Study B-750 October 23, 2025

## SECOND SUPPLEMENT TO MEMORANDUM 2025-43

## **Antitrust Law: Status Update (Public Comment)**

This Memorandum<sup>1</sup> presents additional public comments received on Memorandum 2025-32 regarding draft legislation to address Misuse of Market Power (MMP) in California. The Commission voted on September 18, 2025, to discontinue work on MMP.<sup>2</sup> The public comment is attached as an Exhibit to this supplement.

 Exhibits
 Exhibit pages

 Google (9/18/2025)
 1

## PUBLIC COMMENT

As with prior memoranda, a brief description of the commentator is below.

Google

This comment was submitted by Aaron Benjamin, Head of Competition Policy, U.S. & Americas for Google. According to its <u>website</u>, Google's mission is to organize the world's information and make it universally accessible and useful.

Respectfully submitted,

Sharon Reilly Executive Director

Sarah Huchel Deputy Chief Director

<sup>&</sup>lt;sup>1</sup> Any California Law Revision Commission document referred to in this memorandum can be obtained from the Commission. Recent materials can be downloaded from the Commission's website (<a href="www.clrc.ca.gov">www.clrc.ca.gov</a>). Other materials can be obtained by contacting the Commission's staff.

The Commission welcomes written comments at any time during its study process. Any comments received will be a part of the public record and may be considered at a public meeting. However, comments that are received less than five business days prior to a Commission meeting may be posted after the meeting and/or without staff analysis.

<sup>&</sup>lt;sup>2</sup> Memorandum <u>2025-44</u>, p. 8.



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September 18, 2025

The Honorable Xochitl Carrion, Chair The Honorable Richard Simpson, Vice-Chair California Law Revision Commission c/o Legislative Counsel Bureau 925 L Street Suite 275 Sacramento, CA 95814

Dear Chair Carrion, Vice-Chair Simpson, and Members of the Commission:

The tech landscape has transformed in the three years since this process began.

The California Law Revision Commission's antitrust study started November 3, 2022 – before the launch of ChatGPT. Since then, Al has shown that the tech sector continues to be intensely competitive, with thousands of new startups competing alongside established players – attracting record investment and billions of queries.

Amid this momentous innovation, investment, and competition, U.S. District Judge Amit Mehta this month rejected government efforts to break apart Google's integrated products. The Court noted that "tens of millions of people use GenAl chatbots, like ChatGPT, Perplexity, and Claude, to gather information that they previously sought through internet search." And the Court expressed concern that some of the proposals could harm consumers.

The Court specifically rejected a ban on "self-preferencing" like the one this Commission is considering:

"The bar on self-preferencing also goes too far in that it would hamstring Google's ability to compete. Take, for example, Plaintiffs' proposal to prohibit Google from self-preferencing Gemini in Chrome. Such a restriction would set Google apart from its competitors. It is commonplace for companies in the GenAl space to leverage their own products to distribute their GenAl technologies. Meta, for instance, delivers its GenAl models through Instagram and WhatsApp. xAl makes Grok available through X. Microsoft has integrated Copilot into Edge and Bing, both as a vertical and through Copilot Answers (Microsoft's Al-powered search feature analogous to Google's Al Overviews). And emerging GenAl companies are doing the same. Perplexity, for example, recently launched a web browser that integrates its own answer engine. The court will not hobble Google's competitiveness by prohibiting self-preferencing of its own GenAl technologies, when that is precisely how the emerging—and highly competitive—GenAl marketplace operates."

This is a stark contrast from the "big-is-bad" approach this Commission is considering – regulating a company based on size without regard to impact on consumers or innovation.

We urge the Commission to carefully consider the impact of its proposals on consumers, innovation, and the competitive landscape.

Sincerely,

Aaron Benjamin

Head of Competition Policy, US & Americas