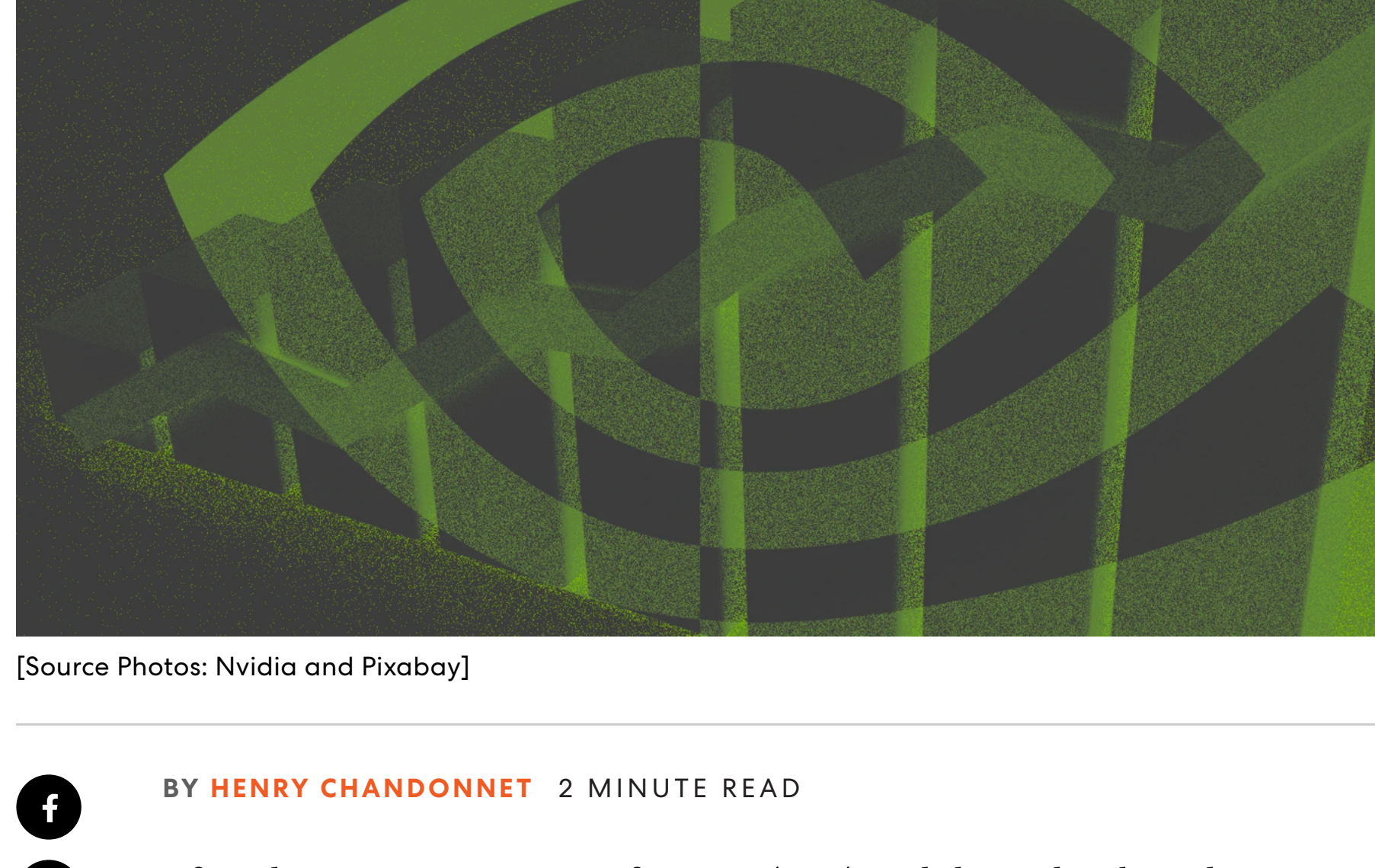


06-14-2024 | TECH

Nvidia's DOJ probe is proof of the chipmaker's market dominance, experts say

The fact that the DOJ is leading the investigation suggests Nvidia is arguably the biggest player in the AI space.



[Source Photos: Nvidia and Pixabay]



BY HENRY CHANDONNET 2 MINUTE READ

After the U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC) reached an agreement to **open an antitrust investigation** into Nvidia, one might have expected some ensuing market panic. This is, after all, a first step by the federal government—namely the DOJ, who's taking the lead here—to attempt to regulate the chipmaker. Yet, Nvidia's stock remained largely undisturbed.

Answering why speaks not just to the nature of the financial markets, but also to Nvidia's utter **dominance in the chip market**.

"Overnight, everyone knows who Nvidia is," Joe Camberato, founder and CEO of National Business Capital, tells *Fast Company*. "I think [the probe] is a testament to their growth and, in a way, it should be something they're proud of."

In many respects, the probe seems to be merely a response to Nvidia's market dominance (the company is estimated to have a grip on as much as 90% of the market for chips).

"From the looks of it, [Nvidia] just developed a microchip that is capable of delivering the computing power to do natural language modeling," says Shawn Collins, a partner at Stradling Yocca Carlson & Rauth.

Nvidia is also under investigation with the **French antitrust office**, and some buyers have complained about **wait times and shortages**. "It's very difficult to cross every single T and dot every single I across massive structures of people," says Troy Doucet, cofounder of AI.Law.

THE DOJ PROBE PROVES NVIDIA'S SEISMIC IMPORTANCE

While the probe may not provide a direct threat to Nvidia in the minds of its investors, it does prove just how valuable the company has become. Collins compares the announcement to the FTC's 1990 inquiry of Microsoft (and indeed Microsoft is part of the DOJ's new probe, as is OpenAI).

"I'm not as worried about [the probe] because I remember when everybody thought that Microsoft was just too big for anyone to compete with them, and the antitrust regulators were scrutinizing them in the early '90s," he says. "Now, Microsoft is one of many computer companies in the world."

In this case, however, Nvidia may have even beaten Microsoft out as the biggest threat in the AI space. In the agreement, the FTC took responsibility for investigating Microsoft and OpenAI, while the DOJ will handle Nvidia uniquely. That's notable, Collins says, because the DOJ is the "more well-funded and more competent antitrust regulator."

"To use a sports analogy, when the DOJ said, 'We're gonna guard Nvidia,' that's an acknowledgment that we're gonna guard the best player on the team," Collins says. "We're gonna go over here and guard LeBron James. We're way more concerned about what they can do."

It could take years until the DOJ probe brings any antitrust concerns to light. For now, all it suggests is that Nvidia has finally hit Lebron status.

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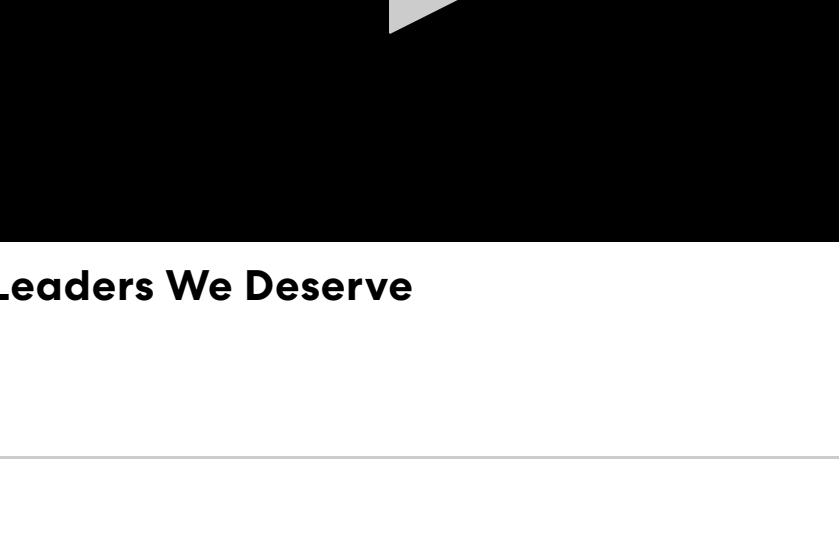
Henry Chandonnet is an editorial intern at *Fast Company* and an undergraduate at Tufts University. You can read his work in *People*, *V Magazine*, and *The Daily Dot*. [More](#)

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