

GIBSON DUNN



Antitrust & Competition Update

April 22, 2026

Latest California Antitrust Proposal Fails While Others Remain Under Consideration

California Senate Bill 1074, which would have prohibited “self-preferencing” and other conduct by large digital platforms, failed to pass out of the California Senate Committee on Privacy, Data, Technology & Commerce on April 20, 2026. While SB 1074 is no longer advancing, significant legislative efforts remain ongoing to overhaul California antitrust law, including through AB 1776 (the COMPETE Act).

Background

California is a hotbed for legislative proposals to change longstanding competition law. As described in prior client alerts, the state enacted the California Uniform Antitrust Pre-Merger Notification Act, requiring certain Hart-Scott-Rodino (HSR) filers to submit a copy of their federal premerger notification materials to the California Attorney General.^[1] Further, the California Law Revision Commission (CLRC) launched a multi-year study of California antitrust law in 2022, culminating in the introduction of the COMPETE Act this year, which would establish for the first time under California state antitrust law a prohibition on anticompetitive conduct by a single firm.^[2]

The CLRC had considered proposing specific prohibitions on technology platforms and chose not to endorse a sweeping ban on self-preferencing, citing evidence from its hearings, public comment process, and multi-year study.^[3] Nevertheless, California State Senator Scott Wiener introduced Senate Bill 1074, the Blocking Anticompetitive Self-preferencing by Entrenched Dominant Platforms Act (the BASED Act), on March 18, 2026.^[4] The bill sought to impose novel

prohibitions on large digital platforms. After testimony on April 20th, 2026, including by Gibson Dunn Antitrust Partner Julian Kleinbrodt, SB 1074 failed to advance out of the Privacy Committee. If enacted, the bill would have significantly departed from the federal antitrust framework.

Key Provisions of SB 1074[\[5\]](#)

SB 1074 targeted large technology platforms with over \$1 trillion in market capitalization with a presumptive prohibition on “self-preferencing.” The bill enumerated several expansive categories of prohibited conduct, such as manipulating search results or rankings to favor the covered provider’s own products or services; practices that imposed “an unreasonable cost disadvantage” on other businesses; or “conditioning access to or placement on the platform on a business user’s purchase or use of a separate product from the covered provider (outside an advertising context).” SB 1074 also would have barred platforms from restricting businesses’ ability to collect data provided by users or impeding businesses from accessing a platform’s operating system, hardware, or software features that the platform provider itself used for its own products. In these ways, SB 1074 sought in many ways to replicate and expand upon aspects of the European Union’s Digital Markets Act (DMA) and the American Innovation and Choice Act, which failed in Congress in 2022.

Critics of SB 1074 warned that the bill could dismantle features that make smartphones, search engines, e-commerce platforms, and digital services fast and effective.[\[6\]](#) For example, if enacted, SB 1074 could have required a technology platform that meets the market cap threshold to redesign its webpages to remove links to its other services.[\[7\]](#)

Implications for Businesses

Although SB 1074 failed to advance out of the Senate Privacy Committee, California’s efforts to revise state competition law remain ongoing. The CLRC’s single-firm conduct proposal—now embodied in AB 1776—remains pending in the legislature, and the CLRC is also working on additional changes to state merger law.

Companies that do business in California should closely monitor the trajectory of AB 1776 and the CLRC’s merger reform proposals. As we discussed in our [April 1, 2026 Client Alert](#), the COMPETE Act, as currently proposed, alone would represent a significant departure from established federal antitrust standards, with implications for a wide range of business conduct well beyond the technology sector. The failure of SB 1074 does not diminish the significance of those broader reform efforts.

Companies with significant California operations—and particularly those that operate digital platforms or rely on them as distribution channels—should consider the following:

- **Monitor AB 1776 and CLRC merger proposals.** These efforts remain active and could create substantial new antitrust exposure under California law. Their final form—if enacted at all—may differ significantly from current proposals.
- **Assess potential exposure under proposed frameworks.** Companies should evaluate how proposed California single-firm conduct and merger standards would apply to their

existing and planned business practices, particularly given that the proposed frameworks expressly depart from established federal law.

- **Engage with the legislative process.** Companies and their trade associations should consider direct engagement with legislators and the CLRC, including participation in public comment processes. Comments submitted to the CLRC become part of the record for any resulting legislation.

[1] For more information on the California Uniform Antitrust Pre-Merger Notification Act, please refer to our [February 11, 2026 Client Alert](#).

[2] For background on the CLRC's single-firm conduct proposals, see our [December 23, 2025 Client Alert](#). For background on the COMPETE Act, see our [April 1, 2026 Client Alert](#).

[3] Chamber of Progress, "New California Anti-Self-Preferencing Bill Makes an End Run Around Two-Year Commission Review" (Mar. 18, 2026), [available here](#).

[4] Press Release, Senator Scott Wiener, "Senator Wiener Announces Landmark Legislation to Crack Down on Big Tech's Anticompetitive Behavior" (Mar. 18, 2026), [available here](#).

[5] SB 1074, as amended, § 16858 (2026).

[6] Chamber of Progress, "Analysis of the BASED Act (SB 1074)" (Apr. 2, 2026), [available here](#).

[7] *Id.*

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