use these alliances to collude on their sales activities, it would not be beneficial for the consumers anymore.

The Guidelines on horizontal cooperation agreements also concurs with the aforementioned opinion of the Commissioner. In addition, the Guidelines state that "multiple contacts between retailers can lead them to collude on their retail sales activities". Further, in recent times due to the growth in the number of alliances the risks of such collusion and have also increased. This ongoing investigation into the dealings of the two French retailing giants is to ensure that the benefits derived by the consumers from modern grocery retail are not affected by the anti-competitive practices.

Facebook Introduces New Corporate Logo

The social media platform Facebook, is now set to introduce a new logo in a bid to rebrand itself, while being in the midst of several anti-trust allegations and the subsequent investigations. The new corporate logo will be in all caps with a new font and colour scheme that will distinguish it from the parent company's marketing which is the Facebook social network's logo. Through this logo Facebook aims to unify the brands it currently owns, which includes Whatsapp, Instagram and the Messenger app, thereby providing more transparency of its ownership structure. This move may however, not have the desired effect as more people that use Facebook and its other services, become aware of the several antitrust allegations against the company.

Currently the Federal Trade Commission (FTC) is scrutinizing Facebook's purchase of Instagram, the photo sharing app, which was valued at USD 1 Billion. As per reports over forty-seven state attorney generals are investigating Facebook's alleged anti-competitive practices. Despite such scrutiny, the social media platform has still managed to increase its ad sales revenue. It now remains to be seen whether these anti-trust allegations have any lasting adverse effect on the growth of the Facebook brand.

This is Part I of the IP Privacy and Anti-trust news for the week of 4th November, 2019. Part II is available here.

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