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# **Exhibit** A

	Case 3:20-cv-05671-JD Document ***REDACTED VERSION OF DOC	159-3 Filed 08/05/21 Page 2 of 145 UMENT SOUGHT TO BE SEALED***					
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14	UNITED STATES	S DISTRICT COURT					
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	NORTHERN DISTR						
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1	Plaintiffs,
2	v.
3	GOOGLE LLC, GOOGLE IRELAND
4	LIMITED, GOOGLE COMMERCE LIMITED, GOOGLE ASIA PACIFIC PTE. LIMITED,
5	GOOGLE PAYMENT CORP., and ALPHABET INC.,
6	Defendants.
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#### COMPLAINT

1. The States, Commonwealths, and Districts of Utah, New York, North Carolina, Tennessee, Arizona, Colorado, Iowa, Nebraska, Alaska, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Idaho, Indiana, Kentucky, Maryland, Massachusetts, 4 5 Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New 6 Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Virginia, Vermont, 7 Washington, and West Virginia, by and through their respective Attorneys General, bring this 8 civil enforcement action against Defendants Google LLC, Google Ireland Limited, Google 9 Commerce Limited, Google Asia Pacific Pte. Limited, Google Payment Corp., and Alphabet Inc. 10 (collectively, "Google") under federal and state antitrust and consumer protection statutes, to 11 enjoin Google from unlawfully restraining trade and maintaining monopolies in the markets for 12 Android software application ("app") distribution and for payment processing of digital content 13 purchased within Android apps in the United States, and to obtain redress for consumers.

14

#### NATURE OF THIS ACTION

15 2. Google acquired the Android mobile operating system ("Android") in 2005. 16 Google promised repeatedly that Android would be the basis for an "open" ecosystem in which 17 industry participants could freely compete, and, in Google's words, have "[f]ull control of [their] 18 brand and business." Google has not kept its word.

19 3. Instead, Google has taken steps to close the ecosystem from competition and 20 insert itself as the middleman between app developers and consumers. Unbeknownst to most 21 consumers who own a mobile device running Android, every time they purchase an app from the 22 Google Play Store, or purchase digital content or subscriptions within an app, up to 30% of the 23 money they pay goes to Google.

24 4. To collect and maintain this extravagant commission, Google has employed 25 anticompetitive tactics to diminish and disincentivize competition in Android app distribution. 26 Google has not only targeted potentially competing app stores, but also has ensured that app

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developers themselves have no reasonable choice but to distribute their apps through the Google 2 Play Store.

3 5. Google did not stop at excluding potential threats to its app distribution monopoly and extracting monopoly rents for app distribution. Google also ensured it could continue to reap 4 5 windfall commissions from apps after the Google Play Store distributed them to consumers-6 often months or even years later. Namely, Google imposed the same extravagant commission of 7 up to 30% of any future digital purchase a consumer might make within an app. For all apps that 8 consumers obtain from the Google Play Store, Google requires that consumers purchase any in-9 app digital content through Google Play Billing. By imposing this unduly restrictive and anticompetitive tie, Google can indefinitely collect supracompetitive commissions from 10 11 consumers who purchase in-app digital content.

12 6. Mobile devices, including smartphones and tablets, are essential tools in 13 contemporary American life.<sup>1</sup> They are indispensable to consumers for personal communication, 14 as well as for access to and participation in the modern economy. What makes a mobile device 15 "smart" are the myriad apps that can run on the device and are compatible with its mobile 16 operating system. U.S. consumers now spend more time using mobile devices than they do 17 desktop computers, laptop computers, or televisions. Mobile internet usage is rising while 18 desktop internet usage continues to fall, and U.S. consumers spend nearly 90% of their mobile 19 internet time within apps instead of mobile browsers. They also spend over \$32 billion a year 20 purchasing apps and digital content within apps. App developers likewise invest hundreds of 21 millions of dollars to build and distribute apps for mobile devices.

22 7. Android is the only viable operating system available to license by mobile device 23 manufacturers that market and sell their devices to U.S. consumers. The barriers to entry in the 24 licensable mobile operating system market are high, and even highly resourced entrants, such as

25

<sup>&</sup>lt;sup>1</sup> As used herein, "mobile device" means a "smart" mobile device that has multi-purpose 26 computing functionality; can connect wirelessly to the internet; has a large graphical user interface (as compared to "feature phones" common in past decades) which is often accessed 27 through a touch-capacitive screen; and is optimized to run third-party mobile apps.

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Microsoft and Amazon, have failed. Google, which controls approximately 99% of this market, 2 has durable monopoly power in the market and considerable leverage over mobile device 3 manufacturers and Android app developers.

4 8. In the absence of Google's anticompetitive conduct, there would be two main 5 channels for U.S. consumers to obtain apps on an open Android operating system: (i) direct 6 downloading and installation of apps or app stores; and (ii) apps or app stores pre-installed on 7 devices by device manufacturers and/or mobile network operators.

9. 8 But Google has closed off its purportedly "open" Android operating system from 9 competition in app distribution. To accomplish this, Google degraded direct distribution 10 channels, and then cut deals to discourage and disincentivize any remaining potential 11 competition.

12 10. Through its Google Play Store, Google maintains a monopoly in the market for 13 distributing Android apps. Google Play Store distributes over 90% of all Android apps in the 14 United States. No competing Android app store has more than 5% of the market.

15 11. Google also requires all app developers that sell content through the Google Play Store to sell any digital in-app content through Google Play Billing. Though it has been 16 17 inconsistent in the past, Google now stringently enforces this tie by preventing apps distributed 18 through the Google Play Store from using, directing consumers to, or even informing consumers 19 about alternative payment processing options that may provide lower prices. Consumers who 20 want to purchase any such content must, therefore, do so through Google Play Billing. This 21 illegal tie gives Google an additional monopoly in the market for Android in-app payment processing for digital products.<sup>2</sup> Google has not yet extended its tie to in-app purchases of 22 23 physical goods and services and requires the use of an alternative payment provider.

<sup>24</sup> <sup>2</sup> Consumers who purchase apps or in-app digital content from the Google Play Store pay Google directly. From that purchase price, Google takes up to 30%, and transfers the remaining revenue 25 to the app developer. See Google Pay Help, GOOGLE,

https://support.google.com/paymentscenter/answer/7159343?hl=en ("The transaction fee for all 26 purchases in Google Play (apps and in-app purchases) is 30% of the price the customer pays. In other words, developers get 70% of the payment and the remaining 30% goes to the distribution 27 partner and operating fees.").

<sup>28</sup> COMPLAINT

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Accordingly, "in-app purchases" as used herein refers to purchases of digital content, not those
 of physical goods and services.

3 12. Google has steadily expanded its illegal tie: effective September 2021, subscription streaming services for music and video-which Google previously exempted-must 4 5 either submit to Google's tie or deny consumers the ability to purchase subscriptions from their 6 Android apps. Google's comparable streaming services will gain an enormous competitive 7 advantage. Moreover, the non-Google payment processors that these services currently use will 8 be forced out of the in-app payment ("IAP") market as to these services. Google has also 9 recently expanded the enforcement of its illegal tie to subscription services including those on job search, dating, fitness, and other apps. 10

11 13. Google's anticompetitive conduct harms consumers and app developers, both at 12 the point of app distribution and when a consumer later purchases in-app digital products. 13 Consumers are direct purchasers of apps in the Google Play Store. Consumers are harmed 14 because Google forces them to pay a supracompetitive commission of up to 30% to purchase any 15 non-"free-to-download" app. Google's anticompetitive conduct further harms consumers by 16 depriving them of the potential benefits of true competition in app distribution, including better 17 features or improved data security. App developers also suffer from Google's anticompetitive 18 conduct. Developers lose profits because potential customers may forgo purchases of existing 19 apps in response to the higher prices caused by Google's conduct. Moreover, Google's 20 supracompetitive commission impedes developers from researching, developing, and bringing to 21 market innovative new apps, resulting in further lost profits for them and less innovation and 22 choice for consumers.

14. Consumers are likewise direct purchasers of in-app digital products using Google
Play Billing. Because Google's tie prevents their use of other payment processors for in-app
purchases, consumers are harmed by paying Google's supracompetitive commission of up to
30%. Consumers are further harmed by the loss of competition among payment processors,
which may offer substantially lower commissions, as well as enhanced payment features,

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customer service, and data security. App developers are also harmed by Google's tying conduct, 2 which may cause some potential consumers to forgo in-app purchases, resulting in lost profits. 3 Further, Google Play Billing disintermediates developers from their customers and prevents them from providing tailored customer service on critical customer interactions such as payment 4 5 history and refund requests. And competition in payment processing-which is vibrant in other 6 forms of online transactions and would be here but for Google's tie—is completely foreclosed.

7 15. As set forth below, Google's durable monopoly power in the markets for Android 8 app distribution and in-app purchases is not based on competition on the merits. These 9 monopolies are maintained through artificial technological and contractual conditions that 10 Google imposes on the Android ecosystem.

11 16. Today, Google enjoys virtually unchallenged power over Android app distribution 12 and Android in-app purchases of digital content that extends to every state, district, and territory 13 in the United States. Because of Google's anticompetitive conduct, Google Play Store's market 14 share—which is well over 90%—faces no credible threats, and market forces cannot exert 15 pressure on its supracompetitive commissions for app and in-app purchases. Google's conduct has deterred new entry and/or prevented would-be competitors from achieving the scale that 16 17 might constrain Google's power.

18 17. Over the years, Google has steadily expanded and refined the tactics it uses to 19 impede competition in Android app distribution and in-app purchases. Instead of simply 20 producing a better app distribution experience, Google uses anticompetitive barriers and 21 mandates to protect its monopoly power and grow its supracompetitive revenue from the Google 22 Play Store and Google Play Billing.

23 18. This Complaint focuses on five categories of anticompetitive conduct through which Google has obstructed competition in Android app distribution and in-app purchases. 24 25 Google has no legitimate justification for any of this conduct.

26 19. First, Google creates and imposes broad practical, technological, and contractual 27 impediments to effectively close the Android app distribution ecosystem. Google deters

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consumers from directly downloading and installing apps or app stores that might compete with 1 2 the Google Play Store by, among other things, (a) imposing needlessly broad restrictions on 3 direct downloading of apps and app stores, which Google calls "sideloading"; (b) using contracts with Android device manufacturers to prevent the manufacturers from modifying the operating 4 5 system to circumvent the sideloading or code restrictions imposed by Google; (c) blocking 6 competing app stores from distribution on the Play Store; and (d) preventing non-Play app stores 7 and apps from purchasing advertising on key Google properties including YouTube and the 8 Google search engine results page.

9 20. Second, Google disincentivizes and discourages competition from the only market participants that could otherwise avoid the technological restrictions and be well-positioned to 10 11 compete in app distribution—Android device manufacturers and mobile network operators. 12 Google recognized these competitive threats and sought to eliminate them through a carrot-and-13 stick approach. The carrot is revenue share agreements that Google provides Android device 14 manufacturers and mobile network operators-sharing Google's monopoly rents and, thereby, 15 disincentivizing or restricting them from attempting to create or foster a competing app store. 16 The sticks are contracts that require Android device manufacturers to preload Google Play Store 17 on the default home screen, render it undeletable from the device, and ensure that no other 18 preloaded app store has a more prominent placement than the Google Play Store.

19 21. Third, Google has focused its anticompetitive strategies on Samsung, the largest
20 manufacturer of Android devices sold in the United States. Google has taken the extraordinary
21 step of attempting to buy off Samsung to limit competition from the Samsung Galaxy app store
22 by, among other things, offering incentives for Samsung to turn the Galaxy store into a mere
23 "white label" for the Google Play Store—meaning that Samsung would use the backend services
24 of the Google Play Store, including Google Play Billing, while retaining its Samsung Galaxy
25 Store branding.

26 22. Fourth, Google launched incentive programs to share monopoly profits with large
27 app developers that might be capable of disrupting Google's app distribution monopoly. Google

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did so to prevent these large app developers from fostering their own app store or moving en
 masse to a competing app store like Samsung's.

23. Fifth, Google mandates that consumers who download apps from the Google Play
Store also use Google Play Billing for all in-app purchases. This unlawful tie effectively
precludes an Android app consumer from purchasing additional digital content directly from the
app developer or via the app developer's chosen payment processing service; Google forces the
consumer to continue doing business with it and to indefinitely pay Google's supracompetitive
commissions.

9 24. In a more competitive environment, Google's app distribution monopoly could be
10 disrupted. Instead, because of Google's exclusionary conduct, even Amazon, one of the biggest
11 and most sophisticated content distributors, has tried but failed to create a competitive Android
12 app store that could weaken Google's app distribution monopoly through free and fair
13 competition.

25. 14 In the absence of Google's unlawful tying conduct—requiring essentially all Android app customers to use Google Play Billing for in-app purchases of digital content-there 15 16 would be vigorous competition in the Android in-app payment processing market, as exists in 17 other payment processing markets. Google uses its durable monopoly power in the Android in-18 app payment processing market to extract a supracompetitive 30% commission from 19 consumers—a figure over ten times greater than what other payment processors charge for 20 purchases of non-digital goods through Android apps or for digital and non-digital goods on the 21 internet.

22 26. For these reasons, the Plaintiff States, by and through their Attorneys General,
23 bring this action to end Google's anticompetitive conduct and the harm to the States, their
24 economies, and their residents that has flowed, and continues to flow, from that conduct. Plaintiff
25 States seek to restore competition and prevent Google from engaging in similar conduct in the
26 future.

28 ||<sub>CON</sub>

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#### JURISDICTION, PARTIES, AND VENUE

27. Plaintiff States, by and through their respective Attorneys General, bring this action as the chief legal officers of their respective States. Federal and state competition and consumer protection laws authorize States to bring actions to protect the economic well-being of their States and obtain injunctive and other relief to redress harm caused by violations of those laws.

7 28. The Attorneys General appear in their respective sovereign or quasi-sovereign
8 capacities and under their respective statutory, common law, and equitable powers, and as *parens*9 *patriae* on behalf of natural persons residing in their respective States pursuant to § 4C of the
10 Clayton Act, 15 U.S.C. § 15c.

29. States have a quasi-sovereign interest in protecting residents from illegal
anticompetitive conduct and the resulting ongoing economic harm. By preventing competition in
the markets for Android app distribution and for payment processing of digital content purchased
within Android apps in the United States, Google has deprived the Plaintiff States and their
residents of the benefits of a competitive marketplace and harmed the economic well-being of
each State's residents.

30. 17 Google's anticompetitive conduct has caused residents in each State to pay higher 18 prices for apps on Android devices and for Android in-app payments, which has constituted 19 ongoing, actual financial losses and has diverted resources that could otherwise be directed 20 toward other purposes to the benefit of each State. Consumers are also harmed because Google's 21 anticompetitive conduct deprives them of the potential benefits of true competition, including 22 better services and improved data security. But for Google's actions, other market participants 23 could provide innovative alternatives in the relevant markets, to the benefit of each State's 24 economy and general prosperity.

31. Due to the pervasiveness and vital importance of mobile devices, mobile
ecosystems, and apps, as alleged herein, Google's anticompetitive conduct and the corresponding
lack of competition in the relevant markets has caused and continues to cause substantial injury

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1 to the economic health and well-being of a substantial number of each State's residents. Mobile 2 device manufacturers, wireless carriers, and app developers are all dependent on mobile 3 ecosystems such as Android and rely on the ability to distribute apps on those ecosystems. There are some 130 million Android smartphone users in the United States. In-app purchases and app 4 purchases comprise significant economic activity within each State, with billions of dollars in 5 6 domestic revenue generated from in-app purchases in 2019. Anticompetitive practices in app 7 distribution and in-app payments thus have the potential to "stifle, impede, or cripple old 8 industries and prevent the establishment of new ones," and thus "arrest the development of a 9 State or put it at a decided disadvantage."<sup>3</sup>

10 32. Further, the pervasive reliance of businesses in each state on apps in mobile
11 ecosystems means that anticompetitive conduct in the app distribution market can significantly
12 impact "competition within the state."

13 33. Google's activities have had and continue to have a substantial effect upon the
14 trade and commerce within each of the Plaintiff States.

34. The Attorneys General further assert these claims based upon their independent
authority to bring this action pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26, and to
obtain injunctive and accompanying equitable relief based upon Google's anticompetitive
practices in violation of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1-2. In addition, as
set forth below, individual states are asserting claims under state antitrust and consumer
protection statutes.

35. Defendant Google LLC is a Delaware limited liability company with its principal
place of business in Mountain View, California. Google LLC is the primary operating subsidiary
of the publicly traded holding company Alphabet Inc. The sole member of Google LLC is XXVI
Holdings, Inc., a Delaware corporation with its principal place of business in Mountain View,
California, and a wholly owned subsidiary of Alphabet Inc. Google LLC owns and operates
consumer services such as Android, Chrome, Gmail, Google Drive, Google Maps, Google Play,

27 3 Georgia v. Pennsylvania R. Co., 324 U.S. 439, 450 (1945).

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Google Search, YouTube, Google Cloud, and a wide range of digital advertising products for 2 advertisers, advertising agencies, internet publishers, and app developers. Google LLC contracts 3 with U.S. app developers that distribute their Android apps through the Google Play Store and is thus a party to the anticompetitive conduct at issue here. 4

5 36. Defendant Google Ireland Limited is a limited company organized under the laws 6 of Ireland with its principal place of business in Dublin, Ireland. It is a subsidiary of Google 7 LLC. Google Ireland contracts with U.S. app developers that distribute their Android apps 8 through the Google Play Store and is thus a party to the anticompetitive conduct at issue here.

9 37. Defendant Google Commerce Limited is a limited company organized under the laws of Ireland with its principal place of business in Dublin, Ireland. It is a subsidiary of Google 10 11 LLC. Google Commerce contracts with U.S. app developers that distribute their Android apps 12 through the Google Play Store and is thus a party to the anticompetitive conduct at issue here.

13 38. Defendant Google Asia Pacific Pte. Limited is a private limited company 14 organized under the laws of Singapore with its principal place of business in Mapletree Business 15 City, Singapore. It is a subsidiary of Google LLC. Google Asia Pacific contracts with U.S. app developers that distribute their Android apps through the Google Play Store and is thus a party to 16 the anticompetitive conduct at issue here. 17

39. 18 Defendant Google Payment Corp. is a Delaware corporation with its principal 19 place of business in Mountain View, California. It is a subsidiary of Google LLC. Google 20 Payment provides in-app payment processing services to Android app developers and users. 21 Google Payment collects a commission of up to 30% on many types of processed payments, 22 including payments for apps sold through the Google Play Store and in-app purchases made 23 within those apps, and thus is a party to the anticompetitive conduct at issue here.

40. 24 Defendant Alphabet Inc. is a Delaware corporation with its principal place of 25 business in Mountain View, California. Google LLC is a wholly owned subsidiary of Alphabet 26 Inc.

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1 41. This Court has subject matter jurisdiction over this matter pursuant to 15 U.S.C. 2 §§ 4 and 26, and 28 U.S.C. §§ 1331, 1337, and 1367. Google LLC contracts with app developers 3 that distribute their Android apps to U.S. consumers through the Google Play Store.

42. This Court has personal jurisdiction over the Defendants, and venue is proper in this Court under 15 U.S.C. § 22 and 28 U.S.C. § 1391 because Defendants transact business and are found within this District.

43. 7 Venue is proper in this District pursuant to 28 U.S.C § 1391(b) because Google 8 LLC and Google Payment maintain their principal places of business in the State of California 9 and in this District, because a substantial part of the events or omissions giving rise to the 10 Plaintiff States' claims occurred in this District, and because, pursuant to 28 U.S.C. § 1391(c)(3), 11 any Defendants not resident in the United States may be sued in any judicial district and their 12 joinder with others shall be disregarded in determining proper venue. In the alternative, personal 13 jurisdiction and venue also may be deemed proper under Section 12 of the Clayton Antitrust Act, 14 15 U.S.C. § 22, because Defendants may be found in or transact business in this District.

#### **FACTUAL ALLEGATIONS**

#### I. Google Unlawfully Maintains its Monopoly in the Market for Android App Distribution

A. Google Has a Monopoly in the Market for Licensable Mobile Operating Systems

44. Mobile devices are the ubiquitous handheld, portable electronic devices that allow users to perform myriad communications and computing functions, such as browsing the internet, navigating traffic, paying bills, accessing social media, playing games, and streaming videos and music. For many consumers, mobile devices such as smartphones and tablets have largely replaced laptop and desktop computers for a wide variety of computing tasks.

24 45. Mobile devices, like personal computers, require an operating system ("OS") to provide the multi-purpose computing functionality such devices are capable of. A mobile OS is one built for a mobile device.

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46. To be useful to consumers, a mobile OS must be able to run software applications, or "apps." Apps let users perform most of the functions associated with mobile devices—tasks like navigation, web browsing, ordering groceries, playing games, and communicating through email and text messaging. A mobile OS facilitates the use of apps through code, such as application programming interfaces ("APIs"), which app developers use to create apps that are compatible with the OS (see Section I.D.1).

47. Entities that manufacture mobile devices are referred to as original equipment manufacturers ("OEMs"). The most well-known OEMs in the United States include Apple, Samsung, LG, and Motorola.

48. OEMs pre-install an OS on each mobile device so that a consumer has immediate access to basic functions, such as cellular or WiFi connectivity, camera and video recording, and the installation, operation, and update of mobile apps. Mobile devices are designed to work with a particular mobile OS, and there is no appreciable aftermarket for mobile OSs.

49. Most OEMs, besides Apple, do not develop their own OS but instead license a third party's OS for their devices. Therefore, there is a relevant market for licensable mobile OSs, which OEMs license and install on their mobile devices.

50. By contrast, Apple uses a proprietary OS ("iOS") for its mobile devices, including iPhones and iPads, and does not license iOS to other OEMs. The market for licensable mobile OSs does not include OSs that are proprietary and cannot be licensed by OEMs (such as Apple's iOS).

51. The licensable mobile OS market also excludes OSs that are unsuitable for mobile
devices, such as OSs for simple cell phones, "flip phones," or feature phones, or for other
electronic devices (such as laptop computers, desktop computers, and gaming consoles, e.g.,
Nintendo DS, Xbox, PlayStation) that are not mobile devices.

52. Almost all mobile devices and the mobile OSs they run require consumers to contract with a mobile network operator ("MNO") to communicate and access the internet

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wirelessly. Prominent MNOs in the United States include Verizon Wireless, T-Mobile, and
 AT&T Mobility.

53. In 2005, Google acquired the Android OS, which it makes available under an
open-source license. "Open-source" means, in theory, that the code can be accessed, used, and
modified by anyone, for free. But in practice and as described further in Sections I.C.2, I.C.3,
and I.D below, Google tightly controls Android and thwarts commercial use of anything but the
Google-sanctioned version.

8 54. Android is now "open-source" in name only. The Google-certified version of
9 Android OS powers nearly all current Android devices (going forward, "Android" will refer to
10 the Google-certified version of the Android OS). As of July 2020, over 99% of smartphones with
11 licensed mobile OSs were powered by Android.

12 55. There are extremely high barriers to entering the licensable mobile OS market,
13 including the cost of research and development, powerful network effects that give rise to
14 barriers to entry, and high switching costs for consumers and app developers from one OS to
15 another. Large companies such as Microsoft and Amazon have attempted to enter and gain
16 viable scale in the market, with only very limited success.

17 56. Google currently possesses durable monopoly power in the market for licensable
18 mobile OSs.

19 57. The United States is a relevant geographic market for the licensable mobile OS
20 market.

58. As described below, Google leverages its monopoly power with Android to
unlawfully maintain its monopoly in the Android app distribution market. Given their
dependence, OEMs have little bargaining power when it comes to accepting Google's
anticompetitive requirements around Android devices.

B. Google Monopolizes the Market for Android App Distribution59.Google has, through its anticompetitive conduct, unlawfully maintainedmonopoly power in the market for distributing apps on Android.

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60. 1 Apps on mobile devices are akin to software applications on a personal computer. 2 As with applications on a personal computer, some apps may be pre-installed by the OEM, but 3 consumers typically obtain additional applications or apps to meet their specific needs and preferences. 4

5 61. On personal computers, application distribution is competitive and diffuse. 6 Consumers download applications from a variety of sources, including the application 7 developer's website or stores on websites such as Amazon, Apple, Microsoft, Google, or Steam.

8 62. On Android devices, however, Google has substantially foreclosed potential 9 competition from alternative means to download apps, effectively eliminating consumers' 10 choice. The Google Play Store is the only practical means to obtain apps for the vast majority of 11 Android consumers in the United States.

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# 1. The Market for Android App Distribution Is a Relevant Antitrust Market

63. There is a relevant product market for the distribution of apps to users of Android mobile devices (the "Android App Distribution Market").

64. The market includes all channels by which Android apps on mobile devices may 16 be distributed to consumers.<sup>4</sup> This includes the dominant Google Play Store, which accounts for well over 90% of Android mobile app distribution. It also includes smaller app stores such as 18 those maintained by Samsung, Amazon, and Aptoide. In addition, it includes direct downloading 19 of apps by consumers without using an app store, which Google terms "sideloading." Competing app stores that are not preinstalled can also be sideloaded.

65. The Android App Distribution Market does not include mobile distribution of 22 apps that are compatible with other OSs, such as Apple's iOS. A monopolist app distributor on 23 Android mobile devices is not constrained from raising prices, or reducing quality or innovation, 24 by app distribution on Apple's devices (or on any other mobile devices that use an alternative to 25

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<sup>&</sup>lt;sup>4</sup> To the extent smartphones and tablets are in separate relevant markets, Plaintiff States make each allegation herein for both markets.

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Android or on desktop devices), due to market imperfections such as high switching and information costs.

3 66. In the face of a small price increase (or a small reduction of quality) in app distribution within Android, a consumer would be highly unlikely to switch to an Apple device 4 5 for three primary reasons. First, the consumer who would switch away from using one or more 6 Android devices (e.g., smartphone and tablet) to an Apple device (or devices) would lose much 7 of her financial investment in the previously purchased mobile devices—often hundreds of 8 dollars—as well as digital content consumable only through Android apps. The consumer may 9 also lose efficient, or any, access to many kinds of data on that device or data associated with 10 those apps. Because of the functional and data integration between devices within the same 11 ecosystem (e.g., among an Android phone, Android tablet, and peripherals like smartwatches, 12 smart home speakers and "internet of things" devices), many consumers owning multiple 13 Android devices would be reluctant to switch to an Apple device unless committing to switching 14 all devices—a significant financial commitment. Second, many Americans pay for their devices under installment contracts, limiting their ability to switch mobile OS ecosystems. Third, even if 15 16 a consumer is in the market for a new device (or multiple devices), she typically considers many 17 other factors when deciding between an Apple device or one of the many devices that license the 18 Android OS. These factors include the consumer's existing comfort with an OS, any previous 19 investment in apps or other products that are compatible with an OS (e.g., a smartwatch), device 20 design, processing power, and battery life. Different OSs have distinct designs, controls, and 21 functions that consumers learn to navigate and become familiar with over time. These and other 22 costs of switching mobile OSs deter most consumers from switching, and thus availing 23 themselves of the app distribution alternatives available on another mobile OS.

67. In addition, a consumer in the market for a new device cannot reliably determine
the lifecycle price. In other words, consumers cannot reliably predict all of the future apps or inapp content they may eventually purchase. Even if some consumers believe they can do so, their
preferences and patterns of app usage can change over the device's life, especially as new apps

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and app functionalities emerge. Because consumers typically cannot predict their future costs
 when purchasing mobile devices, they cannot effectively take Google's anticompetitive conduct
 into account when making mobile device purchasing decisions.

68. Nonetheless, consumers might attempt to factor Google's conduct into their 4 decisions to move away from Android, but Google has inhibited consumers' ability to make that 5 6 informed choice. Most consumers are unaware of Google's supracompetitive commissions, 7 which Google does not publicize or itemize on its Play Store billing statements. Google likewise 8 conceals its anticompetitive technological and contractual constraints that give the Google Play 9 Store an unfair competitive advantage in Android app distribution. Indeed, Google has 10 continually made false or misleading representations to consumers and others regarding 11 Android's and the Play Store's purported "openness," which consumers would reasonably understand to mean that Google does not engage in these anticompetitive practices (Section III). 12 13 There is significant information asymmetry between Google and consumers, who cannot easily 14 discover and make informed decisions based on Google's anticompetitive conduct, let alone 15 consent to them simply because they purchase an Android mobile device.

69. Moreover, the Google Play Store and the Apple App Store do not compete
directly, because they and the apps they distribute function with only one mobile OS and cannot
work on an incompatible mobile device. As the Majority Staff of the Subcommittee on Antitrust,
Commercial and Administrative Law of the House Committee on the Judiciary concluded in its
October 2020 report, "Investigation of Competition in Digital Markets," (hereafter referred to as
the "House Majority Report"):

Apps are not interoperable between operating systems—native apps developed for [Apple's] iOS only work on iOS devices, and native apps developed for Android only work on Android devices. The [Apple] App Store and the Play Store do not compete against one another. Android users cannot access the Apple App Store and iOS users cannot access the Google Play Store, so the dominance of the Play Store is not constrained by the App Store and vice versa.

26 70. Consumers who purchase Android devices are thus effectively locked into
27 Android and whatever app distribution is available in the Android ecosystem. Google's control

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of Android gives it special access to Google Play Store consumers that app distribution 2 competitors lack and cannot obtain, due to Google's anticompetitive restrictions discussed 3 below.

71. Google's market power over app distribution is also not constrained by the Apple 4 5 App Store, because for developers, distribution on iOS is not an adequate substitute for 6 distribution on Android. First, apps written for iOS cannot be run on an Android device, and vice 7 versa. The operating systems are written in different programming languages, and each app must 8 be written to be compatible with the underlying OS. Thus, the switching costs of "porting" an 9 existing app to a new OS are large, as the app must be significantly rewritten. Second, most 10 developers of apps that are popular in the United States cannot reasonably choose between iOS 11 or Android but develop their apps for both operating systems. Just as major personal computer 12 software developers like Microsoft and Adobe must create software versions compatible with 13 both the Microsoft Windows OS and Apple macOS to satisfy consumer expectations, major app 14 developers like Netflix, Spotify, Match Group, Facebook, and Epic Games must incur the costs 15 of developing apps compatible with iOS and Android, or their apps would not be accessible by a 16 significant portion of U.S. mobile device users. This is particularly true for apps that facilitate 17 interaction among users (e.g., dating, online gaming, and social media apps) or serve as 18 platforms for two or more groups of users (e.g., digital commerce and ridesharing).

19 72. Because of Google's anticompetitive conduct, the Android App Distribution 20 Market is currently dominated by a single method of distribution, the Google Play Store. But for 21 Google's anticompetitive conduct, the Google Play Store would face real competition from other 22 app stores—such as Samsung's Galaxy Store or Amazon's Appstore—and other methods of app 23 distribution, like direct downloads from websites. Google's successful campaign to quash 24 competition in app distribution has ensured that these alternative methods of distribution now 25 account for only a small share of the market, and the vast majority of app developers and 26 consumers do not consider them reasonable substitutes for the Google Play Store.

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73. To the extent that the Android App Distribution Market may be or is a two-sided 2 market, Google's anticompetitive conduct harms both consumers and developers (see Section I.F). Google's exclusionary conduct also reduces overall output by damaging or destroying alternative avenues of app distribution that consumers and developers would otherwise use. Rather than competing on the merits, and creating more efficient, innovative, or less expensive 5 6 app distribution, Google simply blocks its competitive threats.

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## 2. The Relevant Geographic Market is the United States

8 74. The United States is a relevant geographic market for Android App Distribution. 9 The apps available, and desirable, to consumers vary on a country-by-country basis. For 10 instance, app stores frequently have country-specific "storefronts," and U.S. consumers cannot access the storefront available to users in another country. Google also sets certain app distribution and payment requirements for developers on a country-by-country basis, including 12 13 in-app sales currency and price range requirements. App distribution markets available in other 14 countries are not reasonable substitutes for app distribution markets in the United States.

3. Google Has Monopoly Power in the Android App Distribution Market

75. Google possesses a durable monopoly in the Android App Distribution Market, causing ongoing harm to competition and injury to consumers. The Google Play Store's monopoly power is evidenced by (a) its market share and lack of meaningful competition; (b) Google's large profit margins (see Section II.B.4 below); and (c) Google's ability to control the price that consumers must pay to purchase an app on the Google Play Store (see Section II.C below).

22 76. Through its anticompetitive conduct, Google corrals Android mobile device users 23 into downloading apps through one channel-the Google Play Store. As a result, well over 90% 24 of apps on Android devices are acquired from the Google Play Store. A 2017 internal Google report confirmed that including the United States. 25 26 Another Google report stated that off-Play Store installations-chiefly apps downloaded from

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of U.S. Samsung's and Amazon's respective app stores, or sideloaded—comprised only 2 Android app downloads from June to September 2016.

3 77. Although Google leaves open the technical possibility for Android consumers to acquire some apps without using the Play Store, this can only be accomplished through a 4 5 competing app store installed on the device (either through preloading by an OEM or through the 6 user sideloading the store), or through sideloading of individual apps. Google takes various steps 7 to discourage OEMs from directly competing or sponsoring any app store competition. Google 8 makes the sideloading process unnecessarily cumbersome and impractical by adding 9 superfluous, misleading, and discouraging security warnings and by deterring users by requiring 10 them to grant permission multiple times for a single app installation (discussed in more detail in 11 Sections I.C. and I.D. below). The effect of Google's conduct is to practically eliminate 12 competition in Android app distribution.

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## C. Google Closes the Android App Distribution Market to Competitors

78. 14 Google employs various tactics to prevent competitive entry into the Android App Distribution Market, including imposing needlessly broad restrictions on direct downloads; using 15 16 contracts with OEMs to prevent them from circumventing Google's direct-downloading 17 restrictions by modifying the OS; blocking competing app stores from distribution on the Play 18 Store; and preventing non-Play apps and app stores from purchasing advertising on key Google 19 properties including YouTube, Google Search, and the Google Display Network.

> 1. Google Imposes Technical Barriers to Effectively Prevent Third Parties from Distributing Apps Outside the Google Play Store

79. Google owns the Android OS, which is used in 99% of U.S. mobile devices that run a licensable mobile OS. Google's control of Android enables it to impose technical barriers that effectively prevent third parties from distributing apps and app stores outside the Google Play Store. Google claims that, outside the Play Store, consumers "are able to install additional app stores if they choose." In reality, Google imposes a series of technological challenges and

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pretextual warnings designed to prevent users from directly downloading—or "sideloading"—
 these apps or app stores. The term "sideloading" reveals Google's view of the Android App
 Distribution Market: consumer use of the default Google Play Store is encouraged and expected,
 whereas use of a competing means of distribution is an aberration.

80. Having recognized that sideloading constitutes a competitive risk to its business, Google has been waging "an arms race to prevent sideloading" by degrading the consumer experience. To do this, Google embeds its generally misleading warnings and hurdles to sideloading into the Google-certified Android OS.

81. Figure 1 presents three examples of the obstacles and ominous warnings about the supposed danger of directly downloading and installing apps that consumers encounter during this process. In one, Google warns that the installation file "can harm your device." Next, Google simply blocks the attempted download, stating "your phone is not allowed to install unknown apps from this source" and presenting to the user only "Cancel" and "Settings" options (with no indication that installation is possible through the "Settings" option). In the third, Google warns that the user's "phone and personal data are more vulnerable to attack by" the "unknown app," and requires the user to actively opt in to select a feature by which he agrees that he is "responsible for any damage" to the phone "or loss of data that may result" from the installation.

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Help Google protect against bad apps from other sources	٦
<ul> <li>If you install apps from outside of Google Play, your phone can send Google information about those apps.</li> </ul>	
This information helps Google better protect everyone from harmful apps. The information can	
include log information, URLs related to the app, device ID, Android version, and IP address. Learn about Google Play Protect.	
Figure 1	
82. Google's own website promotes the misleading and overbroad premise	that:
ectly downloading apps from "unknown sources" other than the Play Store inherent	tly pres
ngers to the device irrespective of source, as illustrated in Figure 2.	
83. Google staff have acknowledged internally that the hurdles it erects to s	
	sideloa
d to a "[p]oor user experience," in that there are "15+ steps to get app vs 2 steps wi	

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Downloading and installing an app on a mobile device is not materially different

user experience with its sideloading obstacles in order to protect its Android app distribution

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from downloading and installing software on a personal computer. Millions of personal

computer users do this safely and easily every day. Amazon described the process for

6 downloading alternative app stores as follows:

[E]ven for consumers who discover and download an alternate store outside of the Play Store, Google has configured Android to block the installation of that store. Consumers are unable to install downloadable app stores unless the consumer first navigates to and changes Android's obscure "Unknown Sources" setting to allow installation of apps from sources other than the Play Store. When consumers attempt to change this setting, Google displays a message warning that "Your [device] and personal data are more vulnerable to attack by apps from unknown sources. You agree that you are solely responsible for any damage to your [device] or loss of data that may result from using these apps."

Google has created significant friction for sideloading apps to Android devices. One developer explained to Subcommittee staff that sideloading entails a complicated twenty-step process, and users encounter multiple security warnings designed to discourage sideloading. Additionally, software developers that have left the Play Store to distribute software to Android users via sideloading have experienced precipitous declines in downloads and revenue and report problems updating their apps. Thus, the option for sideloading apps on mobile devices does not discipline the market power of dominant app stores.

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86.	Google's	warnings to	users grossly	exaggerate the	risk of sid	deloadıng. A	(2015)
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presentation to OEMs stated that

Rather,

instead flowed from failures by OEMs to update users' devices with security patches.

87. Google's public claims about the security of Android belie the warnings it

27 provides users who attempt to sideload, in several ways. First, Google claims that it "analyzes

<sup>85.</sup> The House Majority Report provided a similar description:

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1 every app that it can find on the internet" and categorizes a subset of them as "Potentially 2 Harmful Applications," or PHAs. Yet its user warnings falsely describe even a highly popular 3 app from a well-known developer, such as the Amazon Appstore, as an "unknown app." This gives consumers the false impression that even apps Google certainly must have analyzed and 4 5 determined were not PHAs nevertheless present an appreciable risk of "damage" to the user's 6 phone, causing data loss, or exposing the user's personal information.

7 88. Second, Google touts Android's built-in security measures as scanning "more 8 than 100 billion apps every day." Android then directs users to take action against PHAs it finds 9 on their devices or automatically disables them. Given its unique access to app usage data and 10 expertise in app security and privacy, Google has an unparalleled ability to provide accurate 11 information and warnings on PHAs. Yet it chooses to provide inaccurate information instead. Even if an app has been sideloaded by thousands of other users, scanned repeatedly by Google, 12 13 and found to be harmless, Google will warn each additional user who tries to sideload the app 14 that it is potentially harmful and from an "unknown source." This practice is misleading and 15 exclusionary.

89. Third, Google tells users that Android is "secure to the core," and that "we guard 16 17 each app at the operating system level, so other apps won't snoop on what you do." According to 18 a 2020 Google white paper:

> Application sandboxing isolates and guards Android apps, preventing malicious apps from accessing private information. Android also protects access to internal operating system components, to help prevent vulnerabilities from becoming exploitable. Mandatory, always-on encryption helps keep data safe, even if devices fall into the wrong hands.

23 90. If Android security is as robust as Google claims, its warnings against sideloading 24 falsely overstate any potential "harm"—particularly as to widely used apps and app stores, from 25 reputed developers, which Google has analyzed and found to be harmless. It is impossible to 26 reconcile Android's robust security features and Google's own estimations of Android's superior 27 safety features with the idea that direct user downloading of apps is dangerous. Android safety COMPLAINT

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mechanisms like sandboxing operate regardless of how an app was downloaded—whether from the Google Play store or another source.

3 91. Moreover, Google's own data demonstrates that its warnings overstate the potential "harm" of sideloading. A 2018 Google white paper stated that PHAs are present on 4 5 "only 0.08% of devices that exclusively used Google Play" and on "0.68% of devices that installed apps from outside of Google Play." Even taken at face value, the miniscule proportion 6 7 of Android devices that sideload apps and were found to harbor PHAs does not justify Google's 8 misleading and unfairly broad-brush warnings against sideloading. Nor should these figures 9 necessarily be taken at face value, because they include PHAs that (1) were installed by OEMs, not users; (2) were explicitly sought out by users who understood their underlying risks, such as 10 11 "power users" who want to customize their devices; and (3) are not harmful to a user, such as 12 "click fraud apps ... that may harm advertising networks but not users."

13 92. Even if a user overcomes Google's obstacles to direct downloading, the user faces 14 continuous additional difficulties in keeping the sideloaded app or app store up to date. This is 15 because Google prevents sideloaded apps and app stores from updating in the background. 16 Instead, users who sideload apps or app stores must manually approve every update via a 17 multistep process. Amazon's website describes that process: "1. Open the app store you used to 18 install the app on your device. 2. Search for the app and open the app's detail page. 3. If an 19 update is available, an Update option displays." This multi-step process for updates further 20 discourages consumers from using alternatives to the Play Store.<sup>5</sup>

28 COMPLAINT

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<sup>&</sup>lt;sup>23</sup>
<sup>5</sup> Google last month announced plans to reduce some of its impediments to third-party app stores—after some 10 years—in the forthcoming version of the Android OS, Android 12.
<sup>24</sup>
<sup>24</sup>Sameer Samat, *Listening to Developer Feedback to Improve Google Play*, ANDROID DEVELOPERS BLOG (September 28, 2020), <u>https://android-</u>

developers.googleblog.com/2020/09/listening-to-developer-feedback-to.html. Specifically, initial
 Google documentation suggests that it will enable automatic updating of sideloaded app stores
 under certain conditions. See Mishaal Rahman, Android 12 will finally let alternative app stores
 update apps without bothering the user, XDA DEVELOPERS (May 19, 2021), https://www.xda-

<sup>27</sup> developers.com/android-12-alternative-app-stores-update-apps-background/.

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93. Google created Android to allow sideloading, in order to gain scale and maintain its image of "openness." After achieving dominance, however, Google increasingly saw sideloading as a threat to the Play Store and erected numerous barriers to thwart it.

94. Google knew that these barriers would work to protect its app distribution 4 monopoly. For example, when considering the possibility that Epic might launch Fortnite as a 5 6 direct download, Google noted in internal communications the technical difficulties that it had 7 created. Google "knew from [their data]" that the "install friction" associated with sideloading 8 "is not only a bad experience" for users but would also "drastically limit [Fortnite's] reach." In 9 addition to the poor user experience associated with sideloading, "future updates will be challenged re: targeting, update experience via web," "the approach will create significant user 10 11 confusion, since the store will attract billions of users who will search for Fortnite and run into 12 dead ends that aren't clear how to resolve," and "launching this way makes it hard to work on 13 top tech issues, e.g. can't easily go back and graft on a piracy solution, collaborate on other experiences/tech issues." The "app update experience" for sideloading apps was poor compared 14 15 to that of Play-distributed apps. "By using sideloading, every single Fortnite update will need to be approved by the user by clicking on 'INSTALL' in a dialog .... After that user[] must wait 16 17 for completion. Since Fortnite is a large app . . ., [the] update will likely take a long time to be 18 installed. Meanwhile, Play could provide auto-updates in the background that are nearly invisible 19 to the user."

20 95. Google also discussed the viability of Amazon's app store given its distribution through the Amazon website via a sideloading process. To allow a sideloaded app to install other 21 22 apps, the user must enable unknown sources for the app that will perform the installations (e.g., 23 Chrome, Amazon App Store, etc.)." This is not a simple process. The user must first enable the 24 "unknown sources" download permission within Android's settings to allow the download of the 25 store itself. After completing this step, a further step is required each app install through that app 26 store. As Google explained, when the app store downloads apps through the new store, the user 27 "do[esn't] get a silent install. The user will still need to click on 'INSTALL' to confirm. The

28 COMPLAINT

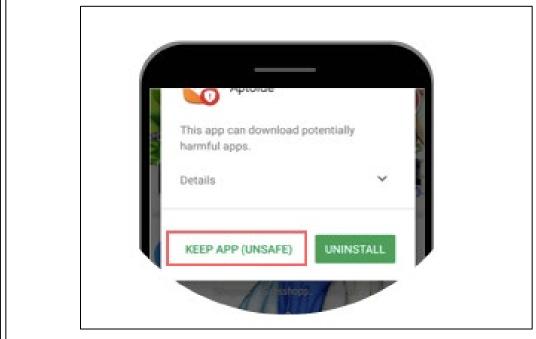
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only way to install directly without this dialog is to have a system permission (like Play does, or
 FB installer). Non system apps can't get this permission."

3 96. Google's warnings against sideloading are another barrier that thwart competition
4 from competing app stores and the threat of apps distributing directly via sideloading. For
5 example, consumers who tried to use Aptoide, a competitor Android app store, received the
6 message shown in Figure 3.



# Figure 3

97. An independent study of Android app stores published in 2017 ranked Aptoide as the safest among the Android app stores analyzed and safer than Google Play Store itself. But as a result of Google's misleading warning that to keep the Aptoide App would be "UNSAFE" and Google's further actions to actually remove Aptoide from users' phones without users' knowledge, Aptoide lost 15-20% of its user base between June 2018 and June 2019. While a Portuguese court barred Google from removing the app store without users' knowledge in response to related litigation, Google retains its exclusionary warnings and technological hurdles.

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98. Google acknowledges that the security settings and warnings associated with 2 sideloading limit even mainstream, non-malicious apps and app stores from reaching Android 3 users. Even secure, highly curated Android apps and app stores like Fortnite and the Amazon Appstore are subject to such warnings. When Fortnite decided to launch via sideloading, Google 4 5 noted internally that their Android reach without the Play Store would be significantly lower as 6 only 15% of Android users in the United States (a top revenue market for Fortnite) had 7 "unknown sources" enabled. In the same document, Google discussed how the security warnings 8 and barriers affected the viability of Amazon's app store, asking "How difficult is it [for 9 Amazon] to get users to understand what to do?" and noting that "users need[] to understand 10 unknown sources."

11 99. Google's conduct harms consumers and competition, as demonstrated by a 2016 internal Google report indicating that only a negligible percentage of Android app downloads in 12 13 the United States were sideloaded. If not for Google's restrictions on sideloading, more app 14 distributors and developers would directly distribute their apps and app stores to consumers. 15 Google makes sideloading substantially and unnecessarily difficult and in some cases prevents it entirely.

100. Even assuming, *arguendo*, that there is a legitimate justification for Google's conduct—and there is not—Google has pursued those goals by methods that are substantially more restrictive than necessary.

# 2. Google Uses Contracts to Prevent OEMs from Circumventing Technical **Barriers**

101. To prevent frictionless sideloading of competing app stores, Google imposes contractual restraints on OEMs. An OEM that wishes to market an Android device with Google's proprietary apps and services must first sign an Anti-Fragmentation Agreement (AFA) or, more recently, an Android Compatibility Commitment (ACC). AFAs and ACCs have two key provisions: signatories must (1) refrain from

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("anti-fragmentation provision"); and (2) agree to restrictions on the 2 manufacture and sale of devices running forked versions of Android ("anti-forking provision"). The agreements also require OEMs to comply with the Compatibility Definition Document and 4 the requirements of Google's Compatibility Test Suite.<sup>6</sup>

5 102. The AFA and ACC compatibility standards require OEMs to implement Google's 6 restrictions and warnings about sideloading. As such, these agreements foreclose OEMs from 7 modifying Android to offer frictionless sideloading of competing app stores, which Google 8 would consider an impermissible "Android fork."

## 3. Google Uses Contracts to Block Competing App Stores from Distribution on the Play Store

11 103. Google forces app developers, as a condition of appearing in the Google Play 12 Store, to sign a non-negotiable Developer Distribution Agreement ("DDA"). Section 4.5 of the 13 DDA prohibits developers from using "Google Play to distribute or make available any Product 14 that has a purpose that facilitates the distribution of software applications and games for use on 15 Android devices outside of Google Play." In other words, no app on the Play Store may compete 16 in the Android App Distribution Market. The DDA also gives Google the right to remove and 17 disable any Android app that Google determines violates this agreement.

18 104. Google has imposed this restriction since at least 2009, when the section was labeled "Non-Compete" and applied to distribution through Android Market (the name of Google's app store before it was rebranded as the Google Play Store). Over time, Google has tightened the anticompetitive restrictions in Section 4.5 in response to specific threats posed by app distribution competitors such as Amazon.

<sup>6</sup> Anti-fragmentation provisions in the AFAs and ACCs prevent manufacturers and carriers from 25 distributing software and hardware that is not "Android compatible" and from creating or distributing software development kits (SDKs) that compete with Google's SDK (the software 26 development tool that developers must install in their apps to access the Google Play Services APIs). Manufacturers are prohibited under the agreements from taking actions that result in the 27 fragmentation of Android.

#### 28 COMPLAINT

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1 105. The original language of the DDA was limited to apps that had a "primary 2 purpose" of facilitating distribution of apps outside of Android Market, which allowed some 3 flexibility for developers to use the Play Store to distribute Android apps that also linked to apps that could be downloaded outside Google's app store. In 2012, however, when Amazon 4 5 attempted to distribute its app store to consumers directly through its Amazon Store app, 6 distributed on the Play Store, Google took swift action. Amazon used a browser within the app to 7 direct users to a page to download Android application files, which use the extension ".apk." 8 This effectively allowed customers to download Amazon apps without going through the Play 9 Store. Google alleged this was a violation of the DDA agreement and threatened to remove 10 Amazon from the app store, days before Black Friday.

106. Google eventually changed its policy in response to Amazon's Store app. In
September of 2014, Google updated Section 4.5 of the DDA to "provide additional clarity
around the distribution of third-party apps on Google Play to maintain a secure ecosystem."
Eventually, Amazon was forced to disable this functionality, and its app store was only available
via sideloading, a process that makes it significantly harder to reach Android users for the
reasons discussed in Section I.C.1.

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## 4. Google Unlawfully Ties Advertising with Google App Campaigns to the Google Play Store

107. Google also degrades potential alternative app distribution channels by preventing app developers from advertising these channels through Google's marketing properties. This requirement unreasonably raises the cost of customer acquisition for the competing app distribution channels, as they cannot reach consumers through widely used forms of advertising that are uniquely effective in reaching users who are immediately prepared to acquire an app but instead must find alternative means of advertising to reach users.

108. Google's App Campaigns program allows developers to promote apps through ad placements on key online advertising channels, including *inter alia*, Google Search, YouTube,

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1 Discover on Google Search, and the Google Display Network. These placements are optimized 2 for the advertising of mobile apps and have proven successful: according to Google, one out of 3 every four users discovers an app through a search engine. And because Google Search is the overwhelmingly dominant search engine in the United States (and most of the world), it is a vital 4 channel for app developers to reach customers. Ads on Google's YouTube are likewise a key means for developers to reach consumers. Google's dominance in Android app advertising is illustrated by its ability to reduce consumer choice within App Campaigns: since late 2017, Google has forced all marketers to relinquish their control over app ad targeting to fully automated "black box" machine learning tools, which have been criticized for penalizing smaller budget advertisers. But within the Android ecosystem, the crucial App Campaigns program is limited to app developers who list their app in the Google Play Store. Android app developers must list their apps in the Google Play Store if they want to reach consumers through the vital channel of Google advertising.

109. Denying competing apps and app stores the ability to advertise on Google
properties erects significant barriers to entry. The net effect of this conduct is to harm consumers,
including by depriving them of choice in how to download their desired apps and app stores.

## **D.** Google Uses Exclusionary Contracts to Foreclose Competing App Distribution through Pre-Installation

110. As noted above, Google forecloses OEMs from enabling frictionless sideloading of competing app stores with the AFAs and ACCs, which require OEMs to implement Google's restrictions, warnings, and messaging about sideloading. To disincentivize OEMs and MNOs from pre-installing viable competing app stores, Google goes further by imposing additional contractual restraints under the terms of two additional contracts: Mobile Application Distribution Agreements ("MADAs") and Revenue Share Agreements ("RSAs"). Google's anticompetitive contracts with OEMs and MNOs have existed since shortly after the launch of the Android platform and Android Market, and the evolution of those contracts to become ever more restrictive mirrors the increasing strength of Google's monopoly.

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#### 111. For example, in June 2019, Google stated that

One key strategic

In response, Google

proposed, among other things, to

risk Google listed was

(emphasis in original).

1. Google Forces OEMs to enter MADAs that Effectively Block the Entry of **Competing App Stores** 

8 112. Having signed an AFA or ACC, an OEM can then license Google's proprietary 9 apps and APIs and market its devices as Google-certified Android devices by entering into a MADA with Google. MADAs authorize distribution of Google Mobile Services, a bundle of Google's proprietary apps including the Play Store, along with the Google Play Services APIs 12 that enable apps to access key functionalities. The MADAs also require manufacturers to make certain Google apps, like the Google Play Store, undeletable, and to give Google the most 14 valuable and prominent real estate on the default home screen.

## a. Google Forces OEMs to Enter MADAs

113. Google employs various coercive tactics to force OEMs to enter its MADAs, such as withholding key inputs for mobile devices (e.g., must-have Google apps and Google Play Services) and revenue share payments unless they agree to enter a MADA with Google.

19 114. Google does not allow OEMs to manufacture Android devices or use the Android 20 trademark unless the OEM enters into a MADA with Google.

115. Google also conditions licensing of Google Mobile Services on an OEM entering into a MADA. Google Mobile Services includes a bundle of proprietary Google apps, including the Play Store and various must-have apps such as Gmail, YouTube, and Google Maps.

116. In addition, OEMs are not given access to Google Play Services unless the OEM agrees to enter into a MADA with Google. Google Play Services is a set of proprietary application programming interfaces ("APIs") that enable apps to perform many essential tasks

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but are excluded from the "open-source" Android code. APIs are interfaces for accessing
 "libraries" of prepackaged computer code that assist different pieces of software in
 communicating with one another. App developers typically use APIs when they want their app to
 request data from the operating system or from other applications, among other tasks.

5 The Google Play Services APIs are essential to app developers for building app 117. 6 functionalities like push notifications, locating a user, displaying a user's location on a map, and maximizing ad revenue.<sup>7</sup> The great majority of the top paid and unpaid Android apps employ 7 8 APIs found only in Google Play Services. While some of the APIs in Google Play Services relate 9 directly to Google's products and services, others offer basic "OS" functionality, like accessing 10 the device's sensors and streaming video to a television. By locking up this essential 11 functionality within Google Play Services, then bundling Google Play Services with the Play Store, Google entrenches the Play Store's dominance. 12

13 118. The MADA bundles the Android trademark, the core functionality provided by
14 Google Play Services, the Play Store, and its proprietary apps—those that OEMs and consumers
15 demand, as well as those they do not—into one take-it-or-leave-it package. There is no legitimate
16 justification for bundling these disparate products together. Further, the MADA bundle is
17 available only to OEMs that agree to the coercive and anticompetitive provisions of the AFA or
18 ACC.

19 119. As described in Section I.D.2 below, Google also withholds revenue share
20 payments from OEMs unless they agree to enter into a MADA with Google.

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## b. Google's MADAs Discourage the Entry of Competing App Stores

<sup>7</sup> "A [push] notification is a message that pops up on the user's device. Notifications can be triggered locally by an open application, or they can be 'pushed' from the server to the user even when the app is not running. They allow [an app's] users to opt-in to timely updates and allow [apps] to effectively re-engage users with customized content. Push Notifications are assembled using two APIs: the Notifications API and the Push API. The Notifications API lets the app display system notifications to the user. The Push API allows a service worker to handle Push Messages from a server, even while the app is not active. The Notification and Push APIs are built on top of the Service Worker API, which responds to push message events in the background and relays them to [an] application." *Introduction to Push Notifications*, GOOGLE, https://developers.google.com/web/ilt/pwa/introduction-to-push-notifications.

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1 120. The MADAs prevent OEMs from promoting competing app stores over the Play
 2 Store via pre-installation.

121. First, Google's MADAs require OEMs to preinstall and place the Google Play Store icon on the home screen of Android devices,<sup>8</sup> and that no competing app store be any more prominent. This placement requirement for Google Play Store, which makes it the default app store on Android, gives Google a significant advantage because users rarely change their default settings. While other app stores may be preloaded on an Android device, Google's restrictions ensure that none can acquire the Play Store's default advantage.

9 122. A 2017 Google presentation on Amazon's app store described the power of the
10 Play Store's default placement with unusual frankness: "If we were honest we would admit that
11 most users and developers aren't consciously 'choosing' they are going with the default. If they
12 really had to choose, how would they do that and would they choose us?"

13 123. Similarly, Google stated during its negotiations with Samsung that home screen
14 placement exclusivity Nokia communicated to
15 the European Commission that "[w]here a product is preloaded by default, consumers tend to
16 stick to this product at the expense of competing products—even if the default product is inferior
17 to competing products." Yahoo likewise said that only "a small percentage of users download
18 applications that compete with the pre-installed choices."

19 124. Second, Google's MADAs require OEMs to preinstall a suite of Google
20 proprietary apps, to make it impossible to delete or remove many of these Google apps, and to
21 provide all of them preferential placement on device home screens or the very next screen. In
22 2009, Google required the pre-installation of as many as a dozen Google apps; by 2013 it
23 required two dozen; now, Google requires OEMs to pre-install up to thirty Google apps. This
24 conduct shields Google from competition by crowding out competing app stores and also stifles

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<sup>&</sup>lt;sup>8</sup> The home screen appears by default when the device is active (i.e., not in "sleep mode") but no app is open. "By default, your main Home screen shows the date, weather, and a few apps," as well as a large Google Search "widget." *Change what's on your Home screen on Android*, GOOGLE, <u>https://support.google.com/android/answer/9440648?hl=en</u>.

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innovation by apps with functions that overlap with those of Google's preinstalled suite of 2 proprietary apps. Google knows that its MADA bundling requires OEMs to accept many 3 undesirable Google apps in order to get desirable ones, at the expense of consumers.

4 125. If Google loosened its restrictions and allowed OEMs to distribute Android 5 devices without the Google Play Store, OEMs could theoretically opt to instead preinstall only 6 third-party app stores (such as the Samsung Galaxy Store or the Amazon Appstore). But because 7 Google Play Services is bundled with the Play Store, most of the top apps in those third-party 8 stores wouldn't work. For example, without Google Play Services, any app using location and 9 mapping functionality (e.g., ride-sharing and real estate apps), push notifications (e.g., many 10 apps that create reminders, location-based triggers, or personalized notifications), or Google's 11 AdMob (i.e., apps that monetize through in-app advertising) will not properly function. Google 12 Play Services also provides security updates and related services for Android devices, meaning 13 that devices lacking the bundled Play Store would not receive such updates. By bundling Google 14 Play Services with the Google Play Store, Google ensures that, while competing app stores can 15 technically be on an Android device, the Play Store *must* be on the device for apps to function 16 correctly.

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### 2. Google Shares its Monopoly Profits with OEMs and MNOs to **Disincentivize the Entry of Competing App Stores**

19 126. OEMs of Android devices who have signed a MADA can enter into Revenue 20 Share Agreements (RSAs), which give the OEM a "share" of Google's advertising and Play 21 Store revenue from Android phones they distribute in exchange for complying with a long list of 22 requirements. RSAs serve as an inducement to enter into the AFA/ACC and MADA, as both are 23 required to be signed before an OEM may receive revenue shares. MNOs are required to sign 24 only the AFA/ACC before entering an RSA. The agreements also require the parties to refrain 25 from competing against Google, and refrain from any act that Google might see as a violation of 26 its deliberately vague and frequently changing web of contracts and requirements.

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127. In 2009, shortly after the launch of Android, Google began discussing to address the **sector** of MNOs and OEMs looking to create their own app stores. Google's goal was to "[i]ncentivize partner[s] to drive developer and user communities towards Android Market" and discourage the OEMs and MNOs from creating competing app stores.

6 128. Google increased the market share of Android Market by adopting revenue share
7 agreements that split the revenue from app purchases with certain MNOs. Google knew at the

8 time that

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In 2009, Google entered into revenue share agreements with various MNOs that split Android Market revenue between app developers, MNOs, and Google. Under these arrangements, app developers typically received of a given purchase, while MNOs received , and Google received the remaining for its Google understood that this revenue share for MNOs "Provide[d] an incentive for operators to distribute Android Market" by "offset[ing the] opportunity cost" of giving up their siloed app distribution channels. Google also gave separate revenue shares to some OEMs and MNOs through Mobile Search revenue sharing agreements and eventually gave select OEMs Android Market revenue shares.

129. Google ultimately provided separate revenue shares to both OEMs and MNOs to help protect the increasing revenue from the Google Play Store. By 2016, for example, Google had approved RSA spend of approximately

130. At times Google's revenue share agreements with OEMs have outright prohibited
the preloading of competing app stores, apart from OEM or MNO-branded stores in some cases.
Google knew that these revenue shares would work with the MADA's default placement
requirement to ensure that any OEM or MNO-branded app stores would pose no real competitive
threat to the Play Store, foreclose third-party app stores from the vital distribution channel of
preloading, and give the Play Store effective exclusivity. For instance, a 2014 email from a

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1	senior Google executive regarding negotiations with an OEM stated that "MADA gets us		
2	while the		
3	(but		
4	131. But, by mid-2019, Google recognized that "Android dynamics changed" and that		
5	"Play revenue" faced "higher exposure." To meet this challenge, Google required a multiprong		
6	approach which included: (1) offering substantially higher revenue shares through a new tier		
7	calledwhich required Google Play Store exclusivity; (2) a separate, even		
8	more costly agreement, with the primary threat to Google's app distribution monopoly—		
9	Samsung, which Google initially dubbed project and (3) pay-offs to key app		
10	developers that might work with Samsung, or from another app distribution competitor, which		
11	Google called project		
12	E. Google Disincentivizes the Creation of Competing App Stores with Payments to		
13	and Restrictive Contracts with Potential Competitors		
14	1. Google Offered to Buy Off Samsung to Keep It from Developing Its		
15	Competing App Store		
16	132. Google understands that dominating the Android App Distribution Market is		
17	critical to retaining monopoly profits from app distribution. As discussed above, though		
18	Google's exclusionary conduct covers all the dominant OEMs and MNOs that build or distribute		
19	Android devices, in recent years, Google recognized that one OEM, Samsung, was "the only		
20	OEM with sufficient share to plausibly build its own store in key Play markets." A March 2019		
21	Google Play presentation identifies		
22	as a solution to risks posed by alternate stores to Play's		
23	business.		
24	133. Samsung is the dominant manufacturer of Android devices in the United States.		
25	Samsung devices now make up approximately 60% of Android devices in the United States, <sup>9</sup>		
26			
27	<sup>9</sup> <i>Mobile Vendor Market Share United States Of America</i> (May 2020 - May 2021), STATCOUNTER, <u>https://gs.statcounter.com/vendor-market-share/mobile/united-states-of-america</u> .		
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and an even higher proportion of premium Android devices, *i.e.*, those costing over \$600. Google felt deeply threatened when Samsung began to revamp its own app store, the Samsung Galaxy Store. Historically, Samsung's app store had performed poorly, and Samsung had sought out deeper integrations with the Play Store to distribute Samsung-specific apps. Google 4 estimated that users spent only of the time on the Samsung Galaxy Store that they spent on 5 6 the Google Play Store, and that the Galaxy Store did not cannibalize the Play Store's revenue. 7 But the Google team feared Samsung's ability to add "exclusive hit-titles," such as high-end 8 games, on the Galaxy Store. In 2018, Samsung partnered directly with top game developer Epic 9 to launch the mobile version of Epic's ultra-popular game Fortnite exclusively on the Samsung Galaxy Store. Epic's bypassing of the Play Store led to lost revenues that Google estimated at

11 . This exclusive agreement threatened Google on multiple fronts. First, it 12 represented an attempt by Samsung to build out its app store by competing on substantially more 13 generous terms for top app developers. Second, Samsung was allowing Epic to launch not 14 merely an app in its store, but also an app installer that would allow Epic in the future to offer 15 content directly to its customers.

134. 16 Samsung also pursued exclusive deals with other popular app developers such as 17 Riot Games, Activision, and Blizzard. At the same time, Samsung indicated its intent to place the 18 Samsung Galaxy Store on the home screen of its next generation of devices, threatening the Play 19 Store's exclusive home screen placement advantage.

20 Google saw any nascent competition from the Galaxy Store in Android app 135. 21 distribution as a threat it needed to preemptively quash. It immediately launched multiple 22 coordinated initiatives designed to block the emergence of a competing Galaxy Store by 23 preventing Samsung from developing any meaningful app distribution relationship with developers or end users. One such initiative, 24 , focused on

25 and attempted to cement the dependence of popular mobile games on Google's 26 proprietary ecosystem to discourage any dealings with Samsung (see Section I.E.2 below). In 27 parallel, a second set of initiatives aimed at convincing Samsung to abandon its

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2	Samsung to abandon relationships with top developers and scale back competition			
3	through the Samsung Galaxy Store.			
4	eliminating the threat of more developers following Epic's lead by either partnering with			
5	Samsung or distributing directly to consumers through sideloading			
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8				
9	136. Google was willing to offer Samsung myriad benefits and concessions in order to			
10	prevent Samsung's Galaxy Store from being built out. According to Google, Samsung was			
11	interested in discussing "how the stores can collaborate." With Google initially			
12	proposed paying Samsung up to in return, Samsung would			
13	give up its direct commercial relationships in app distribution with consumers and developers.			
14	Google estimated that this financial incentive would be lower than Google's net revenue loss			
15	from Samsung's competition, but higher than Samsung's immediate economic benefits from			
16	additional app distribution, and thereby would			
17	At the same time, Google would obtain for			
18	Android and not These would include			
19	Google Play Store exclusivity on the default home screen and the adoption of Android game			
20	device standards devised by Google. To curtail Samsung's desire and ability to cultivate			
21	independent relationships with developers, Google also considered additional product offers,			
22	such as:			
23	(1) transforming the Galaxy Store into Google Play's partner for			
24	delivering apps to users by using a			
25	(Google offered this option so that Samsung would			
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28	COMPLAINT 46			

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1 2	(2) promoting Samsung-exclusive game content, deals, and events on Google Play Store and YouTube		
3 4			
5 6	and (3) integrating the Galaxy Store as an AdMob advertising publisher		
7 8			
9 10	With these proposals, Google also fostered Samsung's to make competition in Android app		
11 12	<ul><li>distribution less attractive to Samsung.</li><li>137. was scheduled for implementation between 2019 and early 2020,</li></ul>		
<ul> <li>when Samsung's broader 2017 revenue share agreement was due for renewal. Howe</li> <li>Google initially made the proposal to Samsung in June 2019, Samsung</li> </ul>			
16 17			
18 19	138.At the same time, Google was aware that if Samsung actually saw Google'sreturns from control of the Google Play Store, it would be harder to keep Samsung from		
20 21	competing in the app distribution market. Google employees repeatedly emphasized the need to to OEMs, including Samsung. As a		
22 23	practice, Google generally prefers to negotiate a fixed dollar amount with OEMs as opposed to agreeing on a revenue share percentage, to avoid the figure and figure and		
24 25	the substantial    Google foresaw that      Samsung would want a Play Store revenue share percentage as opposed to a lump sum. As a		
23 26 27	countermeasure, Google prepared to combine Samsung's Search revenue share with its Play Store revenue share in order to when it presented its offer to		
27	COMPLAINT 47		

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1	Samsung. Given the information asymmetry between Samsung and Google, Samsung is		
2	dependent on Google's declaration of its Play Store revenues to calculate the revenue share that		
3	it is entitled to, pursuant to its Revenue Share Agreement.		
4	139. negotiations between Samsung and Google eventually came to a		
5	halt. By July 2019, Google's business team terminated and embarked on a new		
6	effort titled was merely a different implementation toward the same		
7	anticompetitive goal. According to Google, the		
8			
9			
10	140. Central to the was the offer to pay Samsung a percentage of net		
11	revenues for		
12	That proposal		
13	would directly disincentivize Samsung from seeking to add popular titles from the Play Store to		
14	the Galaxy Store or to partner with developers on exclusive new titles for the Galaxy Store.		
15	141.		
16			
17 18			
19	Any app that is fulfilled by this platform would be subject to Google Play's terms		
20	and policies and all Store Services user interfaces would be co-branded with Google Play. If		
21	adopted, this proposal would make the Samsung Galaxy Store essentially a white label for		
22	Google's app distribution services, eliminating a nascent competitor.		
23	142. Google's overarching scheme to maintain its monopoly in the Android App		
24	Distribution Market is laid bare by its repeated direct overtures. With		
25	Google intended to pay its most threatening competitor to stop competing.		
26			
27			
28	COMPLAINT 48		

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1	2. Google Bought Off Key App Developers to Stifle Competition in the Android App Distribution Market		
23	143. To support Google also bought off key app		
4	developers to deter them from making their apps available outside the Google Play Store, either		
5	through direct distribution or through competing app stores. To do so, Google		
6			
7	Google coined this strategy		
8			
9	144. Figure 4 depicts Google's buyoffs of Samsung and the app developers as two		
10	sides of its overarching scheme:		
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28	28 COMPLAINT 49		

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1	145. Google feared that key app developers might have strong enough relationships			
2	with customers and enough brand recognition to attempt to distribute their apps outside the Play			
3	Store—either through launches with other app stores or through sideloading. If they did so,			
4	smaller developers might follow, and consumer interest in alternative app stores or consumer			
5	comfort with sideloading might increase as a result.			

146. As a direct consequence of Epic bypassing the Play Store with its Fortnite mobile 6 7 launch in 2018 (see Section I.E.1 above), Google anticipated that the potential concentration of a 8 few top app developers could "create[] disintermediation threats to Google Play and Android."

9 Google quantified the of Epic's decision as For Google, the worst-case scenario was

This threat is what Google described internally as "contagion"-to Google, competition in app distribution is a virus to be eliminated.

147. Google also understood that if app developers were to grow powerful enough and discontented enough, they could threaten Google's lucrative model by drawing the attention of

regulators. Staff felt that 16 17

> 148. As shown in the Google internal presentation excerpted in Figure 5,

> > as well as its extension of its anticompetitive IAP tie

22 to subscription streaming and major dating apps (see Section II.D), as parts of a unified strategy

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23 to lock key app developers into the Play Store and combat the

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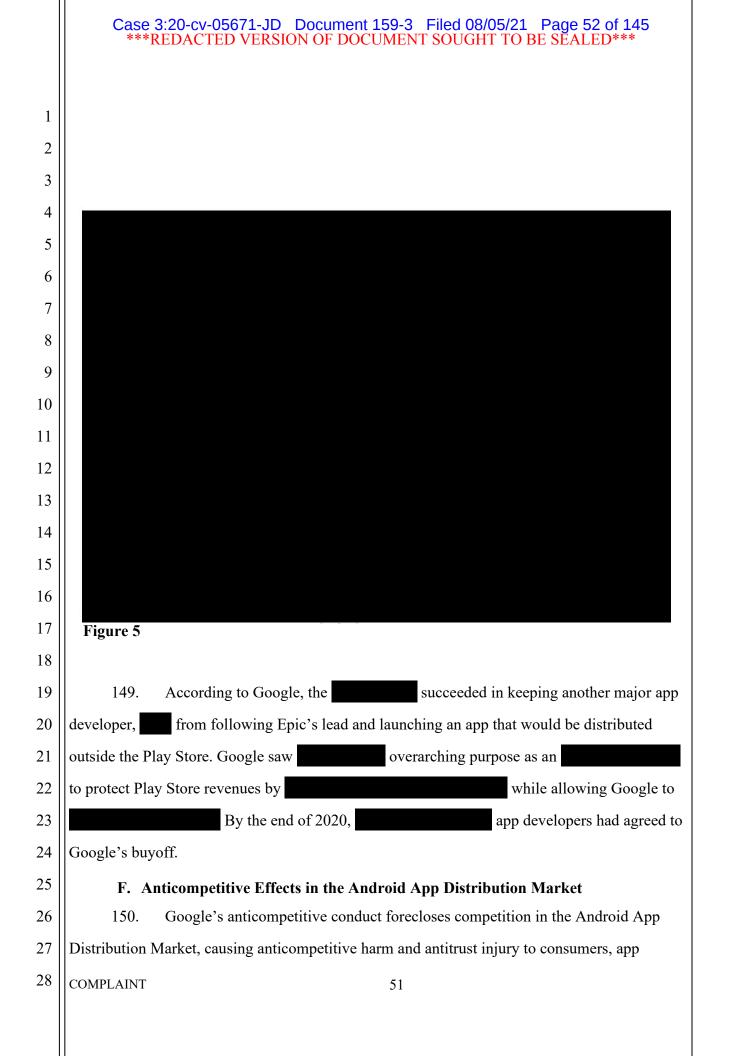
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that



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developers, and competing Android app stores. Google's anticompetitive practices stifle innovation, limit choice, raise prices, depress output, and reduce developer profits.

3 151. Consumers participate directly in the market for Android App Distribution (as direct purchasers), and Google's anticompetitive restrictions are aimed squarely at and cause 4 5 harm in that market. Irrespective of whether some of Google's restraints are more directly 6 imposed on other market participants, the harm to consumers is an inevitable and primary 7 intended consequence: Google places restraints on OEMs and developers specifically to prevent 8 consumers from using alternative app distribution channels—which the restrained parties would 9 otherwise be well-positioned to create—and to impose its supracompetitive commission on 10 consumers.

11 152. Google's anticompetitive conduct harms consumers by, *inter alia*, impeding competition among app distributors, which would otherwise innovate new models of app 12 13 distribution and offer consumers alternatives to the Google Play Store. Consumers are limited to 14 the Play Store, where Google controls which apps are featured, identified, or prioritized in user 15 searches. For example, Amazon created an innovative new model of app distribution and 16 monetization through Amazon Underground, which allowed Amazon to pay developers directly 17 based on the amount of time that consumers spent interacting with apps. However, Amazon 18 Underground was eventually shuttered because of Google's restrictions on the distribution of app 19 stores (including its restrictions on sideloading). Loss of such innovation and choice directly 20 harms consumers in the Android App Distribution Market.

153. Consumers are also harmed by Google's anticompetitive practices by way of
increased prices and reduced output. As explained above, Google imposes a supracompetitive
commission of up to 30% on the purchase price of apps sold through the Google Play Store,
which is much higher than would exist in a market unimpaired by Google's anticompetitive
conduct. For example, in the face of competition, Google charges substantially lower fees on its
Chrome Web Store at only 5% of each app download.

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1 154. In addition, developers are harmed by Google's conduct. Without Google's
 2 supracompetitive commission, consumers would purchase more apps and digital content, and
 3 developers would earn greater profits.

4 155. Developers also lose the opportunity to select from multiple viable options for
5 distributing their apps, which would likely lead to greater sales and better distribution options.

6 156. For example, competition for app distribution could encourage app stores to
7 create more innovative ways for developers to advertise or for consumers to discover new apps
8 they may enjoy. Competition might also encourage app stores to specialize for certain
9 segments—like education, games, fitness, career development, and others—which would make
10 niche apps more discoverable. Instead, to attract users, many app developers must also purchase
11 Google's Play Store (and other) advertisements, further reducing developers' potential profits.

### II. Google Has Unlawfully Maintained a Monopoly in the Android In-App Payment Processing Market

157. Google coerces developers into exclusively using its services in the separate market for Android in-app payment processing for digital content, hereafter referred to as the IAP Processing Market.

## A. Google Has Unlawfully Tied Google Play Billing to the Google Play Store

18 158. As a condition of distribution through the Google Play Store, Google requires app
19 developers to exclusively use Google Play Billing, Google's in-app payment processor, to
20 process all in-app purchases of digital content. Digital content means all products and services
21 consumed in the app as opposed to tangible goods and services consumed outside the digital
22 environment, which must use a payment processor other than Google Play Billing.

159. Google requires app developers to enter its standardized DDA as a condition of
having their apps distributed through the Google Play Store. The DDA unlawfully ties use of
Google's in-app payment processor to distribution through the Google Play Store. It also
constitutes an unlawful exclusive-dealing arrangement.

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160. Under Section 3.2 of the DDA, developers are required to enter into a separate agreement with Google Payment, a Google subsidiary that is not part of Google's Play Store business unit, to use Google Play Billing for all digital content sold in apps downloaded through the Play Store.

5 161. Further, Section 4.1 of the DDA requires that app developers comply with 6 Google's Developer Program Policies. Those policies require that "1. Developers charging for 7 apps and downloads from Google Play must use Google [Play Billing] as the method of 8 payment. 2. Play-distributed apps must use Google [Play Billing] as the method of payment if 9 they require or accept payment for access to features or services, including any app functionality, digital content or goods." By contrast, Google's policies require that developers may not use Google Play Billing to process payments "for the purchase or rental of physical goods (such as groceries, clothing, housewares, electronics); for the purchase of physical services (such as transportation services, cleaning services, airfare, gym memberships, food delivery, tickets for live events); or a remittance in respect of a credit card bill or utility bill (such as cable and telecommunications services)." "[F]or physical products and services," Google's policies require 16 a payment processor other than Google Play Billing.

162. 17 Furthermore, for payments subject to Google's requirement to use Google Play 18 Billing, developers are prohibited from "lead[ing] users to a payment method other than Google 19 [Play Billing]." This provision bars developers from linking to a website or other service that 20 would process payments more cheaply. The restrictions are comprehensive: "Within an app, 21 developers may not lead users to a payment method other than Google Play's billing system. 22 This includes directly linking to a webpage that could lead to an alternate payment method or 23 using language that encourages a user to purchase the digital item outside of the app."

24 163. Together, these provisions make Google Play Billing the only in-app payment 25 processor that an Android developer may use for digital content within Android apps. As 26 explained more fully below, Google's contractual tie of Google Play Billing to Google Play 27 Services illegally maintains its monopoly in the IAP Processing Market.

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## **B.** Google Uses Its Unlawful Tie to Maintain its Monopoly in the IAP Processing Market

### 1. The IAP Processing Market is a Relevant Antitrust Market

164. There exists a relevant antitrust market for in-app payment processing services for digital content within Android apps, the IAP Processing Market.

165. Payment processing services consist of software employed by merchants that performs the necessary steps to verify and accept (or decline) a customer's purchase (or attempted purchase). Payment processing services frequently provide additional customer-facing functionalities such as invoicing, payment history, and refund processing.

166. The IAP Processing Market comprises (i) Google Play Billing and (ii) alternative payment processing services that, absent Google's illegal tie, Android developers could employ to process payments for in-app digital content. Such competitors or potential competitors include PayPal, Braintree, Adyen, WorldPay, Chase Limited, and proprietary payment processing software written by app developers. These alternatives would enter the IAP Processing Market, but for Google's anticompetitive tie. Indeed, Google is now forcing these alternatives *out* of the market as to digital streaming services, to which Google is currently extending its unlawful tie (Section II.D).

167. The ability to make quick, seamless purchases within an app itself is critical to the consumer's experience and to the likelihood of purchase. If a consumer were required to purchase digital content only outside the mobile app, that user might simply abandon the purchase or stop interacting with the app altogether. And in-app purchases are critical to app developers: the revenue generated from in-app purchases is substantially greater than the revenue generated by pay-to-download apps.

168. Accordingly, app developers seek to make their in-app purchase experience as frictionless as possible. Users similarly seek to consummate in-app transactions with the least interruption of their use of the app. A payment processing product that requires the user to exit an app to complete a transaction cannot substitute for one that consummates transactions within

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the app. The more friction and time a payment requires, the less likely a consumer is to complete
 the transaction. Developers and consumers alike would not regard a payment processing product
 that required exiting the app as reasonably interchangeable with payment processors that support
 in-app payment.

In particular, purchasing through a developer's website is not a substitute for inapp payment processing. Not only would this require the user to exit the app, but Google's
policies prohibit developers from referring or directing users to websites for payment outside the
app environment.

9 170. Moreover, the IAP Processing Market is distinct from app distribution, as they are
10 separate products and separate demand exists for each.

11 171. In other digital ecosystems, payment and distribution services are routinely sold
12 separately. In fact, Google already allows this within the Android mobile ecosystem: Android
13 app developers may use a third-party payment processor like Adyen, PayPal, and Braintree for
14 in-app purchases of physical products and out-of-app services such as those offered through
15 Amazon, Airbnb, and Uber.<sup>10</sup> For in-app purchases of digital content, however, app developers
16 must use Google Play Billing as their exclusive payment processor if they wish to distribute their
17 apps through the Google Play Store.

18 172. Moreover, tying together these two distinct services-app distribution and in app-19 payment processing—is not technologically necessary. Third-party payment companies operate 20 safely and effectively in other digital and real-world ecosystems, including, for example, desktop 21 computers and in-app purchases of physical goods. Companies like PayPal and Braintree offer 22 payment processing at a significantly lower price than Google Play Billing. These major 23 payment processors have all aligned on the same fee (to the cent), 2.9% + 30 cents, which is ten 24 times lower than Google Play Billing's 30% supracompetitive commission. These companies also compete on various dimensions of convenience, speed, security, privacy, and customer

<sup>10</sup> The developer may also use a proprietary payment solution.

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service. Google, in contrast, faces no competitive pressure to provide consumers quality customer service or meaningful privacy protections from its own data harvesting.

3 173. Android developers often choose to use a competitor, rather than Google's offerings, for their payment processing where Google's enforcement practices permit, as with in-4 app purchases of streaming services.<sup>11</sup> Google's competitors typically offer far lower costs, more 5 6 favorable terms of service, more timely payment to merchants, more payment method options 7 (e.g., Apple Pay, Venmo, bank transfer), and more freedom to set prices than Google offers. 8 These competitors' products could readily be adapted (or continue to be permitted) for use in the 9 IAP Processing Market, i.e., for in-app purchases of Android digital content. Google's unlawful 10 contracts and policies are the primary reason these competitors have negligible market share 11 right now. Third-party payment processors stand ready to compete, but Google's illegal tying arrangement prevents them from doing so. 12

13 174. Consumers are largely unaware of Google's tie, face high information costs in 14 learning about it, and do not provide informed consent to it when purchasing an Android device. 15 Further, consumers who purchased Android devices prior to Google's September 2020 16 announcement to developers that streaming services would be forced to use Google Play 17 Billing—which is far from a forthright disclosure to consumers of Google's monopolistic 18 commission and foreclosure of competition-could not possibly have known that Google's tie 19 would affect their future purchases of streaming service subscriptions and content from Google 20 Play apps.

175. Insofar as the IAP Processing Market is or may be a two-sided market, Google's
anticompetitive tie harms both consumers and developers. Google's restraints also reduce overall
output by eliminating alternative avenues for IAP payment processing that consumers and
developers would otherwise use. Rather than competing on the merits, and creating more

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<sup>&</sup>lt;sup>11</sup> See Section II.D, which describes Google's recent policy change expanding its tie to content streaming services.

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efficient, innovative, or less expensive payment processing, Google simply blocks its
 competitive threats.

2. The Relevant Geographic Market for IAP Processing is the United States
 176. The geographic scope of both the tying (Android App Distribution) and tied (IAP
 Processing) Markets is the United States.

6 177. Because the Google Play Store and Google Play Billing both operate across all
7 states and involve transactions between consumers and developers in different states, this illegal
8 tying substantially affects interstate commerce in the tied market.

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  3. Google Has Monopoly Power in the IAP Processing Market
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  178. Google possesses monopoly power in the IAP Processing Market. It enjoys a
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  <li
  - 13 179. Google's monopoly power in the IAP Processing Market is a result of its
    14 monopoly power over Android app distribution combined with its unlawful contractual
    15 requirement that Android app developers distributing on the Play Store must use Google Play
    16 Billing to process payments for digital content.

17 180. By its nature, this monopoly power is durable, because Google's unlawful tie of
18 Google Play Billing to the Google Play Store, and its monopoly power in the Android App
19 Distribution Market, deter any significant entry into the market. Together, these pose
20 insurmountable barriers to entry.

181. Android app developers and consumers have no meaningful alternative to the
Google Play Store (see Section I above), and Google's unlawful tie of the Google Play Store to
Google Play Billing means they have no meaningful alternative to Google Play Billing either.
App developers and consumers thus have no choices in the Android App Distribution Market to
discipline Google's misconduct and overreach in the IAP Processing Market.

26 182. App developers cannot feasibly use proprietary payment processing solutions as
27 they have no workarounds to Google's policies. Developers that have attempted to compete with

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1 Google Play Billing by offering their own payment services for in-app payment processing have 2 been removed from the Google Play Store (as was Epic Games' app Fortnite). The threat of removal from the Google Play Store prevents other app developers from attempting the same. Any developer that wishes to distribute an app to Android users is therefore forced to use Google's app distribution and in-app payment services, or it will lose efficient access to nearly all the users of the approximately 130 million Android devices in the United States.

### 4. Google's IAP Processing Tie is Not Necessary to Incentivize its **Investment in the Play Store or Android**

183. Google's tie is not necessary for it to reap significant profits from the Google Play Store and the Android ecosystem, nor for it to continue to invest in the quality of these products. Google's core business model for Android is to collect detailed personal data from Android users and monetize that data through targeted advertising. Part of "the core assignment of the Play team ... is defense of Android (& thus Search revenue)," a longtime Google engineer wrote in 2020. As early as 2010, Google's CEO claimed that "Android is likely to be financially successful to Google without even any of the applications that are possible." This was because of Google Search revenues Android would generate: "Android puts smart phones in more peoples [sic] hands.... What do they do when they get these phones? Search.... So this is how Android is profitable for Google." The CEO was correct: less than a decade later,

which totaled some

184. Google earns substantial revenues from other digital advertising as well: the display advertising it sells on third-party sites; ads within the Google-owned-and-operated apps it mandates that OEMs preinstall; ads within the Play Store; and Google's AdMob, which is among the most popular services app developers use to monetize through advertising. The latter two earn Google billions of dollars solely from or via app developers, and app developers spend billions on Google's other advertising channels to reach consumers.

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1185. Nor is the tie necessary to prevent "free riding" by app developers as to2distribution via the Google Play Store. In fact, Google's current model encourages free riding.3Among the apps that benefit from being on the Google Play Store but do not sell digital goods4are many categories of very valuable commercial apps such as, for example, those used by banks5and other financial institutions, brokerages, insurance companies, and real estate services to6interact with customers, in addition to those apps that sell billions of dollars of physical goods7(e.g., Amazon), services (e.g., Uber), or advertising (e.g., Facebook). Google could elect to8charge a reasonable fee for the Google Play Store's distribution services, but it does not. Instead,9it reaps a monopolistic windfall from Android in-app payments—a commission overwhelmingly0paid by consumers of a small subset of highly popular apps, most of them games, that use an in-1app payment monetization model.

186. The tie creates enormous profit margins for the Play Store, even if one considers only direct revenue and not the various other ways Google profits from Android. In 2019, the Play Store collected **Constant** in overall revenue and booked **Constant** in "Gross Profit" and **Constant** in "Operating Income"—an operating margin of over **Constant** that combines IAP revenue with Play Ads revenue.

### C. The Origin and Rates of Google's Supracompetitive Commission Illustrate that Google Sets Prices at Will

187. The bounds of Google's in-app payments policy, and the commission rate Google charges on IAP processing, are not the result of the technical interdependence of Android app distribution and in-app payments, competitive pressure, or other commercial considerations.
Rather, they are entirely a function of Google's power in the marketplace.

188. Google's monopoly power in the IAP Processing Market is evident from its
ability to unilaterally set the price for its services at will, unconstrained by competitive forces.

5 189. Google has acknowledged that its monopolistic profits from Google Play Billing 6 are derived not from a fair exchange of value with developers and consumers, but rather from its 7 ability to hold the line on its supracompetitive commission by tamping down competition in the

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Android app distribution and IAP processing markets. When contemplating Google's

2 || commission, one employee asked

and

3 another responded,

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4 190. Similarly, Google appears uncomfortable with its own exploitative commission:
5 "We want to feel good about the rev share that we charge—have it make sense to us. And it feels
6 like there's discomfort with what we are charging." Google's internal meeting minutes further
7 note, "[W]e would probably have a stronger backbone if we felt secure about the value
8 exchange."

9 191. By contrast, in the Google Chrome Web Store, Google's app store for its personal
10 computer version of the Chrome browser—where Google faces competition—Google charges a
11 commission of only 5% per transaction for consumer purchases of digital content.

12 192. Similarly, when determining a viable price for Google's payment processing for
13 subscription streaming services accessed not through Android apps but through Google Search,
14 Google staff suggested that a commission would be appropriate due to considerations such as
15 competition from Stripe, noting that developers "can already use payment platforms like Stripe at
16 2-4%." Google even discussed branding its billing services differently (as "GPay" instead of
17 "Google Play") in order to limit "contagion."

18 193. In its payment policies, Google offers no rationale for why the payment services it
19 provides for digital content justify its supracompetitive 30% fee, nor any rationale for why sales
20 of physical content are exempt from its supracompetitive fee.

# D. Google's IAP Processing Monopoly Harms Competing Streaming and Other Subscription Services

194. For years, Google has tried to enforce its commission on third-party providers of
streaming and other subscription services. Having failed with the carrot of more favorable
pricing for major streaming services like Netflix, Hulu, and Spotify—and other subscription
services like Tinder and LinkedIn—Google turned to the stick of its exclusive payment processor
contractual provisions.

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195. On September 28, 2020, Google publicly announced that, effective September 30,
2021, it would require content streaming and other subscription services to use Google Play
Billing for their subscriptions.

196. Google's policy effective prior to September 2020 expressly exempted from its Google Play Billing requirement cases where "Payment is for digital content that may be consumed outside of the app itself (e.g. songs that can be played on other music players)." But as further discussed in Section III.C below, Google claimed its September 28, 2020 policy change was a mere "clarification" of a "long standing policy" that had always been in place.

9 197. The September 2020 policy change gives Google an unfair and overwhelming
10 competitive advantage against streaming service developers who offer similar subscription
11 services to Google.

12 198. To conform with Google's new policy, these services must either (1) offer an
13 Android app in which consumers pay Google's 30% commission for subscriptions purchased
14 through that app; or (2) offer only a "streaming only" (non-transactional) version of the app in
15 the Google Play Store, which per Google's terms cannot even inform consumers of the option to
16 purchase a subscription elsewhere or direct them outside the app for payment.

17 199. In addition to the competitive advantage it already enjoys from its subscription
18 streaming apps being preloaded on every Android device, Google will also be positioned to gain
19 market information about its streaming competitors and their customers.

20 200. Offering a "streaming only" app—one of the two options under the September
21 2020 policy—would have disastrous consequences for many streaming services.

201. A "freemium" music streaming service like Spotify, for example, offers a "free,"
ad-supported version of its service. Though the user base of the ad-supported service is typically
large, the service earns a small percentage of its revenue from those users. The large majority of
its revenue comes from the smaller number of users who purchase a premium monthly
subscription which features no ads. Running a profitable service requires converting many users
of the "free" version into paid subscribers.

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202. 1 The vast majority of streamed music is now consumed on mobile devices. Thus, a 2 music streaming service typically has no effective communication channel with its subscribers 3 apart from the app from which they purchased their subscriptions. By prohibiting a "streaming only" music app to provide potential subscribers with information about and an opportunity to 4 5 purchase a premium subscription, Google can drastically raise the service's cost of acquiring 6 customers and foreclose it from acquiring a substantial number of potential customers altogether. 7 The "choice" Google imposes is between being significantly foreclosed from acquiring 8 customers or making its customers pay Google's huge commission. 9 203. As Spotify, one of the world's most popular music streaming services that 10 nevertheless has persistent operating losses, stated in its 2020 20-F securities filing: 11 [W]here the owner of a platform is also our direct competitor, the platform may attempt to use this position to affect our access to users 12 and ability to compete. ... [O]nline platforms may force us to use the platform's payment processing systems that may be inferior to, and 13 more costly than, other payment processing services available in the market. 14 15 204. Google's conduct is especially injurious to competition in music streaming because those businesses must pay 65% or more of their revenues in royalties to the rights 16 17 holders in the music they stream. Google's premium music streaming offerings will thus gain a 18 significant, unfair competitive advantage over Spotify and similar services. For Google, the 19 monopolistic expansion of its IAP processing tie is a win-win: Google will either take a huge 20 portion of the streaming services' profits if they capitulate to the illegal tie, or it will poach many 21 of their subscribers or potential subscribers if they do not. Regardless, Google's IAP monopoly 22 will grow in scope and strength. 23 205. Google is well aware that its policy change—a sudden imposition of its 24 anticompetitive IAP tie on major subscription streaming services that helped Android grow its 25 user base, to Google's benefit—will result in higher prices and diminished sales for competitors 26 in music and video streaming.

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206. Google's recent decision to change its policy and require subscription-based digital content purchased through an app to be paid for using Google Play Billing thus poses a grave threat to streaming and other subscription-based businesses and will likely lead to reduced consumer choice, less innovation, and higher prices.

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### E. Google's Unlawful Tie Has Led to Anticompetitive Effects in the IAP Processing Market

207. Google Play Store has a monopoly in the Android App Distribution Market. By
requiring that apps purchased through the Google Play Store also use Google Play Billing for the
purchase of digital content within apps, Google has illegally engaged in tying and exclusive
dealing, extending its monopoly to the IAP Processing Market. Google's anticompetitive
conduct has demonstrable anticompetitive effects on the IAP Processing Market that harm
competition and injure app developers, payment processors, and consumers.

208. Google's supracompetitive commission on in-app purchases raises prices for
consumers, reduces profits for app developers, and chills the market for app development and
digital content development by making digital content less profitable.

209. Google could not maintain this extravagant commission in a competitive market
free from Google's illegal tying, exclusive dealing, and other anticompetitive conduct. The fee is
an order of magnitude higher than fees for platforms in which there is competition for electronic
payment processing.

20 210. Without Google's exclusive-dealing mandate, developers would have more
21 options for in-app payment processing; with the potential for higher profits, app developers could
22 dedicate more money to research and development, marketing, and creating new apps, further
23 increasing output.

24 211. By requiring that apps purchased through the Play Store use Google Play Billing
25 for the purchase of digital content, developers lose features like the following, which are not
26 offered by Google Play Billing but are available through app developers' own proprietary
27 payment systems or processors like Adyen and WorldPay:

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1	a.	Key information about failed consumer IAP transactions, such as the specific
2		reason for the failure (e.g., insufficient funds). Google Play Billing indicates only
3		that a problem exists with the transaction without further description.
1	b.	Features that minimize "involuntary churn," or the inadvertent loss of users
5		through short-term credit card issues such as a credit card expiring or being put on
5		hold.
7	с.	Data indicating that a given consumer card has been recently used successfully
3		with other merchants. This data can increase an app developer's confidence that
)		the consumer is likely to pay.
)	d.	Free trial services. Some app developers want to offer free trial experiences
l		periodically (a feature available through some non-Google payment processors),
2		but Google Play Billing allows only one free trial service per lifetime per product.
3	e.	Customized cancellation experiences. When a user discontinues in-app
1		subscriptions (for example, after finding a job with a job-seeking app or finding a
5		dating partner with a dating app), developers would like to learn about the user's
5		decision to discontinue and, where appropriate, upsell the user. Google Play
7		Billing does not permit developers flexibility to gather this information or offer
3		additional services.
)	212.	Acknowledging the inferiority of Google Play Billing relative to one of its
)	competitors,	a Google executive stated during an internal meeting, "Our billing doesn't perform
L	as well as the	eir billing."
2	213.	In a competitive market for in-app payment processing, developers could create
3	their own pay	ment infrastructure, or accept third party payment processing—just as retailers
1	accept differe	ent types of payment including credit, debit, and prepaid cards. Developers could
5	offer paymen	t systems based on alternative currencies or billing to cell phone carriers. These
5	innovations are foreclosed by Google's anticompetitive contractual requirements.	
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214. Indeed, native and third-party payment processing products can be better tailored 2 to developers' needs. Absent Google's exclusive-dealing requirements, app developers could 3 compete in the IAP Processing Market themselves or partner with third-party payment processors that charge a fraction of what Google extracts. This would allow developers to offer 4 not only competitive pricing but also a variety of payment options tailored to their users' needs. 5 6 For example, in many countries outside the United States, users can purchase pre-paid 7 "Paysafecards" in convenience stores that can then be used to purchase in-game content in 8 Fortnite without connecting to a credit card or bank account. Developers like Netflix and Epic 9 have the best information on their own business models and are thus best placed to select their 10 own payment processing solutions.

11 215. Google's anticompetitive conduct harms potential payment processing competitors who would otherwise be able to innovate and offer developers and consumers 12 13 alternative payment processing tools that provide better functionality, lower prices, and better 14 security, but are barred from entering the IAP Processing Market. Because Google prevents them 15 from accessing a large portion of the market, their sales and profits are also lower than they 16 would be but for Google's conduct.

17 216. Google also harms consumers and developers by preventing information flows 18 regarding the availability of lower-priced payment options for in-app purchases and app 19 subscriptions (see Section I.C.3 above for a description of the DDA). Google's policies gag app 20 developers from efficiently informing consumers about better deals, meaning developers are 21 forced to incur great costs to communicate through other means. Developers whose only 22 relationship with their customers is through their app are effectively foreclosed from providing 23 this information. Communication through an app is low-cost and efficient. But Google stops any 24 such communication that threatens its IAP processing monopoly, thus distorting the competitive 25 process and harming consumers, many of whom are unable to learn about better deals.

26 217. There are no procompetitive efficiencies from Google's tie of distribution and 27 payment processing services that outweigh the harm to consumers, developers, and potentially

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competitive payment processors. All market participants are harmed by Google's forced 2 intermediation of in-app payments.

3 218. While Google defends the tie by citing security concerns, security is equally important to payment systems for both digital and physical content, and yet Google locks in 4 5 Google Play Billing only for digital content. Further, there are many highly secure and reliable 6 payment processing systems that are used on computers. If Google were truly concerned about 7 security, it would simply require that payment processors use reasonable technical security 8 protocols. Instead, Google's internal strategy around pricing and policy for in-app payments reveals that its invocation of security concerns is simply a public-relations strategy-a means of justifying Google's anticompetitive conduct as opposed to a genuine security concern.

219. Google's tie of app distribution through the Google Play Store with developers' exclusive use of Google Play Billing to process in-app purchases of digital content also enables Google to gather information on consumers making in-app purchases, thereby harming consumers who would otherwise have the choice to use payment processors that do not share their information with Google. There are no welfare-enhancing or otherwise legitimate justifications for this tie. Any security or consistency that Google can offer consumers in the payment processing market can still be offered in a competitive market, at a competitive price. Nor does Google need to monetize the Play Store in this manner in order to maintain the Android ecosystem at large.

220. In short, Google has used its monopolistic control over the Android App Distribution Market to force developers to use Google Play Billing as their exclusive in-app payment processor. Google thus deprives consumers of choice among in-app payment options and of the benefits of competitive pricing and innovation in payment services for in-app purchases of digital content.

221. In addition, Google's supracompetitive commission—and the resulting increased prices for in-app purchases—likely deters some consumers from making purchases and reduces app developers' profitability for purchases that consumers do make, therefore depriving app

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developers of resources they could use to develop new apps and content. Developers are harmed 2 by profits lost from Google's imposition of a supracompetitive commission, and by the inability 3 to offer efficient, inexpensive in-app purchase options that are integrated into the app itself, which would increase demand. Other payment processors are harmed by the inability to offer 4 5 payment processing services in competition with Google Play Billing.

6 222. Consumers (including natural persons) are direct purchasers of services from 7 Google in the Android App Distribution Market and in the IAP Processing Market. Consumers 8 are direct purchasers of apps and in-app digital content sold through the Google Play Store. 9 When consumers purchase Android apps, they do so directly from the Google Play Store and pay 10 Google directly, using their credit card or other payment method. When consumers purchase in-11 app digital content, they do so through the Google Play Store, using the pre-established payment streams set up when purchasing that app or other apps on the Play Store. When consumers 12 13 purchase the in-app digital content, they pay Google directly.

223. 14 Consumers must enter into a contractual agreement with Google to use Google Play Billing. In its interlocking series of consumer contracts and terms (which it unilaterally 15 changes at will), Google does not disclose its huge IAP commission of up to 30%, nor does it 16 17 disclose its foreclosure of competition in the IAP Processing Market. On the contrary, Google's 18 fee disclosures state that it charges \$0 for nearly all transactions, and fractions of a percentage 19 point for others. This is despite the fact that, as a matter of law, consumers as direct purchasers 20 pay the entirety of Google's IAP commission. Insofar as Google makes any disclosure of its IAP 21 processing tie and foreclosure, nearly all consumers are unaware of them and have not 22 knowingly consented to them.

23 224. The tie is imposed in the antitrust market where consumers participate and are harmed-the IAP Processing Market. 24

25 III. Google is Engaging in Unfair and Deceptive Conduct that Harms Consumers 26 225. In addition to the anticompetitive and monopolistic conduct described above, 27 Google has repeatedly engaged in unfair, fraudulent, and/or deceptive conduct regarding the

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Google Play Store. This includes, *inter alia*, numerous statements Google has made about the
Google Play Store that have had, and continue to have, the capacity, tendency, or effect of
deceiving or misleading consumers and/or app developers.

### A. Google's False or Misleading Statements About Sideloading Apps Constitute Unfair and Deceptive Conduct

226. As explained in more detail in Section I.C.1 above, Google uses a series of
technological barriers and pretextual warnings that are designed to prevent users from
sideloading (i.e., directly downloading) Android apps and app stores onto their Android devices.
Google's website promotes the misleading and overbroad premise that it is harmful to download
apps from "unknown" sources, which includes every source other than the Play Store. In
particular, Google's website states under the heading *Download apps from other sources*:
"Important: If you download apps from unknown sources, your phone and personal information
can be at risk. Your phone could get damaged or lose data. Your personal information could be

15 227. Google's pretextual security claims regarding the dangers of sideloaded apps have
16 the capacity, tendency, or effect of deceiving or misleading consumers and/or app developers.
17 Google acknowledges that the security settings and warnings associated with sideloading limit
18 even mainstream, non-malicious apps and app stores, such as the Amazon Appstore and Fortnite,
19 from reaching Android users. Yet Google makes no effort to differentiate harmful apps and app
20 stores from the rest and instead labels all non-Play Store apps and app stores as harmful.

228. In addition to posting warnings on its website, Google takes the following steps when users attempt to sideload apps and/or app stores to their devices:

(1) it displays an ominous warning that the installation file "can harm your device;"

(2) it blocks the attempted download and states that "your phone is not allowed to install unknown apps from this source," presenting the

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user with two options only-"Cancel" or "Settings"-with no indication that installation is possible through the "Settings" option; and

(3) it warns the user that his "phone and personal data are more vulnerable to attack by" the "unknown app," and requires the user to select a feature by which he agrees that he is "responsible for any damage" to the phone "or loss of data that may result" from the installation, warnings that are designed to scare the user into abandoning the attempt.

10 In other contexts, Google labels sideloaded apps and app stores like Aptoide 11 "UNSAFE."

12 229. Google represents to users that it is looking out for their best interests. On its website, Google claims that it "analyzes every app that it can find on the internet" and 14 categorizes a subset of them as "Potentially Harmful Applications," or PHAs. If it finds a PHA on a user's device, it directs actions against the PHA or automatically disables the PHA for the 15 user. Additionally, it tells users that Android is "secure to the core," and that "we guard each app 16 at the operating system level, so other apps won't snoop on what you do."

18 230. These representations would lead users to believe Google when it displays 19 warnings that the apps or app stores they are attempting to sideload are "unknown," harmful, and 20 could damage their devices. Despite its claims of Android's superior security, Google 21 purposefully deceives users by presenting warnings that falsely describe highly popular apps 22 from well-known developers as an "unknown app," which gives the user the false or misleading 23 impression that apps and app stores downloaded from any source other than the Play Store are PHAs or that they are otherwise harmful. 24

231. Google displays these misleading warnings in order to ensure that users exclusively use the Play Store to download apps and thus keep users within Google's walled

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garden. Google's statements regarding the dangers of sideloading were knowingly false when
 made.

## **B.** Google's False or Misleading Statements About "Openness" Constitute Unfair and Deceptive Conduct

232. In 2008, Google launched the Google Play Store's predecessor, Android Market, which at the time offered fewer than fifty apps. Android Market was distributed as part of the open-source Android OS, and it became the de facto app store on early Android devices. Google described Android Market as "an open content distribution system" similar to YouTube. In August 2008, Google informed the public through its Android blog: "We chose the term 'market' rather than 'store' because we feel that developers should have an open and unobstructed environment to make their content available."

12 233. Early on, Google had a suite of partnership agreements with OEMs and MNOs.
13 These partners negotiated with Google for different degrees of control over Google's proprietary
14 app pre-loading, app placement, and user experience. OEMs had bargaining power because they
15 chose which OS to install on devices and whether to distribute Google's proprietary apps,
16 including Android Market. MNOs had bargaining power because they could customize devices,
17 preinstall apps and app stores, and offer "direct carrier billing" for Android Market purchases,
18 which allows purchases to be charged to a user's mobile phone bill.

19 234. Google assured MNOs, OEMs, and consumers that it would operate Android
20 Market as an "open system" for the benefit of Google's partners and app developers. For
21 example, in a November 2009 communication with a Samsung representative, a high-level
22 Google executive pledged:

We certainly believe that a single "app store" is an essential piece of the strategy to make the overall Android ecosystem successful, and we are putting significant investment into making Android Market that single \*open\* distribution system. That will maximize distribution and revenue to developers, maximize the applications available to every Android-compatible device, and drive value for the operators (as we will offer revenue-share). Google operates Android Market as a revenue-neutral service—we do not seek to profit off of

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application sales, and we invest in Market because it is essential to the open ecosystem.

235. Google also pledged to consumers that the Android source code was an "opensource platform" that was "available for anyone to view, download, modify, enhance, and redistribute."

236. Google understood early on that its promise of Android's "openness" and revenue sharing largesse were key to securing critical mass for Android Market, and that it could later use that dominance to control the Android ecosystem. Google documents from this period indicate that Google's "openness" commitments to OEMs and MNOs were knowingly false when made and were material to Google's obtaining a monopoly in app distribution.

237. Google promised repeatedly that Android would be the basis for an "open" ecosystem in which industry participants could freely compete, and, in Google's words, have "[f]ull control of [their] brand and business." For instance, in August 2008, Google informed the public through its Android blog that developers should have "an open and unobstructed environment to make their content available." In a 2009 presentation, a Google executive answered the question "Why don't we license Android?" by stating, "We need the highly-fragmented mobile industry [to] adopt Android. You can't beat free." The executive posed another question, "Why not take a rev-share on Market?" The answer: "We don't have a dominant market position right now."

238. In 2010, Google stated that "Google was historically seen as a threat to operators [MNOs], [in that] giving up control was a key component of operators adopting Android." But, "If we gave it away, how can we ensure we get to benefit from it?" The answer lay in controlling the app store—Android Market and, later, the Google Play Store. "We created the first app store for Android and it got critical mass quickly. The store now has value and partners want access to it because of the number of apps available." Google intended to "Own the ecosystem [it] enabled" by using the app store.

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239. Looking back in 2019, Google recognized that: "[t]he novelty of smartphones and apps, combined with a material utility advantage relative to the Web, gave Apple and Android an opportunity to define new *closed* Internet ecosystems. These new closed ecosystems centralized Content distribution via app stores...[and] payments via app store services" (emphasis added).

5 240. To own the ecosystem, Google intended to "[s]et the rules." Having driven
6 adoption of Android by promising an open platform outside its control, Google intended to close
7 the ecosystem once it had the power to do so.

8 241. Closing the ecosystem also empowered Google to claim a larger share of the
9 revenue generated through the distribution of Android apps through its app store. To do this,
10 however, Google had to renege on its repeated assurances that Android Market operated as
11 revenue-neutral—promises that had been a key factor in driving adoption of Google's app store.

12 242. Google understood that its ostensible "partners" would not be happy with its bait13 and-switch tactic. Nonetheless, Google launched the branded Google Play Store in 2012 and ran
14 it for its own benefit, not for that of the "Android ecosystem."<sup>12</sup> Breaking its promises to operate
15 the Play Store in a revenue-neutral manner for the benefit of the ecosystem allowed Google to
16 capitalize on the lucrative revenue stream coming from app purchases.

17 243. Google operates the Play Store as a closed system despite its repeated
18 representations that such a system would be open for the benefit of Google's partners and app
19 developers. Google's knowingly false statements regarding its intention to keep the Play Store
20 and its predecessor open had the capacity, tendency, and/or effect of deceiving or misleading
21 consumers and app developers.

## C. Google's Statements and Conduct Regarding Google Play Billing Constitute Unfair and Deceptive Conduct

244. As described more fully in Section II above, Google tied Google Play Billing to use of the Google Play Store in order to force users and developers to use Google Play Billing to

<sup>12</sup> Jamie Rosenberg, *Introducing Google Play: All your entertainment, anywhere you go*,
 GOOGLE OFFICIAL BLOG (March 6, 2012), <u>https://googleblog.blogspot.com/2012/03/introducing-google-play-all-your.html</u>.

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process payments for all digital content purchased (i.e., "in-app purchases") and thus pay 2 Google's supracompetitive commission. Even when lower-priced alternatives are available, such 3 as through an app developer's website, Google gags app developers by prohibiting them from informing their users of the other lower-priced options. 4

5 245. Google also made false and misleading statements regarding its in-app purchase 6 billing policies. Google's policy effective prior to September of 2020 expressly exempts from its 7 Google Play Billing requirement cases where "Payment is for digital content that may be 8 consumed outside of the app itself (e.g. songs that can be played on other music players)." On 9 September 28, 2020, however, Google announced that effective September 30, 2021, it would 10 require content streaming services such as Netflix and Spotify to use Google Play Billing for 11 their subscription services. Google publicly claimed that this was simply a "clarification" of the 12 intention of a "long standing policy" in response to "feedback that our policy language could be 13 more clear regarding which types of transactions require the use of Google Play's billing system, 14 and that the current language was causing confusion." Google also claimed that "this isn't new" 15 and that it had "always required developers ... to use Google Play's billing system if they offer in-app purchases of digital goods, and pay a service fee from a percentage of the purchase." 16 17 Google's statements about its prior billing policies were false and misleading with respect to 18 streaming services, which were expressly exempt under the prior policy.

19 246. Consumers have been harmed as a result of Google's unfair conduct. They are 20 harmed because Google forces them to pay a supracompetitive commission of up to 30% to 21 purchase any app other than those that are "free-to-download."

22 247. Google actively gags app developers by prohibiting them from informing their 23 consumers about the 30% commission and the possibility of obtaining lower prices through 24 alternative channels. It does this by preventing information flows regarding the availability of lower-priced payment options for in-app purchases of digital content and app subscriptions (see 25 26 Section I.C.3 above for a description of the DDA). Google's policies gag app developers from 27 efficiently informing consumers about better deals, meaning developers are forced to incur

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significant costs to communicate through other means. Developers whose only relationship with
 their customers is through their apps are effectively foreclosed from providing this information.
 Communication through an app is low-cost and efficient. But Google stops any such
 communication, thereby harming consumers, many of whom are unlikely to learn about better
 deals.

6 248. In addition, Google's conduct harms consumers by depriving them of the
7 potential benefits of true competition in app distribution, including better services like enhanced
8 app discovery features or improved data security. The effects of Google's supracompetitive
9 commission impede developers from researching, developing, and bringing to market innovative
0 new apps, resulting in further lost profits for them and less innovation and choice for consumers.

249. Google's conduct also impedes competition among app distributors, who would otherwise innovate new models of app distribution and provide consumers with alternatives to the Google Play Store. This limits consumers' ability to discover new apps of interest to them. Consumers are left to search among millions of apps in one monopolized app store, where Google controls which apps are featured, identified, or prioritized in user searches.

250. Google defends its tie of Google Play Billing by citing security concerns, but those assertions are false and misleading. Security is equally important to payment systems for both digital and physical content, and yet Google requires the use of Google Play Billing for digital content only. If Google were genuinely concerned about security, it would simply require that payment processors use reasonable technical security protocols—similar to the highly secure and reliable payment processing systems used on personal computers.

2 251. Instead, Google's internal strategy around pricing and policy for in-app payments 3 reveals that its claimed security concerns are simply a public-relations strategy.

24 252. Consumers and app developers have actually and reasonably relied on Google's
actions and false representations to their detriment. Moreover, Google knows that its conduct is
harmful to developers and users. As such, Google's false representations have had and continue
to have the tendency or effect of deceiving or misleading consumers or app developers.

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## VIOLATIONS ALLEGED

First Cause of Action: Sherman Act § 2 Monopoly Maintenance in the Android App Distribution Market

#### (Against all Defendants except Google Payment)

253. Plaintiff States repeat and reallege every preceding allegation of this Complaint as if fully set forth herein.

7 254. This cause of action is brought under Section 2 of the Sherman Act, 15 U.S.C. §
8 2, which prohibits "monopoliz[ation of] any part of the trade or commerce among the several
9 states, or with foreign nations."

10 255. The Android App Distribution Market within the U.S. is the product and
11 geographic market relevant to this claim.

12 256. Google has monopoly power in the Android App Distribution Market within the
13 U.S. through the Google Play Store.

14 257. Google has unlawfully maintained its monopoly power through the conditions that it has placed on the licensing of the Android trademark, Google Play Store and other Google 15 16 services, including but not limited to Anti-Fragmentation Agreements and Android 17 Compatibility Commitments with original equipment manufacturers and mobile network 18 operators, Mobile Application Distribution Agreements with OEMs, Developer Distribution 19 Agreements with app developers, and revenue share agreements with OEMs and MNOs. These 20 conditions provide the Google Play Store with preferential placement on mobile devices and 21 treatment by manufacturers, limit the distribution of Android apps through means other than the 22 Google Play Store, impose technological obstacles on both OEMs and app developers, and deter 23 manufacturers, carriers, and developers from developing or implementing competing app stores.

24 258. Google's conduct has substantial anticompetitive effects, including increased
25 prices to consumers and costs to developers, reduced innovation and quality of service, and
26 lowered output of apps.

259. Google's conduct affects a substantial volume of interstate commerce.

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260. Google has engaged in a continuous course of unlawful anticompetitive conduct.
 261. There are no procompetitive justifications for Google's conduct. Alternatively, to the extent that any such procompetitive benefits exist, they are outweighed by the anticompetitive effects of Google's conduct and could have been achieved through less anticompetitive and less harmful means.

6 262. Google's anticompetitive conduct has harmed competition and harmed the
7 general economies and a substantial number of residents of the Plaintiff States in a manner the
8 antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for
9 Android apps than they would have paid in a competitive market. Google's unlawful restraints of
0 trade extinguished consumers' freedom to choose between the Google Play Store and lower-cost
1 market alternatives that would have been available had Google not restrained competition.
2 Plaintiff State residents were further injured because Google's establishment and maintenance of
3 supracompetitive pricing has caused a reduction in the output, supply, quality, and innovation of
4 Android apps, all of which would have been more abundant in a competitive market.

263. As a result of Google's anticompetitive conduct, Plaintiff States and their residents and general economies have suffered and continue to suffer damages. Additionally, Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate remedy at law exists and therefore seek an injunction ending Google's anticompetitive conduct. Plaintiff States have a quasi-sovereign interest in preventing illegal anticompetitive conduct affecting a large number of their residents and the economy of the State generally.

Second Cause of Action: Sherman Act § 1 Unreasonable Restraints of Trade Concerning the Android App Distribution Market: OEMs

## (Against all Defendants except Google Payment)

264. Plaintiff States repeat and reallege every preceding allegation of this Complaint as if fully set forth herein.

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This cause of action is brought under Section 1 of the Sherman Act, 15 U.S.C. § 265. 1, which prohibits "[e]very contract, combination in the form of trust or otherwise, or conspiracy. in restraint of trade or commerce among the several States, or with foreign nations."

266. Google entered into agreements with OEMs that unreasonably restrict 5 competition in the Android App Distribution Market. These include anti-forking agreements, MADAs, and other agreements with OEMs that condition their access to the Google Play Store 7 and other "must have" Google services on the OEM's agreement to offer the Google Play Store 8 as the primary (and often only) app store on Android mobile devices.

9 267. Google's conduct has substantial anticompetitive effects, including increased prices to consumers and costs to developers, reduced innovation and quality of service, and 10 reduced output of apps. 11

These agreements serve no legitimate or procompetitive purpose that could justify 12 268. 13 their anticompetitive effects, and thus unreasonably restrain competition in the Android App 14 Distribution Market. Alternatively, to the extent that these agreements provide any procompetitive benefits, those benefits are outweighed by the anticompetitive effects of the 15 16 agreements and could have been achieved through less anticompetitive and less harmful means.

> 269. Google's conduct affects a substantial volume of interstate commerce.

18 270. Google has engaged in a continuous course of unlawful anticompetitive conduct. 19 271. Google's anticompetitive conduct has harmed competition and harmed the general economies and a substantial number of residents of the Plaintiff States in a manner the 20 21 antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for 22 Android apps than they would have paid in a competitive market. Google's unlawful restraints of 23 trade extinguished consumers' freedom to choose between the Google Play Store and lower-cost market alternatives that would have been available had Google not restrained competition. 24 25 Plaintiff State residents were further injured because Google's establishment and maintenance of 26 supracompetitive pricing has caused a reduction in the output and supply of Android apps, which 27 would have been more abundantly available in a competitive market.

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272. As a result of Google's anticompetitive conduct, Plaintiff States and their residents and general economies have suffered and continue to suffer damages. Additionally, Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate remedy at law exists and therefore seek an injunction ending Google's anticompetitive conduct. Plaintiff States have a quasi-sovereign interest in preventing illegal anticompetitive conduct affecting a large number of their residents and the economy of the State generally.

Third Cause of Action: Sherman Act § 1 Unreasonable Restraints of Trade Concerning the Android App Distribution Market: App Developers

(Against all Defendants except Google Payment)

273. Plaintiff States repeat and reallege every preceding allegation of this Complaint as if fully set forth herein.

274. This cause of action is brought under Section 1 of the Sherman Act, 15 U.S.C. § 1, which prohibits "[e]very contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations."

275. Google compels app developers to enter its standardized DDA, including
Developer Program Policies and Addenda integrated into that Agreement, as a condition of their
apps being distributed through the Google Play Store. The relevant provisions of these
agreements unreasonably restrain competition in the Android App Distribution Market by
prohibiting or discouraging developers from offering apps that compete with the Google Play
Store and/or from distributing apps on platforms that compete with the Google Play Store.
Google also requires Android app developers to distribute their apps on the Google Play Store if
they wish to participate in Google's App Campaigns program—a critical program for many app
developers.

276. Google's conduct has substantial anticompetitive effects, including increased prices to consumers and costs to developers, reduced innovation and quality of service, and reduced output of apps.

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277. These agreements serve no legitimate or procompetitive purpose that could justify their anticompetitive effects, and thus unreasonably restrain competition in the Android App Distribution Market. Alternatively, to the extent that these agreements provide any procompetitive benefits, those benefits are outweighed by the anticompetitive effects of the agreements and could have been achieved through less anticompetitive and less harmful means.

6 278. Google's conduct affects a substantial volume of interstate as well as foreign
7 commerce.

279. Google has engaged in a continuous course of unlawful anticompetitive conduct.
280. Google's anticompetitive conduct has harmed competition and harmed the
general economies and a substantial number of residents of the Plaintiff States in a manner the
antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for
Android apps than they would have paid in a competitive market. Google's unlawful restraints of
trade extinguished consumers' freedom to choose between the Google Play Store and lower-cost
market alternatives that would have been available had Google not restrained competition.
Plaintiff State residents were further injured because Google's establishment and maintenance of
supracompetitive pricing has caused a reduction in the output and supply of Android apps, which
would have been more abundantly available in a competitive market.

281. As a result of Google's anticompetitive conduct, Plaintiff States and their
residents and general economies have suffered and continue to suffer damages. Additionally,
Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate
remedy at law exists and therefore seek an injunction ending Google's anticompetitive conduct.
Plaintiff States have a quasi-sovereign interest in preventing illegal anticompetitive conduct
affecting a large number of their residents and the economy of the State generally.

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## Fourth Cause of Action: Sherman Act § 1 Unlawful Tying of Google Play Billing to Use of Google Play Store

#### (Against all Defendants)

282. Plaintiff States repeat and reallege every preceding allegation of this Complaint as if fully set forth herein.

283. This cause of action is brought under Section 1 of the Sherman Act, 15 U.S.C. § 1, which prohibits "[e]very contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations."

284. Google has illegally tied its in-app payment services to its app distribution services by requiring any app distributed through the Google Play Store to use Google Play Billing for any in-app payments for digital content. Through its Developer Program Policies and DDAs with app developers, Google has contractually ensured that developers cannot offer consumers in-app payment services other than Google's.

285. The Google Play Store and Google Play Billing are separate products in separate markets. These two products can be sold separately, and there is demand for separate products on the part of both consumers and developers. In other digital ecosystems such as Mac and PC personal computers, applications can and do offer multiple payment options or develop their own payment services. Even within the Android ecosystem, payment services for physical products and services are decoupled from app distribution.

286. Google has coerced developers into using its in-app payment services by leveraging its market power in the relevant tying market for Android App Distribution. As evidence of that market power, Android users download well over 90% of Android-compatible mobile apps through the Google Play Store.

287. The purpose and effect of this tie is to prevent developers from offering different in-app payment services. As a result, Google can charge a supracompetitive price of up to 30% for its payment services, which results in higher costs to consumers of in-app digital content.

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That cost also reduces app developers' capacity to invest in and create additional apps and in-app
 content that would otherwise benefit consumers.

3 288. Other third-party payment services offer pricing at less than one tenth of Google's
4 supracompetitive price but are foreclosed from offering their services within apps that are
5 distributed through the Google Play Store.

289. There are no procompetitive efficiencies from this tie that outweigh the harm to consumers. App developers and app users are each harmed by Google's forced intermediation of in-app payment processing. Alternatively, to the extent that any such procompetitive benefits exist, they are outweighed by the anticompetitive effects of Google's conduct and could have been achieved through less anticompetitive and less harmful means.

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290. This illegal tying substantially affects interstate commerce in the tied market.

12 291. Google has engaged in a continuous course of unlawful anticompetitive conduct. 13 292. Google's anticompetitive conduct has harmed competition and harmed the 14 general economies and a substantial number of residents of the Plaintiff States in a manner the 15 antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for Android apps and in-app purchases than they would have paid in a competitive market. Google's 16 17 unlawful restraints of trade extinguished consumers' freedom to choose between the Google Play 18 Store and lower-cost market alternatives that would have been available had Google not 19 restrained competition. Plaintiff State residents were further injured because Google's 20 establishment and maintenance of supracompetitive pricing has caused a reduction in the output 21 and supply of Android apps and in-app purchases, which would have been more abundantly 22 available in a competitive market.

23 293. As a result of Google's anticompetitive conduct, Plaintiff States and their
24 residents and general economies have suffered and continue to suffer damages. Additionally,
25 Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate
26 remedy at law exists and therefore seek an injunction ending Google's anticompetitive conduct.

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Plaintiff States have a quasi-sovereign interest in preventing illegal anticompetitive conduct affecting a large number of their residents and the economy of the State generally.

294. Google has thus engaged in a *per se* illegal tying arrangement; the Court does not need to assess the anticompetitive effects of Google's conduct or its purported justifications. In the alternative only, even if Google's conduct does not constitute a per se illegal tie, an analysis of Google's tying arrangement demonstrates that it violates the rule of reason and is illegal.

Fifth Cause of Action: Sherman Act § 2 Monopoly Maintenance in the In-App Payment Processing Market

#### (Against all Defendants)

10 295. Plaintiff States repeat and reallege every preceding allegation of this Complaint as
11 if fully set forth herein.

12 296. This cause of action is brought under Section 2 of the Sherman Act, 15 U.S.C. §
13 2, which prohibits "monopoliz[ation of] any part of the trade or commerce among the several
14 states, or with foreign nations."

15 297. The IAP Processing Market within the U.S. is the product and geographic market
16 relevant to this claim.

17 298. Google has monopoly power in the IAP Processing Market through Google Play18 Billing.

19 299. Google has unlawfully maintained that monopoly power through the conduct and
20 contractual relationships described above.

300. Google's conduct has substantial anticompetitive effects, including increased
prices to consumers and costs to developers, reduced innovation and quality of service, and
lowered output of apps.

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301. Google's conduct affects a substantial volume of interstate commerce.

302. Google has engaged in a continuous course of unlawful anticompetitive conduct.

303. There are no procompetitive justifications for Google's conduct. Alternatively, to
the extent that any such procompetitive benefits exist, they are outweighed by the

28 COMPLAINT

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anticompetitive effects of Google's conduct and could have been achieved through less
 anticompetitive and less harmful means.

3 304. Google's anticompetitive conduct has harmed competition and harmed the 4 general economies and a substantial number of residents of the Plaintiff States in a manner the 5 antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for 6 Android apps and in-app purchases than they would have paid in a competitive market. Google's 7 unlawful restraints of trade extinguished consumers' freedom to choose between the Google Play 8 Store and lower-cost market alternatives that would have been available had Google not 9 restrained competition. Plaintiff State residents were further injured because Google's 9 establishment and maintenance of supracompetitive pricing has caused a reduction in the output 1 and supply of Android apps and in-app purchases, which would have been more abundantly 2 available in a competitive market.

305. As a result of Google's anticompetitive conduct, Plaintiff States and their residents and general economies have suffered and continue to suffer damages. Additionally, Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate remedy at law exists and therefore seek an injunction ending Google's anticompetitive conduct. Plaintiff States have a quasi-sovereign interest in preventing illegal anticompetitive conduct affecting a large number of their residents and the economy of the State generally.

## Sixth Cause of Action: Sherman Act § 1 Unreasonable Restraints of Trade in the In-App Payment Processing Market

## (Against all Defendants)

306. Plaintiff States repeat and reallege every preceding allegation of this Complaint as if fully set forth herein.

307. This cause of action is brought under Section 1 of the Sherman Act, 15 U.S.C. § 1, which prohibits "[e]very contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations."

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308. Google forces app developers to enter its standardized DDA, including Developer
 Program Policies integrated into that Agreement, as a condition of having their apps distributed
 through the Google Play Store. The relevant provisions of these agreements unreasonably
 restrain competition in the IAP Processing Market.

5 309. Section 3.2 of the DDA requires that Android app developers enter into a separate agreement with Google's payment processor, Google Payment, in order to receive payment for 6 7 apps and content distributed through the Google Play Store. This includes payments related to in-8 app purchases of digital content. Further, compliance with Google's Developer Program Policies. 9 which Section 4.1 of the DDA makes obligatory, requires that apps distributed through the Google Play Store "must use Google Play In-app Billing [offered by Google Payment] as the 10 11 method of payment" for such in-app purchases. Google's Developer Program Policies exclude only certain, limited types of transactions from this requirement, such as the purchase of "solely 12 13 physical products" or of "digital content that may be consumed outside of the app itself."

310. Google's conduct has substantial anticompetitive effects, including increased prices to consumers and costs to developers, reduced innovation and quality of service, and reduced output of apps.

311. Google's conduct affects a substantial volume of interstate commerce.
312. Google has engaged in a continuous course of unlawful anticompetitive conduct.
313. There are no procompetitive justifications for Google's conduct. Alternatively, to
the extent that any such procompetitive benefits exist, they are outweighed by the
anticompetitive effects of Google's conduct and could have been achieved through less
anticompetitive and less harmful means.

314. Google's anticompetitive conduct has harmed competition and harmed the
general economies and a substantial number of residents of the Plaintiff States in a manner the
antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for
Android apps and in-app purchases than they would have paid in a competitive market. Google's
unlawful restraints of trade extinguished consumers' freedom to choose between the Google Play

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Store and lower-cost market alternatives that would have been available had Google not
 restrained competition. Plaintiff State residents were further injured because Google's
 establishment and maintenance of supracompetitive pricing has caused a reduction in the output
 and supply of Android apps and in-app purchases, which would have been more abundantly
 available in a competitive market.

315. As a result of Google's anticompetitive conduct, Plaintiff States and their
residents and general economies have suffered and continue to suffer damages. Additionally,
Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate
remedy at law exists and therefore seek an injunction ending Google's anticompetitive conduct.
Plaintiff States have a quasi-sovereign interest in preventing illegal anticompetitive conduct
affecting a large number of their residents and the economy of the State generally.

Seventh Cause of Action: Sherman Act § 1 Unlawful Exclusive Dealing in the In-App Payment Processing Market

## (Against all Defendants)

316. Plaintiff States repeat and reallege every preceding allegation of this Complaint as if fully set forth herein.

317. This cause of action is brought under Section 1 of the Sherman Act, 15 U.S.C. § 1, which prohibits "[e]very contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations."

318.Google maintains a monopoly in the Android App Distribution Market, where theGoogle Play Store commands a market share of well over 90%.

319. Google requires app developers to enter into its standardized DDA, including
Google's Developer Program Policies integrated into the DDA, as a condition of having their
apps distributed through the Google Play Store.

320. Section 3.2 of the DDA requires that developers enter into a separate agreement
with Google's payment processor, Google Payment, to receive payment for apps distributed
through the Google Play Store as well as payments for in-app purchases of digital content.

28 COMPLAINT

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321. Section 4.1 of the DDA obligates developers to adhere to Google's Developer
 Program Policies. Those policies state that apps distributed through the Google Play Store "must
 use Google Play Billing [offered by Google Payment] as the method of payment" for in-app
 purchases. While there are limited exceptions to this rule, Google expressly applies its exclusive dealing mandate to digital content, every "game downloaded on Google Play" and to all
 purchased "game content."

7 322. Through these provisions, the DDA requires developers to deal exclusively with
8 Google Payment for almost all in-app payment processing services for digital content.

323. Because Google maintains a monopoly in the Android App Distribution Market
and requires developers to use only Google Payment for payment processing services if they
wish to access that market, Google also maintains monopoly power in the IAP Processing
Market. Given its greater than 90% market share in the Android App Distribution Market,
Google is believed, and therefore alleged, to have a similar 90% or more market share in the IAP
Processing Market.

324. The DDA prevents any third-party payment processor or developer from
processing in-app payments for digital content on apps distributed through the Google Play
Store, and well over 90% of apps on Android devices are distributed through the Google Play
Store. Therefore, Google's exclusive in-app payment processing arrangement with developers
forecloses competition in a substantial share of the IAP Processing Market.

20 325. Google's exclusive-dealing arrangement has substantial anticompetitive effects,
21 including:

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 a. preventing competing payment processors, including third-party payment processors and app developers, from accessing any meaningful portion of the IAP Processing Market,

b. allowing Google to charge a supracompetitive commission of up to 30% on all inapp purchases for digital content in the market,

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- c. deterring consumers from making purchases because of the supracompetitive commission Google folds into each transaction,
- d. deterring developers from developing new apps and from investing funds to create high-quality apps because of the supracompetitive commission Google folds into each transaction, and
- e. inhibiting innovation in payment processing services because competitors cannot access the market and challenge Google's current product with new, more innovative payment processing services.
- 326. Google's conduct affects a substantial volume of interstate commerce.

327. Google has engaged in a continuous course of unlawful anticompetitive conduct.

328. There are no procompetitive justifications for Google's conduct. Alternatively, to
the extent that any such procompetitive benefits exist, they are outweighed by the
anticompetitive effects of Google's conduct and could have been achieved through less
anticompetitive and less harmful means.

15 329. Google's anticompetitive conduct has harmed competition and harmed the general economies and a substantial number of residents of the Plaintiff States in a manner the 16 17 antitrust laws were intended to prevent. Residents of the Plaintiff States have paid more for 18 Android apps and in-app purchases than they would have paid in a competitive market. Google's 19 unlawful restraints of trade extinguished consumers' freedom to choose between the Google Play 20 Store and lower-cost market alternatives that would have been available had Google not 21 restrained competition. Plaintiff State residents were further injured because Google's 22 establishment and maintenance of supracompetitive pricing has caused a reduction in the output 23 and supply of Android apps and in-app purchases, which would have been more abundantly available in a competitive market. 24

330. As a result of Google's anticompetitive conduct, Plaintiff States and their
residents and general economies have suffered and continue to suffer damages. Additionally,
Plaintiff States have suffered and continue to suffer irreparable injury for which no adequate

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1	remedy at lay	v exists and therefore seek an injunction ending Google's anticompetitive conduct.
2	Plaintiff State	es have a quasi-sovereign interest in preventing illegal anticompetitive conduct
3	affecting a la	rge number of their residents and the economy of the State generally.
4		Eighth Cause of Action: State-Specific Claims
5		(Against all Defendants)
6	<u>Alaska</u>	
7	331.	The State of Alaska repeats and realleges every preceding allegation of this
8	Complaint as	if fully set forth herein.
9	332.	The acts alleged in Causes of Action $1 - 7$ also constitute antitrust violations
10	pursuant to th	ne Alaska Restraint of Trade Act, AS 45.50.562596
11	333.	Alaska seeks all remedies available under federal law and the Alaska Restraint of
12	Trade Act, A	S 45.50.562596, including, without limitation, the following:
13	a.	Pursuant to AS 45.50.577, monetary relief on behalf of the state, and on behalf of
14		other governmental entities or persons doing business or residing in the state under
15		parens patriae authority, for injuries directly or indirectly sustained by reason of
16		any violation of AS 45.50.562570;
17	b.	An award, as monetary relief, three times the total damage sustained as described
18		in AS 45.50.577(a) and (b);
19	c.	Injunctive and other equitable relief, including restitution, pursuant to AS
20		45.50.580;
21	d.	Civil penalties pursuant to AS 45.50.578(b), which provides that the Court may
22		impose a civil penalty in an amount up to \$50,000,000;
23	e.	Costs and attorney's fees pursuant to AS 45.50.577(d); and
24	f.	Other remedies as the court may deem appropriate under the facts and
25		circumstances of the case.
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28	COMPLAINT	89

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1	334.	The acts alleged in Section III of the Complaint also constitute violations of the
2	Alaska Unfair T	Trade Practices and Consumer Protection Act, AS 45.50.471, et. seq.
3	("AUTPCPA")	
4	335.	Specifically, Google violated AS 45.50.471(b)(11) and (b)(12) by misleading,
5	deceiving, and	damaging Alaskans. Among other things, Google omitted material facts, namely
6	its anti-competi	itive conduct, knowing this would harm Alaskans.
7	336.	Alaska seeks all remedies available under the AUTPCPA including, without
8	limitation, the f	following:
9	a. In	njunctive and other equitable relief, including restitution, pursuant to AS
10	4	5.50.501;
11	b. P	Pursuant to AS 45.50.551, a civil penalty of not less than \$1,000 and not more than
12	\$	25,000 for each violation of AS 45.50.471;
13	c. C	Costs and attorney's fees pursuant to AS 45.50.537(d); and
14	d. C	Other remedies as the court may deem appropriate under the facts and
15	c	ircumstances of the case.
16	<u>Arizona</u>	
17	337.	The state of Arizona repeats and realleges every preceding allegation of this
18	Complaint.	
19	338.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
20	pursuant to Ari	zona Revised Statutes ("A.R.S.") § 44-1401 et seq.
21	339.	Arizona seeks all remedies available under federal law or A.R.S. § 44-1401 et
22	seq. including,	without limitation, the following:
23	a. ]	Injunctive relief, civil penalties, other equitable relief (including but not limited to
24		disgorgement), fees and costs, and such other relief as this Court deems just and
25		equitable pursuant to A.R.S. §§ 44-1407 and 1408;
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28	COMPLAINT	90

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b.	Civil penalties pursuant to A.R.S. § 44-1407 which provides that: "The court may	
	assess for the benefit of the state a civil penalty of not more than one hundred fifty	,
	thousand dollars for each violation of this article.";	

c. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

340. The conduct described in the preceding paragraphs of this Complaint constitutes deception, deceptive or unfair acts or practices, fraud, false pretenses, false promises, misrepresentations, or concealment, suppression or omission of material facts with intent that others rely on such concealment, suppression or omission, in connection with the sale or advertisement of merchandise in violation of A.R.S. §§ 44-1521 to -1534, including, but not limited to:

- a. Defendants engaged in unfair acts and practices by tying Google Play Billing to the use of Google Play Store, thereby forcing app developers to use Google Play Billing to process in-app payments;
- b. Defendants engaged in deceptive and unfair acts and practices by falsely representing that the Android OS was "open," when in fact Google shut down and sought to "own" the Android ecosystem as soon as it was feasible to do so, effectively trapping consumers and app developers in that ecosystem;
  - c. Defendants engaged in deceptive and unfair acts and practices by concealing, suppressing, or omitting the material fact that Google planned to shut down and "own" the Android ecosystem as soon as it was feasible to do so, effectively trapping consumers and app developers in that ecosystem;
  - d. Defendants engaged in deceptive and unfair acts and practices by providing misleading warnings to consumers that falsely suggest that a direct download of an app will lead to disastrous consequences for the user and his or her device; and

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1	e.	Defendants engaged in deceptive and unfair acts and practices by concealing,
2		suppressing, or omitting the material fact that a direct download of an app would
3		not lead to disastrous consequences for the user and his or her device.
4	f.	The unfair acts and practices alleged in the preceding paragraphs caused or were
5		likely to cause substantial injury to consumers that was reasonably avoidable by
6		consumers and was not outweighed by countervailing benefits to consumers or to
7		competition.
8	g.	With respect to the concealments, suppressions, or omissions of material fact
9		described above, Defendants did so with intent that others rely on such
10		concealments, suppressions, or omissions; and
11	h.	Defendants' violations of the Arizona Consumer Fraud Act were willful, in that
12		they knew or should have known that their conduct was of the nature prohibited
13		by A.R.S. § 44-1522.
14	341.	Arizona seeks all remedies available under the Arizona Consumer Fraud Act
15	including, wit	hout limitation, the following:
16	a.	Disgorgement and restitution pursuant to A.R.S. § 44-1528;
17	b.	Injunctive and other equitable relief pursuant to A.R.S. § 44-1528;
18	c.	Civil penalties pursuant to A.R.S. § 44-1531(A), which provides that for every
19		willful violation, "the attorney general may recover from the person on behalf
20		of the state a civil penalty of not more than ten thousand dollars per violation";
21	d.	Costs and attorney's fees pursuant to A.R.S. § 44-1534;
22	e.	Pre-judgment and post-judgment interest pursuant to A.R.S. § 44-1201; and
23	f.	Other remedies as the court may deem appropriate under the facts and
24		circumstances of the case.
25	<u>Arkansas</u>	
26	342.	The State of Arkansas repeats and re-alleges every preceding allegation of this
27	Complaint as	if fully set forth herein.
28	COMPLAINT	92

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1	343.	The acts alleged in causes of action 1-7 constitute antitrust violations pursuant to
2	The Arkansa	s Unfair Practices Act § 4-75-201 et seq. and Arkansas law on Monopolies § 4-75-
3	301 <i>et seq</i> .	
4	344.	The State of Arkansas seeks all remedies available under the Arkansas Antitrust
5	Act including	g, without limitation, the following:
6	a.	Actual damages pursuant to Ark. Code Ann. § 4-75-212(a)(3) and § 4-75-
7		315(a)(3);
8	b.	Restitution for loss incurred either directly or indirectly pursuant to Ark. Code
9		Ann. § 4-75-212(a)(3) and § 4-75-315(a)(3);
10	c.	Injunctive and other equitable relief pursuant to Ark. Code Ann. § 4-75-212 (a)(4)
11		and § 4-75-315(a)(4);
12	d.	Civil penalties of up to one thousand dollars (\$1,000) per violation, costs, and
13		attorney's fees pursuant to Ark. Code Ann. § 4-75-212(a)(4) and § 4-57-315(a)(4).
14	345.	The acts and practices alleged in Section III of this Complaint constitute unfair
15	methods of c	ompetition in violation of The Arkansas Deceptive and Unfair Trade Practices Act,
16	Ark. Code A	nn. § 4-88-100 et seq.
17	346.	The State of Arkansas seeks all remedies available under The Arkansas Deceptive
18	and Unfair T	rade Practices Act, including, without limitation, the following:
19	a.	Damages for consumers, pursuant to Ark. Code Ann. § 4-88-113;
20	b.	Injunctive and other equitable relief pursuant to Ark Code Ann. § 4-88-113;
21	c.	Civil penalties up to \$10,000 per violation pursuant to Ark. Code Ann. § 4-88-
22		113(a)(3);
23	d.	Attorney's fees, expenses, and costs pursuant to Ark. Code Ann. § 4-88-113(e).
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25	<u>California</u>	
26	347.	The State of California repeats and realleges every preceding allegation of this
27	Complaint.	
28	COMPLAINT	93
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1 348. Google's acts and practices detailed above violate California's Cartwright Act, 2 Cal. Bus. & Prof. Code § 16700 et seq., which prohibits, inter alia, the combination of resources 3 by two or more persons to restrain trade or commerce or to prevent market competition. See id. §§ 16720, 16726. 4 5 349. Google's acts and practices detailed above also violate California's Unfair 6 Competition Law ("UCL"), Cal. Bus. & Prof. Code § 17200, et seq., which prohibits any 7 unlawful, unfair, or fraudulent business act or practice. 8 350. In bringing its state claims, Plaintiff State of California is entitled to, without 9 limitation, the following: 10 Injunctive and equitable relief in the form of disgorgement of Defendants' illa. 11 gotten gains under the Cartwright Act (Cal. Bus. & Prof. Code § 16750, et seq.); 12 b. As parens patriae, treble damages with interest, on behalf of natural persons 13 residing in the State of California, in an amount according to proof (Cal. Bus. & 14 Prof. Code § 16760); 15 Injunctive, restitution and other equitable relief under the UCL (Cal. Bus. & Prof. c. Code § 17203); 16 d. Civil penalties assessed at up to \$2,500 for each violation of the UCL (Cal. Bus. & 17 18 Prof. Code § 17206); and 19 Costs of suit, including reasonable attorney's fees, and such other relief as may be e. 20 just and equitable (Cal. Bus. & Prof. Code §§ 16750, 16754, 16754.5, and 16760). 21 Colorado 22 351. The state of Colorado repeats and realleges every preceding allegation of this 23 Complaint as if fully set forth herein. 24 352. The acts alleged in causes of action 1 - 7 also constitute antitrust violations 25 pursuant to the Colorado Antitrust Act of 1992, Colo. Rev. Stat. § 6-4-101, et seq. 26 353. Colorado seeks all remedies available under federal law or the Colorado Antitrust 27 Act of 1992, Colo. Rev. Stat. § 6-4-101, et seq., including, without limitation, the following: 28 COMPLAINT 94

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1	a.	Damages for natural persons under parens patriae authority, pursuant to Colo.
2		Rev. Stat. § 6-4-111(3)(a);
3	b.	Injunctive and other equitable relief, including disgorgement and restitution,
4		pursuant to Colo. Rev. Stat. § 6-4-111(1);
5	c.	Civil penalties pursuant to Colo. Rev. Stat. § 6-4-112(1) which provides that to
6		the Court may impose civil penalties in an amount up to "two hundred fifty
7		thousand dollars for each such violation";
8	d.	Costs and attorney's fees pursuant to Colo. Rev. Stat. § 6-4-111(4); and
9	e.	Other remedies as the court may deem appropriate under the facts and
10		circumstances of the case.
11	354.	The acts alleged in Section III of the Complaint also violate the Colorado
12	Consumer Pro	otection Act, Colo. Rev. Stat. § 6-1-101, et. seq. Google's acts and practices
13	constitute dec	eptive trade practices and violate § 6-1-105(1), including but not limited to § 6-1-
14	105(1)(e), (i),	(n), and (kkk).
15	355.	Colorado seeks all remedies available under the Colorado Consumer Protection
16	Act, Colo. Re	v. Stat. § 6-1-101, et. seq., including, without limitation, the following:
17	a.	Injunctive and other equitable relief, including disgorgement and restitution,
18		pursuant to Colo. Rev. Stat. § 6-1-110(1);
19	b.	Civil penalties pursuant to Colo. Rev. Stat. § 6-1-112, which provides for civil
20		penalties in an amount up to \$20,000 per violation pursuant to Colo. Rev. Stat. §
21		6-1-112(1)(a), or \$50,000 per violation pursuant to Colo. Rev. Stat. § 6-1-
22		112(1)(c);
23	с.	Costs and attorney's fees pursuant to Colo. Rev. Stat. § 6-1-113(4); and
24	d.	Other remedies as the court may deem appropriate under the facts and
25		circumstances of the case.
26	<u>Connecticut</u>	
27		
28	COMPLAINT	95

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356. The State of Connecticut repeats and realleges each and every preceding
 paragraph and allegation of this Complaint as if fully set forth herein.

3 357. Defendants' actions as alleged herein violate the Connecticut Antitrust Act, Conn.
4 Gen. Stat. §§ 35-26 and 35-28, in that they have the purpose and/or effect of unreasonably
5 restraining trade and commerce within the State of Connecticut and elsewhere.

358. Defendants' actions as alleged herein have damaged, directly and indirectly, the
prosperity, welfare, and general economy of the State of Connecticut and the economic
wellbeing of a substantial portion of the People of the State of Connecticut and its citizens and
businesses at large.

359. Plaintiff State of Connecticut seeks recovery of such damages as parens patriae on
behalf of the State of Connecticut and the People of the State of Connecticut pursuant to Conn.
Gen. Stat. § 35-32(c)(2).

13 360. Defendants' actions as alleged herein also constitute unfair methods of
14 competition and/or unfair or deceptive acts or practices in trade or commerce in violation of the
15 Connecticut Unfair Trade Practices Act ("CUTPA"), Conn. Gen. Stat. § 42-110b *et seq.*

361. Defendants knew or should have known that their conduct violated the CUTPA.

17 362. The State of Connecticut seeks all remedies available under CUTPA, including,
18 without limitation, the following:

- a. Damages and restitution for Connecticut consumers, pursuant to Conn. Gen. Stat. §
   42-110m;
- b. Disgorgement, pursuant to Conn. Gen. Stat. § 42-110m;
- c. Injunctive and other equitable relief, pursuant to Conn. Gen. Stat. § 42-110m;
- d. Civil penalties for each willful violation of CUTPA committed by the Defendants, pursuant to Conn. Gen. Stat. § 42-1100;
- e. Costs and attorney's fees, pursuant to Conn. Gen. Stat. § 42-110m; and
- f. Other remedies as the Court may deem appropriate under the facts and circumstances of the case.

28 COMPLAINT

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## 1 Delaware

2	363.	The State of Delaware repeats and realleges every preceding allegation of this
3	Complaint as	if fully set forth herein.
4	364.	The acts alleged in causes of action 2, 3, 4, 6, and 7 also constitute antitrust
5	violations pur	suant to the Delaware Antitrust Act ("DAA"), Del. Code tit. 6, § 2101 et. seq
6	365.	The State of Delaware seeks all remedies available under federal law or the DAA
7	including, wit	hout limitation, the following:
8	a.	Damages for natural persons under parens patriae authority, pursuant to Del.
9		Code tit. 6, § 2108(b);
10	b.	Disgorgement and restitution pursuant to Del. Code tit. 6, § 2107;
11	c.	Injunctive and other equitable relief pursuant to Del. Code tit. 6, § 2107;
12	d.	Civil penalties pursuant to Del. Code tit. 6, § 2107 which provides for a civil
13		penalty for the benefit of the State of not less than \$1,000 nor more than \$100,000
14		for each violation of the DAA;
15	e.	Costs and attorney's fees pursuant to Del. Code tit. 6, § 2108(b); and
16	f.	Other remedies as the court may deem appropriate under the facts and
17		circumstances of the case.
18	District of Co	olumbia
19	366.	The District of Columbia re-alleges and incorporates by reference the preceding
20	paragraphs, as	s if set forth fully herein.
21	367.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
22	pursuant to th	e District of Columbia Antitrust Act, D.C. Code § 28-4501 et seq.
23	368.	The District of Columbia seeks all remedies available under federal law or
24	District of Co	lumbia Antitrust Act including, without limitation, the following:
25	a.	Damages for natural persons under parens patriae authority, pursuant to D.C.
26		Code §§ 28-4507 and 28-4509;
27	b.	Disgorgement and restitution pursuant to D.C. Code § 28-4507;
28	COMPLAINT	97

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1	c.	Injunctive and other equitable relief pursuant to D.C. Code § 28-4507;
2	d.	Civil penalties pursuant to D.C. Code § 28-4507 which provides that "[a]ny
3		individual who knowingly commits any violation of this chapter shall be liable for
4		civil penalties not to exceed \$100,000" and "[a]ny person, other than an
5		individual in paragraph (1) of this subsection, that knowingly commits any
6		violation of this chapter shall be liable for civil penalties not to exceed \$1
7		million";
8	e.	Costs and attorney's fees pursuant to D.C. Code § 28-4507; and
9	f.	Other remedies as the court may deem appropriate under the facts and
10		circumstances of the case.
11	369.	The acts alleged in Section III of the Complaint, in addition to the following acts,
12	also constitut	te violations of the District of Columbia Consumer Protection Procedures Act, D.C.
13	Code § 29-38	801, et seq.:
14	a.	The services that that Defendant offers, markets, sells, and supplies to consumers
15		are purchased for personal, household or family purposes, and, therefore, are
16		consumer goods and services.
17	b.	Defendant, in the ordinary course of business, markets, offers, sells, and supplies
18		consumer goods and services, and is a merchant under the CPPA.
19	c.	Merchants who violate the CPPA may be subject to restitution, damages, civil
20		penalties, temporary or permanent injunctions, the costs of the action, and
21		reasonable attorneys' fees. D.C. Code § 28-3909.
22	d.	The CPPA prohibits any person from engaging in unfair and deceptive trade
23		practices, including by:
24		i. "misrepresent[ing] as to a material fact which has a tendency to mislead,"
25		<i>id.</i> § 28-3904(e); and
26		ii. "fail[ing] to state a material fact if such failure tends to mislead," id. § 28-
27		3904(f).
28	COMPLAINT	98

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1	e. I	Defendants' representations to consumers that sideloading apps is harmful,
2	i i	impossible, and/or leaves the consumer vulnerable to attack is a misrepresentation
3		of a material fact per § 28-3904(e).
4	f. I	Defendants' failure to inform consumers that sideloading is in fact possible on
5	t	their phones is a material omission that tends to mislead in violation of D.C. Code
6	Ę	§ 28-3904(f).
7	370.	The District of Columbia seeks all remedies available under the District of
8	Columbia Con	sumer Protection Procedures Act including, without limitation, the following:
9	a.	Economic damages, pursuant to D.C. Code § 29-3809;
10	b.	Restitution pursuant to D.C. Code § 29-3809;
11	с.	Injunctive and other equitable relief pursuant to D.C. Code § 29-3809;
12	d.	Civil penalties pursuant to D.C. Code § 29-3809;
13	e.	Costs and attorney's fees pursuant to D.C. Code § 29-3809; and
14	f.	Other remedies as the court may deem appropriate under the facts and
15		circumstances of the case.
16	<u>Florida</u>	
16 17		The State of Florida repeats and re-alleges every preceding allegation of this
	371.	The State of Florida repeats and re-alleges every preceding allegation of this if fully set forth herein.
17	371. Complaint as i	
17 18	371. Complaint as i 372.	f fully set forth herein.
17 18 19	371. Complaint as i 372.	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust
17 18 19 20	371. Complaint as i 372. Act, Fla. Stat. 373.	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq</i> .
17 18 19 20 21	371. Complaint as i 372. Act, Fla. Stat. 373. including, with	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq.</i> The State of Florida seeks all remedies available under the Florida Antitrust Act
<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	371. Complaint as i 372. Act, Fla. Stat. 373. including, with	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq</i> . The State of Florida seeks all remedies available under the Florida Antitrust Act hout limitation, the following:
<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	371. Complaint as i 372. Act, Fla. Stat. 373. including, with a.	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq</i> . The State of Florida seeks all remedies available under the Florida Antitrust Act hout limitation, the following: Damages for natural persons under <i>parens patriae</i> authority, pursuant to Fla. Stat.
<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	371. Complaint as i 372. Act, Fla. Stat. 373. including, with a. b.	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq</i> . The State of Florida seeks all remedies available under the Florida Antitrust Act hout limitation, the following: Damages for natural persons under <i>parens patriae</i> authority, pursuant to Fla. Stat. § 542.22;
<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>	371. Complaint as i 372. Act, Fla. Stat. 373. including, with a. b. c.	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq.</i> The State of Florida seeks all remedies available under the Florida Antitrust Act hout limitation, the following: Damages for natural persons under <i>parens patriae</i> authority, pursuant to Fla. Stat. § 542.22; Injunctive and other equitable relief pursuant to Fla. Stat. § 542.23;
<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>	371. Complaint as i 372. Act, Fla. Stat. 373. including, with a. b. c.	If fully set forth herein. The acts alleged constitute antitrust violations pursuant to The Florida Antitrust § 542.15 <i>et seq.</i> The State of Florida seeks all remedies available under the Florida Antitrust Act hout limitation, the following: Damages for natural persons under <i>parens patriae</i> authority, pursuant to Fla. Stat. § 542.22; Injunctive and other equitable relief pursuant to Fla. Stat. § 542.23; Civil penalties pursuant to Fla. Stat. § 542.21 which provides that any person

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1		"[a]ny person who knowingly violates any of the provisionsor who knowingly
2		aids in or advises such violation, is guilty of a felony, punishable by a fine not
3		exceeding \$1 million if a corporation."
4	d.	Costs and attorney's fees pursuant to Fla. Stat. § 542.23.
5	374.	The acts and practices alleged constitute unfair methods of competition in
6	violation of T	he Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. § 501.204 et seq.
7	375.	Further, Defendants' actions offend established public policy and are immoral,
8	unethical, opp	pressive, unscrupulous, or substantially injurious to consumers in the State of
9	Florida in vio	lation of Fla. Stat. § 501.204 et seq.
10	376.	The State of Florida seeks all remedies available under The Florida Deceptive and
11	Unfair Trade	Practices Act, including, without limitation, the following:
12	a.	Damages for consumers, pursuant to Fla. Stat. § 501.207;
13	b.	Disgorgement and restitution pursuant to The Florida Deceptive and Unfair Trade
14		Practices Act, Fla. Stat. § 501.204 et seq.;
15	c.	Injunctive and other equitable relief pursuant to Fla. Stat. § 501.207;
16	d.	Civil penalties pursuant to Fla. Stat. § 501.2075, which provides that anyone who
17		engages in a willful violation "is liable for a civil penalty of not more than
18		\$10,000 for each such violation."
19	e.	Costs and attorney's fees pursuant to Fla. Stat. § 501.2105.
20	<u>Idaho</u>	
21	377.	The state of Idaho repeats and realleges every preceding allegation of this
22	Complaint as	if fully set forth herein.
23	378.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
24	pursuant to th	e Idaho Competition Act, Idaho Code §§ 48-104 and 48-105.
25	379.	Google's conduct as alleged in the Complaint establishes that Google engages in
26	commerce in 2	Idaho as defined in Idaho Code § 48-103(1).
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28	COMPLAINT	100

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1	380.	Idaho seeks all remedies available under federal law or the Idaho Competition
2	Act, Idaho Co	de §§ 48-108 and 48-112, including, without limitation, the following:
3	a.	Damages for persons under <i>parens patriae</i> authority, pursuant to Idaho Code §
4		48-108(2)(a);
5	b.	Disgorgement and restitution pursuant to Idaho Code §§ 48-108(1)(b) and 48-
6		112(2) and (4);
7	с.	Injunctive and other equitable relief pursuant to Idaho Code §§ 48-108(1)(a)-(b)
8		and 48-112(1);
9	d.	Civil penalties pursuant to Idaho Code § 48-108(1)(d), which provides up to
10		\$50,000 for each violation of Idaho Code §§ 48-104 and 48-105;
11	e.	Costs and attorney's fees pursuant to Idaho Code §§ 48-108(1)(d) and 48-112;
12		and
13	f.	Other remedies as the court may deem appropriate under the facts and
14		circumstances of the case.
15	<u>Indiana</u>	
16	381.	The state of Indiana repeats and realleges every preceding allegation of this
17	Complaint as	if fully set forth herein.
18	382.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
19	pursuant to Cl	hapter Two of the Indiana Antitrust Act, Ind. Code §§ 24-1-2-1 and 24-1-2-2.
20	383.	Indiana seeks all remedies available under federal law or the Indiana Antitrust Act
21	including, wit	hout limitation, the following:
22	a.	Damages for natural persons under Indiana's parens patriae authority;
23	b.	Disgorgement and restitution pursuant to Ind. Code § 24-1-2-5;
24	с.	Injunctive and other equitable relief pursuant to Ind. Code § 24-1-2-5;
25	d.	Costs pursuant to Ind. Code § 24-1-2-5; and
26	e.	Other remedies as the court may deem appropriate under the facts and
27		circumstances of the case.
28	COMPLAINT	101

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1	384.	The acts alleged in Section III of the Complaint also constitute violations of the
2	Indiana Decep	otive Consumer Sales Act, Ind. Code § 24-5-0.5-1 et seq.:
3	385.	Indiana seeks all remedies available under the Indiana Deceptive Consumer Sales
4	Act including	, without limitation, the following:
5	a.	Disgorgement and restitution pursuant to Ind. Code § 24-5-0.5-4(c)(2);
6	b.	Injunctive and other equitable relief pursuant to Ind. Code § 24-5-0.5-4(c)(1);
7	с.	Civil penalties pursuant to Ind. Code § 24-5-0.5-4(g) which provides that the
8		attorney general may recover civil penalties for knowing violations of the Indiana
9		Deceptive Consumer Sales Act and Ind. Code § 24-5-0.5-8 which provides that
10		the attorney general may recover civil penalties for incurable deceptive acts done
11		as part of a scheme, artifice, or device with intent to defraud or mislead.
12	d.	Costs pursuant to Ind. Code § 24-5-0.5-4(c)(4); and
13	e.	Other remedies as the court may deem appropriate under the facts and
14		circumstances of the case.
15	<u>Iowa</u>	
16	386.	The state of Iowa repeats and realleges every preceding allegation of this
17	Complaint as	if fully set forth herein.
18	387.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
19	pursuant to Io	wa Code Chapter 553.
20	388.	Iowa seeks all remedies available under federal law and under Iowa Code § 553.1
21	et seq. includi	ng, without limitation, the following:
22	a.	Injunctive and other equitable relief, including divestiture of profits, pursuant to
23		Iowa Code § 553.12(1);
24	b.	Damages resulting from the conduct pursuant to § 553.12(2); and
25	c.	Civil penalties pursuant to Iowa Code § 553.13.
26	389.	The acts alleged in Section III of the Complaint also constitute unfair and
27	deceptive acts	in violation of Iowa Consumer Fraud Act, Iowa Code. § 714.16 et seq.
28	COMPLAINT	102

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390. Iowa seeks all remedies available under the Iowa Consumer Fraud Act,. including, without limitation, the following:

3	a.	Restitution for consumers pursuant to Iowa Code § 714.16(7);	
4	b.	Disgorgement pursuant to Iowa Code § 714.16(7);	
5	c.	Injunctive and other equitable relief pursuant to Iowa Code § 714.16(7);	
6	d.	Civil penalties pursuant to Iowa Code § 714.16(7) which provides that the attorney	
7		general may request "a civil penalty not to exceed forty thousand dollars per	
8		violation against a person found by the court to have engaged in a method, act, or	
9		practice declared unlawful under this section; provided, however, a course of	
10		conduct shall not be considered to be separate and different violations merely	
11		because the conduct is repeated to more than one person;	
12	e.	Costs and attorney's fees pursuant to Iowa Code § 714.16(11); and	
13	f.	Other remedies as the court may deem appropriate under the facts and	
14		circumstances of the case and pursuant to Iowa Code § 714.16(7).	
15	<u>Kentucky</u>		
16	391.	The Commonwealth of Kentucky hereby reincorporates by reference all other	
17	paragraphs of this Complaint.		
18	392.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations	
19	pursuant to Ky. Rev. Stat. § 367.175.		
20	393.	Defendants engaged in and are engaging in unlawful conduct in the course of	
21	trade or commerce in the Commonwealth of Kentucky, within the meaning of Ky. Rev. Stat. §		
22	367.175, that has harmed and is harming the Commonwealth and its persons.		
23	394.	The Commonwealth of Kentucky seeks all remedies available under federal law	
24	or Kentucky law for violations of Ky. Rev. Stat. § 367.175 including, without limitation, the		
25	following:		
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28	COMPLAINT	103	

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1	a.	Damages for its persons under parens patriae authority, pursuant to Ky. Rev. Stat.
2		§ 15.020, Ky. Rev. Stat. § 367.110 through Ky. Rev. Stat. § 367.990, and common
3		law;
4	b.	Disgorgement and restitution pursuant to Ky. Rev. Stat. § 15.020, Ky. Rev. Stat. §
5		367.110 through Ky. Rev. Stat. § 367.990, and common law;
6	c.	Injunctive and other equitable relief pursuant to Ky. Rev. Stat. § 15.020, Ky. Rev.
7		Stat. § 367.110 through Ky. Rev. Stat. § 367.990, and common law;
8	d.	Civil penalties pursuant to Ky. Rev. Stat. § 367.990(8);
9	e.	Costs and attorneys' fees pursuant to Ky. Rev. Stat. § 367.110 through Ky. Rev.
10		Stat. § 367.990, Ky. Rev. Stat. § 48.005(4), and common law; and
11	f.	Other remedies as the court may deem appropriate under the facts and
12		circumstances of the case.
13	395.	The acts alleged in Section III.A. of the Complaint, in addition to the following
14	acts, also con	astitute violations of Ky. Rev. Stat. § 367.170:
15	a.	Defendants engaged in and are engaging in unlawful conduct in the course of trade
16		or commerce, within the meaning of Ky. Rev. Stat. § 367.170, that has harmed and
17		is harming the Commonwealth and its persons. The above-described conduct has
18		been and is willful within the meaning of Ky. Rev. Stat. § 367.990.
19	b.	The Commonwealth states that the public interest is served by seeking a permanent
20		injunction to restrain the acts and practices described herein. The Commonwealth
21		and its persons will continue to be harmed unless the acts and practices complained
22		of herein are permanently enjoined pursuant to Ky. Rev. Stat. § 367.190.
23	396.	The Commonwealth of Kentucky seeks all remedies available under Kentucky
24	law for violat	tions of Ky. Rev. Stat. § 367.170 including, without limitation, the following:
25	a.	Damages for its persons under <i>parens patriae</i> authority, pursuant to Ky. Rev. Stat.
26		§ 15.020, Ky. Rev. Stat. § 367.110 through Ky. Rev. Stat. § 367.990, and common
27		law;
28	COMPLAINT	104

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1	b. ]	Disgorgement and restitution pursuant to Ky. Rev. Stat. § 15.020, Ky. Rev. Stat. §
2		367.110 through Ky. Rev. Stat. § 367.990, and common law;
3	c. ]	Injunctive and other equitable relief pursuant to Ky. Rev. Stat. § 367.190 and
4		common law;
5	d. (	Civil penalties pursuant to Ky. Rev. Stat. § 367.990(2);
6	e. (	Costs and attorneys' fees pursuant to Ky. Rev. Stat. § 367.110 through Ky. Rev.
7		Stat. § 367.990, Ky. Rev. Stat. § 48.005(4), and common law; and
8	f. (	Other remedies as the court may deem appropriate under the facts and
9		circumstances of the case.
10	<u>Maryland</u>	
11	397.	The state of Maryland repeats and realleges every preceding allegation of this
12	Complaint as i	if fully set forth herein.
13	398.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
14	pursuant to Th	ne Maryland Antitrust Act, Md. Com. Law Code Ann §11-201 et. seq.
15	399.	Maryland seeks all remedies available under federal law or Maryland's Antitrust
16	Statute including, without limitation, the following:	
17	a.	Damages for natural persons under parens patriae authority, pursuant to Md.
18		Com. Law Code Ann §11-209(b)(5);
19	b.	Disgorgement and restitution pursuant to Md. Com. Law Code Ann §11-209(a);
20	с.	Injunctive and other equitable relief pursuant to Md. Com. Law Code Ann §11-
21		209(a);
22	d.	Civil penalties pursuant to Md. Com. Law Code Ann §11-209(a) which provides
23		that "In addition to the equitable remedies or other relief authorized by this
24		section, the court may assess against any person who violates §11-204 of this
25		subtitle a civil penalty not exceeding \$10,000 for each violationand "[e]ach
26		day that a violation of §11-204 of this subtitle continues is a separate violation.";
27	e.	Costs and attorney's fees pursuant to Md. Com. Law Code Ann §11-209(a); and
28	COMPLAINT	105

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f. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

## 3 Massachusetts

4	400.	The Commonwealth of Massachusetts repeats and realleges each and every	
5	preceding paragraph and allegation of this Complaint as if fully set forth herein.		
6	401.	The acts alleged in the aforementioned paragraphs of the Complaint constitute	
7	unfair method	s of competition and/or unfair or deceptive acts or practices in trade or commerce	
8	in violation of the Massachusetts Consumer Protection Act, M.G.L c. 93A, § 2 et seq.		
9	402.	Defendants knew or should have known that their conduct violated the	
10	Massachusetts Consumer Protection Act, M.G.L c. 93A, § 2 et seq.		
11	403.	The Commonwealth of Massachusetts seeks all remedies available under M.G.L.	
12	c. 93A, § 4, including, without limitation, the following:		
13	a.	Damages for natural persons under parens patriae authority, pursuant to M.G.L.	
14		c. 93A, § 4;	
15	b.	Restitution for Massachusetts consumers pursuant to M.G.L. c. 93A, § 4;	
16	c.	Disgorgement pursuant to M.G.L. c. 93A, § 4;	
17	d.	Injunctive and other equitable relief pursuant to M.G.L. c. 93A, § 4;	
18	e.	Civil penalties for each violation committed by the Defendants pursuant to	
19		M.G.L. c. 93A, § 4;	
20	f.	Costs and attorney's fees pursuant to M.G.L. c. 93A, § 4; and	
21	g.	Other remedies as the court may deem appropriate under the facts and	
22		circumstances of the case.	
23	404.	The Commonwealth of Massachusetts notified the Defendants of this intended	
24	action at least	five days prior to the commencement of this action and gave the Defendants an	
25	opportunity to confer in accordance with M.G. L. c. 93A, § 4.		
26	<u>Minnesota</u>		
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28	COMPLAINT	106	

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1	405.	The state of Minnesota repeats and realleges every preceding allegation of this		
2	Complaint as if fully set forth herein.			
3	406.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations		
4	pursuant to the Minnesota Antitrust Law of 1971, Minn. Stat. §§ 325D.49-325D.66.			
5	407.	Minnesota seeks all remedies available under federal law or Minn. Stat. §§		
6	325D.49-325D.66 including, without limitation, the following:			
7	a.	Damages for natural persons under parens patriae authority, pursuant to Minn.		
8		Stat. § 325D.57 and Minn. Stat. § 8.31 subd. 3a;		
9	b.	Disgorgement and restitution pursuant to Minn. Stat. § 325D.59 and Minn. Stat.		
10		Ch. 8;		
11	c.	Injunctive and other equitable relief pursuant to Minn. Stat. § 325D.58 and Minn.		
12		Stat. § 8.31, subd. 3;		
13	d.	Civil penalties pursuant to Minn. Stat. § 325D.56 and Minn. Stat. 8.31, subd. 3,		
14		which provide for civil penalties of \$50,000 and \$25,000, respectively;		
15	e.	Costs and attorney's fees pursuant to Minn. Stat. § 325D.57 and Minn. Stat. §		
16		8.31, subd. 3a; and		
17	f.	Other remedies as the court may deem appropriate under the facts and		
18		circumstances of the case.		
19	<u>Mississippi</u>			
20	408.	The state of Mississippi repeats and realleges every preceding allegation of this		
21	Complaint as if fully set forth herein. The Mississippi Attorney General has the ability to bring			
22	this suit as the chief legal officer of the State of Mississippi pursuant to Miss. Code Ann. § 7-5-1			
23	and as <i>parens</i>	patriae of Mississippi residents.		
24	409.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations		
25	pursuant to Miss. Code Ann. § 75-21-1 et seq.			
26	410.	Mississippi seeks all remedies available under federal law and under Miss. Code		
27	Ann. § 75-21-1 et seq. including, without limitation, the following:			
28	COMPLAINT	107		
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1	a.	Restitution for Mississippi consumers under the Attorney General's parens
2		patriae authority, due to the state's quasi-sovereign interest in the direct and
3		indirect effect of the Defendant's illegal conduct;
4	b.	Injunctive and other equitable relief pursuant to Miss. Code Ann. §§ 75-21-1; 75-
5		21-3;
6	c.	Civil penalties pursuant to Miss. Code Ann. §§ 75-21-1; 75-21-7; 75-21-9 which
7		provides that:
8		[a]ny person, association of persons, corporation, or corporations,
9		domestic or foreign, who shall be a party or belong to a trust and combine shall be
10		guilty of crime and upon conviction thereof shall, for a first offense be fined in
11		any sum not less than one hundred dollars (\$100.00) nor more than five thousand
12		dollars (\$5,000.00);
13	411.	The acts alleged in Section III of the Complaint also constitute unfair and
14	deceptive acts	s in violation of Mississippi Consumer Protection Act, Miss. Code Ann. § 75-24-1
15	et seq.:	
16	412.	Mississippi seeks all remedies available under the Mississippi Consumer
17	Protection Ac	t, Miss. Code Ann. § 75-24-1 et seq. including, without limitation, the following:
18	a.	Restitution for consumers pursuant to Miss. Code Ann. § 75-24-11;
19	b.	Disgorgement pursuant to Miss. Code Ann. §§ 75-24-11 and 75-24-23 and as an
20		equitable remedy pursuant to common law;
21	c.	Injunctive and other equitable relief pursuant to Miss. Code Ann. §§ 75-24-9; 75-
22		24-11;
23	d.	Civil penalties pursuant to Miss. Code Ann. § 75-24-19(1)(b) which provides that,
24		"[i]n any action brought under Section 75-24-9, if the court finds from clear and
25		convincing evidence, that a person knowingly and willfully used any unfair or
26		deceptive trade practice, method or act prohibited by Section 75-24-5, the
27		Attorney General, upon petition to the court, may recover on behalf of the state a
28	COMPLAINT	108

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1	civil penalty in a sum not to exceed Ten Thousand Dollars (\$10,000.00) per	
2	violation"	
3	e. Costs and attorney's fees pursuant to Miss. Code Ann. § 75-24-19(b) and pursuant	t
4	to common law, and	
5	f. Other remedies as the court may deem appropriate under the facts and	
6	circumstances of the case and pursuant to Miss. Code Ann. §§ 75-24-23; 11-45-	
7	11.	
8	413. Other remedies as the court may deem appropriate.	
9	<u>Missouri</u>	
10	414. The state of Missouri repeats and realleges every preceding allegation of this	
11	Complaint as if fully set forth herein.	
12	415. The acts alleged in causes of action $1 - 7$ also constituted antitrust violations	
13	pursuant to the Missouri Antitrust Law, RSMo. §§416.011 et seq.	
14	416. Missouri seeks all remedies available under federal law or the Missouri Antitrust	
15	Law, including, without limitation, the following:	
16	a. Damages (including treble damages) for all persons under parens patriae	
17	authority, pursuant to RSMo. §§416.061 and 416.121;	
18	b. Disgorgement and restitution pursuant to RSMo. §416.071;	
19	c. Injunctive and other equitable relief pursuant to RSMo. §416.071;	
20	d. Costs and attorney's fees pursuant to RSMo. §416.121; and,	
21	e. Other remedies as the court may deem appropriate under the facts and	
22	circumstances of the case.	
23	417. The acts alleged in this Complaint also violate the Missouri Merchandising	
24	Practices Act, RSMo. §§407.010 et seq., as further interpreted by 15 CSR 60-8.010 et seq. and	
25	15 CSR 60-9.010 et seq. Google's conduct constitutes unfair practices, which 15 CSR 60-8.020	1
26	defines to include any practice which "(A) either (1) offends any public policy as it has been	
27	established by the Constitution, statutes or common law of this state, or by the Federal Trade	1
28	COMPLAINT 109	

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1	Commission, o	or its interpretive decision; (2) or is unethical, oppressive or unscrupulous; and (B)
2	presents a risk	of, or causes, substantial injury to consumers." Google's conduct also constitutes
3	unfair practice	es as defined in 15 CSR 60-8.090 to include "any method, use, or practice which
4	(A) violates st	ate or federal law intended to protect the public and (B) presents a risk of, or
5	causes substan	tial injury to consumers." Google's conduct also constitutes deception,
6	misrepresentat	tion, and the concealment, suppression, or omission of material fact as defined in
7	15 CSR 60-9.0	020, 9.070-090, and 9.110.
8	418.	Missouri seeks all remedies under the Missouri Merchandising Practices Act
9	including, with	hout limitation, the following:
10	a.	An order of restitution for all persons pursuant to RSMo. §407.100;
11	b.	Disgorgement pursuant to RSMo. §407.100;
12	с.	Injunctive and other equitable relief pursuant to RSMo. §407.100;
13	d.	A civil penalty in the amount of one thousand dollars (\$1,000.00) for each
14		violation of the Missouri Merchandising Practices Act pursuant to RSMo.
15		§407.100;
16	e.	Attorney's fees, court costs, and costs of investigation pursuant to RSMo.
17		§407.130;
18	f.	An additional award in the amount of ten percent (10%) of the total restitution
19		awarded pursuant to RSMo. §407.140, to be paid into the Missouri state treasury
20		to the credit of the merchandising practices revolving fund; and,
21	g.	Other remedies as the court may deem appropriate under the facts and
22		circumstances of the case.
23	<u>Montana</u>	
24	419.	The state of Montana repeats and realleges every preceding allegation of this
25	Complaint as i	if fully set forth herein.
26	420.	Defendant's acts and practices alleged in Sections I through III and causes of
27	action 1 throug	gh 7 violate Montana's Unfair Trade Practices and Consumer Protection Act,
28	COMPLAINT	110

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1	Mont. Code A	nn. §-30-14-101 et seq., including § 30-14-103, and Unfair Trade Practices
2	Generally, Mo	ont. Code Ann. § 30-14-201 et seq., including § 30-14-205(2).
3	421.	Mont. Code Ann § 30-14-103 prohibits unfair methods of competition and unfair
4	or deceptive a	cts or practices in the conduct of any trade or commerce. Montana's standard for
5	"unfairness" a	as prohibited under Mont. Code Ann. § 30-14-103 is articulated in <i>Rohrer v</i> .
6	Knudson, 203	P.3d 759 (Mont. 2009) as an act or practice which "offends established public
7	policy and wh	ich is either immoral, unethical, oppressive, unscrupulous or substantially injurious
8	to consumers.	"The acts and practices alleged in Sections I through III and causes of action 1
9	through7 viola	ate Mont. Code Ann. § 30-14-103 and the Rohrer standard.
10	a.	The acts and practices alleged in Sections I and II and causes of action 1 through7
11		violate Mont. Code Ann. § 30-14-205 (2), subsections (b), (c), (d) and (g).
12		Violations of Mont. Code Ann. § 30-14-205(2) also constitute methods of
13		competition and unfair acts or practices violating § 30-14-103.
14	b.	The acts and practices alleged in Section III of the complaint were and are unfair
15		methods of competition and unfair or deceptive in violation of Mont. Code Ann. §
16		30-14-103 and the <i>Rohrer</i> standard.
17	c.	Defendant's anticompetitive and unfair and/or deceptive acts and practices as
18		delineated in Sections I through III and causes of action 1 through7 of the
19		Complaint occurred in the conduct of trade and commerce as defined in Mont.
20		Code Ann. § 30-14-102(8).
21	d.	Defendant's acts and practices as delineated in Sections I through III and causes
22		of action 1 through 7 of the Complaint were and are willful for purposes of Mont.
23		Code Ann. § 30-14-142(2), (4).
24	e.	The State of Montana seeks all remedies available under federal law and Montana
25		Code Ann. §§ 30-14-101 through 30-14-226, including, without limitation,
26		injunctive and equitable relief, i restitution, disgorgement of profits, and the
27		maximum civil penalties available under Mont. Code Ann. § 30-14-101 et seq.
28	COMPLAINT	111

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and § 30-14-201 et seq., including but not limited to Mont. Code Ann. §§ 30-14-111(4), -131, 142(2), and -222. Plaintiff State of Montana also seeks reasonable attorney's fees and costs.

#### 4 || <u>Nebraska</u>

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5 422. The state of Nebraska repeats and realleges every preceding allegation of this
6 Complaint as if fully set forth herein.

423. The acts alleged in causes of action 1 – 7 also constitute antitrust violations
pursuant to the Unlawful Restraint of Trade Act, Neb. Rev. Stat. § 59-801 *et seq.*

9 424. Nebraska seeks all remedies available under federal law or its Unlawful Restraint
10 of Trade Act including, without limitation, the following:

a. Damages for natural persons under *parens patriae* authority, pursuant to Neb.
 Rev. Stat. § 84-212;

b. Disgorgement and restitution pursuant to Neb. Rev. Stat. § 84-212;

c. Injunctive and other equitable relief pursuant to Neb. Rev. Stat. § 59-819;

d. Civil penalties pursuant to Neb. Rev. Stat. § 59-1614 which provides that "Any person who violates section 59-1603 or 59-1604 or the terms of any injunction issued as provided in the Consumer Protection Act shall forfeit and pay a civil penalty of not more than five hundred thousand dollars. Any person who violates section 59-1602 shall pay a civil penalty of not more than two thousand dollars for each violation, except that such penalty shall not apply to any radio or television broadcasting station which broadcasts, or to any publisher, printer, or distributor of any newspaper, magazine, billboard, or other advertising medium who publishes, prints, or distributes advertising in good faith without knowledge of its false, deceptive, or misleading character and no such good faith publication, printing, or distribution shall be considered a violation of section 59-1602."
e. Costs and attorney's fees pursuant to Neb. Rev. Stat. § 84-212; and

28 COMPLAINT

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f. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

3 Nevada

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4 425. The state of Nevada repeats and realleges every preceding allegation of this
5 Complaint as if fully set forth herein.

426. The acts alleged in causes of action 1 – 7 produced, and continue to produce,
harm across the Plaintiff States, including in Nevada, and also constitute antitrust violations
pursuant to the Nevada Unfair Trade Practice Act, NRS 598A.010 *et seq*.

9 427. Nevada seeks all remedies available under federal law and the Nevada Unfair
10 Trade Practice Act, NRS 598A.010 *et seq.*, including, without limitation, the following:

a. Damages for natural persons under *parens patriae* authority, pursuant NRS 598A.160(1);

b. Disgorgement pursuant to NRS 598A.170;

c. Injunctive and other equitable relief pursuant to NRS 598A.070(1)(c)(1);

d. Civil penalties pursuant to NRS 598A.070(1)(c)(2) and NRS 598A.170;

e. Costs and attorney's fees pursuant to NRS 598A.210; and

f. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

428. The acts alleged in Section III of the Complaint were overtly deceptive, not merely anticompetitive, and also constitute violations of the Nevada Deceptive Trade Practices Act, NRS 598.0903, *et seq.*:

a. NRS 598.0915(5) renders it unlawful to knowingly makes a false representation as to the characteristics, ingredients, uses, benefits, alterations or quantities of goods or services for sale or lease or a false representation as to the sponsorship, approval, status, affiliation or connection of a person therewith; and

 b. NRS 598.0915(15) renders it unlawful to knowingly makes any other false representation in a transaction.

28 COMPLAINT

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1	c.	NRS 598.0923(2) renders it unlawful to fail to disclose a material fact in
2		connection with the sale or lease of goods or services;
3	d.	NRS 598.0923(3) renders it unlawful to violate a state or federal statute or
4		regulation relating to the sale or lease of goods or services; and
5	e.	NRS 598.0923(4) renders it unlawful to use coercion, duress or intimidation in a
6		transaction.
7	429.	Nevada seeks all remedies available under the Nevada Deceptive Trade Practices
8	Act, NRS 598	.0903, et seq., including, without limitation, the following:
9	a.	Restitution pursuant to NRS 598.0975(2);
10	b.	Disgorgement pursuant to NRS 598.0963(3);
11	c.	Injunctive and other equitable relief pursuant to NRS 598.0963(3);
12	d.	Civil penalties pursuant to NRS 598.0999(2) in the amount of \$5,000 for each and
13		every violation of the Nevada Deceptive Trade Practices Act as alleged herein;
14	e.	Civil penalties pursuant to NRS 598.0973 of up to \$12,500 for each and every
15		violation of the Nevada Deceptive Trade Practices Act directed toward an elderly
16		person or a person with a disability;
17	f.	Costs and attorney's fees pursuant to NRS 598.0999(2); and
18	g.	Other remedies as the court may deem appropriate under the facts and
19		circumstances of the case.
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22	New Hampshire	
23	430.	The state of New Hampshire repeats and realleges every preceding allegation of
24	this Complain	t as if fully set forth herein.
25	431.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
26	pursuant to N.	H. RSA §356, et. seq.
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28	COMPLAINT	114

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1 432. New Hampshire seeks all remedies available under federal law and/or N.H. RSA 2 §356:4, including, without limitation, the following: 3 Damages for natural persons under *parens patriae* authority, pursuant to N.H. a. RSA §356:4-a 4 5 Disgorgement and restitution pursuant to N.H. RSA §358-A:4; b. 6 Injunctive and other equitable relief pursuant to N.H. RSA §356:4-a; N.H. RSA c. 7 §356:4-a 8 d. Civil penalties pursuant to N.H. RSA §356:4, which provides that "a person who 9 knowingly and willfully engages in conduct prohibited by this chapter shall be guilty of a misdemeanor if a natural person, or guilty of a felony if any other 10 11 person. When the offense consists of a combination to control the price or supply, 12 or to prevent competition in the sale, of foodstuffs or fuel, the person thus 13 engaged shall be guilty of a class B felony if a natural person, or guilty of a felony if any other person. Each day's violation of any provision of RSA §356 shall 14 15 constitute a separate offense"; 16 Costs and attorney's fees pursuant to N.H. RSA §356:4-b; N.H. RSA §356:10; e. 17 and 18 Other remedies as the court may deem appropriate under the facts and f. 19 circumstances of the case. 20 433. The acts alleged in Section III of the Complaint also constitute violations of the 21 New Hampshire Consumer Protection Act, N.H. RSA §358:A:1, et. seq. 22 434. New Hampshire seeks all legal and equitable remedies available under New 23 Hampshire Consumer Protection Act, and common law, to include, among other things, 24 restitution, injunctive relief, civil penalties, costs and attorney's fees under N.H. RSA §358-A:1, 25 et. seq. 26 New Jersey 27 28 COMPLAINT 115

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1	435.	The State of New Jersey repeats and realleges every preceding allegation of this	
2	Complaint as if fully set forth herein.		
3	436.	The acts alleged in paragraphs 44 to 224 also constitute antitrust violations	
4	pursuant to th	e New Jersey Antitrust Act, N.J.S.A. 56:9-1 et seq., in that Defendants acted with	
5	the purpose an	nd/or effect of unreasonably restraining trade and commerce within the State of	
6	New Jersey an	nd elsewhere pursuant to N.J.S.A. 56:9-3.	
7	437.	New Jersey seeks all remedies available under federal law, New Jersey State law,	
8	and the New J	lersey Antitrust Act including, without limitation, the following:	
9	a.	Injunctive and other equitable relief pursuant to N.J.S.A. 56:9-10(a);	
10	b.	Civil penalties pursuant to N.J.S.A. 56:9-10(c) which provides that: "any person	
11		who violates the provisions of this act shall be liable to a penalty of not more than	
12		the greater of \$100,000.00 or \$500.00 per day for each and every day of said	
13		violation";	
14	c.	Treble damages, together with attorney's fees, filing fees, and reasonable costs of	
15		suit, including, but not limited to the expenses of discovery and document	
16		production fees pursuant to N.J.S.A. 56:9-12(a); and	
17	d.	Other remedies as the court may deem appropriate under the facts and	
18		circumstances of the case.	
19	438.	The acts alleged in paragraphs 225 to 252 of the Complaint also constitute	
20	violations of t	he New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq.	
21	439.	New Jersey seeks all remedies available under the New Jersey Consumer Fraud	
22	Act, N.J.S.A.	56:8-1 et seq., including, without limitation:	
23	a.	Injunctive and other equitable relief pursuant to N.J.S.A. 56:8-8;	
24	b.	Civil penalties pursuant to N.J.S.A. 56:8-13 which provides that: "[a]ny person	
25		who violates any of the provisions of the act shall, in addition to any other	
26		penalty provided by law, be liable to a penalty of not more than \$10,000 for the	
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28	COMPLAINT	116	

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first offense and not more than \$20,000 for the second and each subsequent offense";

c. Costs and attorney's fees pursuant to N.J.S.A. 56:8-11 and -19; and

d. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

#### 6 New York

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7 440. The state of New York repeats and realleges every preceding allegation of this
8 Complaint as if fully set forth herein.

9 441. The acts alleged in causes of action 1 – 7 also constitute antitrust violations
pursuant to New York's antitrust law, the Donnelly Act, New York Gen. Bus. Law §§ 340 *et seq.*, and violations of § 63(12) of New York's Executive Law, in that Defendants engaged in
repeated and/or persistent illegal acts—violations of Sections 1 and 2 of the Sherman Act as well
as the Donnelly Act—in the carrying on, conducting, or transaction of business within the
meaning and intent of Executive Law § 63(12).

15 442. The acts alleged in Section III.A also constitute violations of Gen. Bus. Law §
16 349, in that Defendants engaged in deceptive acts and practices, and violations of § 63(12) of
17 New York's Executive Law, in that Defendants engaged in repeated and/or persistent fraudulent
18 and/or illegal conduct.

19 443. New York seeks all remedies available under federal law or the Donnelly Act,
20 New York Gen. Bus. Law §§ 340-347, 349 and 350-d, and Executive Law § 63(12) including,
21 without limitation, the following:

a. Damages, disgorgement, and restitution pursuant to Executive Law § 63;
b. Injunctive and other equitable relief pursuant to New York Gen. Bus. Law § 342 and Executive Law § 63;

c. Civil penalties pursuant to New York Gen. Bus. Law § 342-a and 350-d;

d. Costs and attorney's fees; and

28 COMPLAINT

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e. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

#### North Carolina

444. The state of North Carolina repeats and realleges every preceding allegation of this Complaint as if fully set forth herein.

445. The acts alleged in the First and Fifth causes of action stated above are antitrust
violations pursuant to N.C.G.S. § 75-2.1, in that they constitute unlawful monopolization of a
part of trade or commerce in North Carolina. The acts alleged in the Second, Third, Fourth,
Sixth, and Seventh causes of action stated above are also antitrust violations pursuant to
N.C.G.S. §§ 75-1 and 75-2, in that they constitute contracts in restraint of trade or commerce in
North Carolina, and acts and contracts in in restraint of trade or commerce which violate the
principles of the common law.

446. North Carolina seeks all remedies available for claims under federal law and
claims under N.C.G.S. §§ 75-1, 75-2, and 75-2.1, including, without limitation, the following:

a.	Damages for natural persons under parens patriae authority, pursuant to 15
	U.S.C. § 15c; N.C.G.S. §§ 75-9, 75-15, 75-15.1, and 75-16; and the common law
	of North Carolina;

- b. Disgorgement and restitution pursuant to N.C.G.S. § 75-15.1 and the common law of North Carolina;
- c. Injunctive and other equitable relief pursuant to N.C.G.S. § 75-14 and the common law of North Carolina;
  - d. Civil penalties pursuant to N.C.G.S. § 75-15.2, which provides a penalty of up to \$5,000 per violation;

- e. Costs and attorney's fees pursuant to N.C.G.S. § 75-16.1; and
- f. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

#### 28 COMPLAINT

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1	447.	The acts alleged in Section III of the Complaint also constitute violations of the
2	North Carolin	a Unfair or Deceptive Trade Practices Act, N.C.G.S. § 75 1.1, because:
3	a.	all violations of N.C.G.S. §§ 75-1, 75-2, and 75-2.1 are per se unfair or deceptive
4		acts or practices within the meaning of N.C.G.S. § 75-1.1, and
5	b.	the acts complained of violate N.C.G.S. § 75-1.1 independent of any violation of
6		the antitrust laws, as they are unfair or deceptive; and
7	c.	the acts complained of occurred in or affected commerce.
8	448.	North Carolina seeks all remedies available for claims under N.C.G.S. § 75-1.1,
9	including, wit	hout limitation, the following:
10	a.	Damages for natural persons under <i>parens patriae</i> authority, pursuant to N.C.G.S.
11		§§ 75-9, 75-15, 75-15.1, and 75-16; and the common law of North Carolina;
12	b.	Disgorgement and restitution pursuant to N.C.G.S. § 75-15.1 and the common law
13		of North Carolina;
14	c.	Injunctive and other equitable relief pursuant to N.C.G.S. § 75-14 and the
15		common law of North Carolina;
16	d.	Civil penalties pursuant to N.C.G.S. § 75-15.2, which provides a penalty of
17		\$5,000 per violation;
18	e.	Costs and attorney's fees pursuant to N.C.G.S. § 75-16.1; and
19	f.	Other remedies as the court may deem appropriate under the facts and
20		circumstances of the case.
21	North Dakot	<u>a</u>
22	449.	The state of North Dakota repeats and realleges every preceding allegation of this
23	Complaint as	if fully set forth herein.
24	450.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
25	pursuant to th	e Uniform State Antitrust Act, North Dakota Century Code (N.D.C.C.) § 51-08.1-
26	01 <i>et seq</i> .	
27		
28	COMPLAINT	119
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1	451.	The State of North Dakota seeks all remedies available under federal law or	
2	N.D.C.C. § 51-08.1-01 et seq., including, without limitation, the following:		
3	a.	Damages sustained pursuant to N.D.C.C. § 51-08.1-08;	
4	b.	Disgorgement and restitution pursuant to N.D.C.C. §§ 51-08.1-07 and 51-08.1-08;	
5	c.	Injunctive and other equitable relief pursuant to N.D.C.C. §§ 51-08.1-07 and 51-	
6		08.1-08;	
7	d.	Civil penalties pursuant N.D.C.C. § 51-08.1-07, which provides that the trier of	
8		fact may assess for the benefit of the state a civil penalty of not more than fifty	
9		thousand dollars for each violation of N.D.C.C. chapter 51-08.1;	
10	e.	Costs and attorney's fees pursuant to N.D.C.C. § 51-08.1-07; and	
11	f.	Other remedies as the court may deem appropriate under the facts and	
12		circumstances of the case.	
13	452.	The acts alleged in Section III of the Complaint also constitute violations of the	
14	Consumer Fra	uud Law, North Dakota Century Code (N.D.C.C.) § 51-15-01 et seq., Unlawful	
15	Sales or Adve	ertising Practices.	
16	453.	The State of North Dakota seeks all remedies available under N.D.C.C. § 51-15-	
17	01 et seq., inc	luding, without limitation, the following:	
18	a.	Damages for North Dakota persons under parens patriae authority pursuant to	
19		N.D.C.C. § 51-15-07;	
20	b.	Disgorgement and restitution pursuant to N.D.C.C. § 51-15-07;	
21	c.	Injunctive and other equitable relief pursuant to N.D.C.C. § 51-15-07;	
22	d.	Civil penalties pursuant to N.D.C.C. § 51-15-11, which provides that the court	
23		may assess for the benefit of the state a civil penalty of not more than five	
24		thousand dollars for each violation of N.D.C.C. chapter 51-15;	
25	e.	Attorney's fees, investigation fees, costs, and expenses pursuant to N.D.C.C. §	
26		51-15-10; and	
27			
28	COMPLAINT	120	

f. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

#### 3 Oklahoma

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## 4 454. Plaintiff State of Oklahoma repeats and realleges every preceding allegation of 5 this Complaint as if fully set forth herein.

6 455. The acts alleged in causes of action 1 – 7 also constitute antitrust violations
7 pursuant to the Oklahoma Antitrust Reform Act, 79 O.S. §§ 201, *et seq*.

8 456. Plaintiff State of Oklahoma seeks all remedies available under federal law or the
9 Oklahoma Antitrust Reform Act, 79 O.S. §§ 201, *et seq.*, including, without limitation, the
10 following:

# a. Damages for natural persons under *parens patriae* authority, pursuant to 79 O.S. § 205;

- b. Disgorgement and restitution pursuant to 79 O.S. § 205;
- c. Injunctive and other equitable relief pursuant to 79 O.S. § 205;
- d. Costs and attorney's fees pursuant to 79 O.S. § 205;
  - e. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

18 457. The acts alleged in Section III of the Complaint also constitute violations of the
19 Oklahoma Consumer Protection Act, 15 O.S. §§ 751, *et seq*.

20 458. Plaintiff State of Oklahoma seeks all remedies available under the Oklahoma
21 Consumer Protection Act, 15 O.S. §§ 751, *et seq.*, including, without limitation, the following:

- a. Injunctive and other equitable relief pursuant to 15 O.S. § 756.1;
- b. Civil penalties pursuant to 15 O.S. § 761.1, which provides that "Any person who is found to be in violation of the Oklahoma Consumer Protection Act in a civil action . . . shall forfeit and pay a civil penalty of not more than Ten Thousand Dollars (\$10,000.00) per violation, in addition to other penalties that may be imposed by the court, as the court shall deem necessary and proper";

28 COMPLAINT

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1	c. Cos	ts and attorney's fees pursuant to 15 O.S. § 761.1; and
2	d. Othe	er remedies as the court may deem appropriate under the facts and
3	circ	umstances of the case.
4	<u>Oregon</u>	
5	459. The	State of Oregon repeats and realleges every preceding allegation of this
6	Complaint.	
7	460. The	acts alleged in causes of action $1 - 7$ also constitute antitrust violations
8	pursuant to Oregon	Revised Statutes ("ORS") 646.705, ORS 646.725, ORS 646.730, et seq.
9	These violations ha	d impacts within the State of Oregon and substantially affected the people of
10	Oregon.	
11	461. The	State of Oregon seeks all remedies available under federal law and ORS
12	646.705 et. seq. inc	eluding, without limitation, the following:
13	a. Dan	nages for natural persons under parens patriae authority, pursuant to ORS
14	646.	775;
15	b. Disg	gorgement and other equitable relief pursuant to ORS 646.770 and ORS
16	646.	775;
17	c. Inju	nctive and other equitable relief pursuant to ORS 646.760(2); ORS 646.770;
18	ORS	5 646.775.
19	d. Civi	l penalties pursuant to ORS 646.760(1) which provides that a court may
20	asse	ss for the benefit of the state a civil penalty of not more than \$250,000 for
21	each	n violation,
22	e. Cos	ts, including expert witness fees and costs of investigation, and attorney's fees
23	purs	uant to ORS 646.760, ORS 646.770, ORS 646.775; and
24	f. Othe	er remedies as the court may deem appropriate under the facts and
25	circ	umstances of the case.
26	<u>Rhode Island</u>	
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28	COMPLAINT	122

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1	462.	The state of Rhode Island repeats and realleges every preceding allegation of this
2	Complaint as	if fully set forth herein.
3	463.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations
4	pursuant to th	e Rhode Island Antitrust Act, R.I. Gen. L. §§ 6-36-1, et. seq.
5	464.	Rhode Island seeks all remedies available under federal law or the Rhode Island
6	Antirust Act i	ncluding, without limitation, the following:
7	a.	Damages for natural persons under parens patriae authority, pursuant to R.I. Gen.
8		L. § 6-36-12;
9	b.	Disgorgement and restitution pursuant to R.I. Gen. L. § 6-36-11;
10	c.	Injunctive and other equitable relief pursuant to R.I. Gen. L. § 6-36-10;
11	d.	Civil penalties pursuant to R.I. Gen. L. 6-36-10(c) which provides that "any
12		person who violates this chapter may be liable for a civil penalty of not more than
13		fifty thousand dollars (\$50,000) for each violation.";
14	e.	Costs and attorney's fees pursuant to§ 6-36-11(a); and
15	f.	Other remedies as the court may deem appropriate under the facts and
16		circumstances of the case.
17	South Dakota	<u>a</u>
18	465.	The State of South Dakota repeats and realleges every preceding allegation of this
19	Complaint as	if fully set forth herein.
20	466.	The acts alleged constitute antitrust violations pursuant to South Dakota Codified
21	Laws (SDCL)	§ 37-1-3.1, et seq.
22	467.	South Dakota seeks all remedies available under federal law or SDCL § 37-1-3.1,
23	et seq. includi	ng, without limitation, the following:
24	a.	Injunctive and all other legal and equitable relief pursuant to SDCL § 37-1-14.2;
25	b.	Civil penalties pursuant to SDCL § 37-1-14.2 which provides that: "The court
26		may assess for the benefit of the state a civil penalty of not more than fifty
27		thousand dollars for each violation of this chapter";
28	COMPLAINT	123
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#### Case 3:20-cv-05671-JD Document 159-3 Filed 08/05/21 Page 125 of 145 CTED VERSION OF DOCUMENT SOUGHT TO BE 1 All costs and attorney's fees available under SDCL § 37-1-3.1 et seq.; c. 2 d. Monetary relief for natural persons under *parens patriae* authority, pursuant to 3 SDCL §§ 37-1-23, 37-1-24, and 37-1-25; and Other remedies as the court may deem appropriate under the facts and 4 e. 5 circumstances of the case. 468. 6 The acts alleged also constitute violations of the South Dakota Deceptive Trade 7 Practices and Consumer Protection statutes, SDCL ch. 37-24. 8 469. The Attorney General of the State of South Dakota is authorized to bring an 9 action in the name of the State against any person who is using, has used, or is about to use any 10 act or practice declared unlawful by SDCL § 37-24-6. The Attorney General has reason to 11 believe that the Defendants have used and are using the acts alleged in this Complaint, which 12 violate SDCL § 37-24-6. 470. 13 South Dakota seeks all remedies available under SDCL ch. 37-24 including, 14 without limitation, the following: 15 Injunctive and other equitable relief pursuant to SDCL § 37-24-23; a. b. Civil penalties pursuant to SDCL § 37-24-27 which provides for a penalty of not 16 17 more than two thousand dollars per violation; 18 Costs and attorney's fees pursuant to SDCL § 37-24-23; and 19 Other remedies as the court may deem appropriate under the facts and d. 20 circumstances of the case. 21 Utah 22 471. The state of Utah repeats and realleges every preceding allegation of this 23 Complaint as if fully set forth herein. 24 472. The acts alleged in causes of action 1 - 7 also constitute antitrust violations 25 pursuant to the Utah Antitrust Act, Utah Code §§ 76-10-3101, et. seq. 26 473. Utah seeks all remedies available under federal law or the Utah Antitrust Act 27 including, without limitation, the following: 28 COMPLAINT 124

#### Case 3:20-cv-05671-JD Document 159-3 Filed 08/05/21 Page 126 of 145 CTED VERSION OF DOCUMENT SOUGHT TO BE Damages for natural persons under parens patriae authority, pursuant to Utah 1 a. 2 Code § 76-10-3108(1); 3 Disgorgement and restitution pursuant to Utah Code § 76-10-3108(1); b. Injunctive and other equitable relief pursuant to Utah Code § 76-10-3108(1); 4 c. 5 d. Civil penalties pursuant to Utah Code § 76-10-3108(2) which provides that: "Any 6 person, other than an individual, who violates this act is subject to a civil penalty 7 of not more than \$500,000 for each violation."; 8 Costs and attorney's fees pursuant to Utah Code § 76-10-3109(3); and e. 9 f. Other remedies as the court may deem appropriate under the facts and 10 circumstances of the case. 11 474. The acts alleged in Section III.A of the Complaint also constitute violations of the 12 Utah Consumer Sales Practices Act, Utah Code §§13-11-1, et. seq. This claim asserting 13 violations of the Utah Consumer Sales Practices Act is brought by the Utah Division of 14 Consumer Protection through the Utah Attorney General's Office acting as their counsel. 15 475. Google is a "supplier" engaged in "consumer transactions" pursuant to Utah Code 16 §§ 13-11-3(2), (6). 476. Utah seeks all remedies available under Utah Consumer Sales Practices Act 17 18 including, without limitation, the following: 19 Damages for consumers pursuant to Utah Code §13-11-17; a. 20 b. Injunctive and other equitable relief pursuant to Utah Code §13-11-17(1); 21 A fine pursuant to Utah Code \$13-11-17(1) determined in accordance with the c. 22 criteria enumerated in Utah Code §13-11-17(6) as determined at trial; 23 d. Attorney's fees, court costs, and costs of investigation pursuant to Utah Code §13-11-17.5; and 24 25 Other remedies as the court may deem appropriate under the facts and e. 26 circumstances of the case. 27 Virginia 28 COMPLAINT 125

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1	477.	The Commonwealth of Virginia repeats and realleges every preceding allegation	
2	of this Complaint as if fully set forth herein.		
3	478.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations	
4	pursuant to the	e Virginia Antitrust Act, Virginia Code § 59.1-9.1 et seq.	
5	479.	Virginia seeks all remedies available under federal law or the Virginia Antitrust	
6	Act including	, without limitation, the following:	
7	a.	Disgorgement and restitution pursuant to Virginia Code § 59.1-9.15(a);	
8	b.	Injunctive and other equitable relief pursuant to Virginia Code § 59.1-9.15(a) and	
9		(d);	
10	c.	Civil penalties pursuant to Virginia Code § 59.1-9.15(a) and Virginia Code §	
11		59.1-9.11, which provides that "the court may assess for the benefit of the	
12		Commonwealth a civil penalty of not more than \$100,000 for each willful or	
13		flagrant violation of this chapter."	
14	d.	Costs and attorney's fees pursuant to Virginia Code § 59.1-9.15(a) and	
15	e.	Other remedies as the court may deem appropriate under the facts and	
16		circumstances of the case.	
17	<b>Washington</b>		
18	480.	The state of Washington repeats and realleges every preceding allegation of this	
19	Complaint as	if fully set forth herein.	
20	481.	The acts alleged in causes of action $1 - 7$ also constitute antitrust violations	
21	pursuant to the	e Washington Consumer Protection Act, RCW 19.86.020, 19.86.030, and	
22	19.86.040.		
23	482.	Washington seeks all remedies available under federal law or the Washington	
24	Consumer Pro	otection Act including, without limitation, the following:	
25	a.	Disgorgement and restitution pursuant to RCW 19.86.080;	
26	b.	Injunctive and other equitable relief pursuant to RCW 19.86.080;	
27	c.	Civil penalties pursuant to RCW 19.86.140;	
28	COMPLAINT	126	

#### Case 3:20-cv-05671-JD Document 159-3 Filed 08/05/21 Page 128 of 145 CTED VERSION OF DOCUMENT SOUGHT TO BE 1 Costs and attorney's fees pursuant to RCW 19.86.080; and d. 2 Other remedies, including interest, as the court may deem appropriate under the e. 3 facts and circumstances of the case. 483. The acts alleged in Section III of the Complaint also constitute unfair or deceptive 4 acts or practices in the conduct of trade or commerce in violation of the Washington Consumer 5 6 Protection Act, RCW 19.86.020. 7 484. Washington seeks all remedies available under the Washington Consumer 8 Protection Act including, without limitation, the following: 9 Disgorgement and restitution pursuant to RCW 19.86.080; a. 10 b. Injunctive and other equitable relief pursuant to RCW 19.86.080; 11 Civil penalties pursuant to RCW 19.86.140; c. 12 Costs and attorney's fees pursuant to RCW 19.86.080; and d. 13 Other remedies, including interest, as the court may deem appropriate under the e. 14 facts and circumstances of the case. <u>West Virginia</u> 15 485. The state of West Virginia repeats and realleges every preceding allegation of this 16 Complaint as if fully set forth herein. 17 18 486. The acts alleged in causes of action 1 - 7 also constitute violations of the West 19 Virginia Antitrust Act, W.Va. Code § 47-18-1 et seq. 20 487. West Virginia seeks all remedies available under federal law or the West Virginia 21 Antitrust Act including, without limitation, the following: 22 Damages for natural persons under *parens patriae* authority, pursuant to W.Va. a. 23 Code § 47-18-17; 24 b. Disgorgement and restitution pursuant to the court's equitable authority; 25 Injunctive and other equitable relief pursuant to W.Va. Code § 47-18-8; c. 26 Civil penalties pursuant to W.Va. Code § 47-18-8; d. 27 Costs and attorney's fees pursuant to W.Va. Code § 47-18-8 and 47-18-17; and e. 28 COMPLAINT 127

f. Other remedies as the court may deem appropriate under the facts and circumstances of the case.

#### **PRAYER FOR RELIEF**

488. Plaintiff States are entitled as *parens patriae* to recover, and should be awarded,
treble damages on behalf of their natural person residents pursuant to the Clayton Act, 15 U.S.C.
§15c(a). Individual Plaintiff States are also entitled to recover additional damages (including treble or other enhanced damages where applicable) as specified in their state law claims above.
489. Plaintiff States are not seeking damages specifically on behalf of any state agencies in this lawsuit. State agencies are thus not parties to this action, including for discovery purposes.

490. Plaintiff States are entitled to, and should be awarded, a remedy of disgorgement against Google for any unjust profits that Google received as a result of the unlawful conduct described herein which is not income derived from natural persons (or others under state laws where applicable) that is subject to recovery under *parens patriae* authority. For example, such income could include (but is not necessarily limited to) income from sales of advertising inside the Google Play Store or from data associated with in-app purchases acquired by Google through Google Play Billing. Further, if Plaintiff States are denied recovery of *parens patriae* damages, Plaintiff States are entitled to, and should be awarded, disgorgement against Google for income Google derived from natural persons (or others under state laws where applicable).

- 491. Plaintiff States pray that the Court adjudge and decree as follows:
  - a. That Google's overbroad and/or pretextual technological obstacles and warnings in the process of sideloading Android apps, as described in Section I.C.1 above, violates Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action;
- b. That Google's use of contractual and other restraints—including but not limited to Anti-Fragmentation Agreements, Android Compatibility Commitments, Mobile

28 || COMPLAINT

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Application Distribution Agreements, and Revenue Sharing Agreements—to unreasonably restrict competition in the Android App Distribution Market violates Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action;

c. That Section 4.5 of Google's Developer Distribution Agreement, which prohibits developers from using "Google Play to distribute or make available any Product that has a purpose that facilitates the distribution of software applications and games for use on Android devices outside of Google Play," violates Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action;

d. That Google's conditioning of developers' access to Google App Campaigns on placement of their apps in the Google Play Store violates Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action;

e. That Google's attempts to pay Samsung to abandon relationships with top developers and scale back competition through the Samsung Galaxy Store, as described in Section I.E.1 above, violated Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action;

f. That Google's in-kind payments to key app developers to deter them from directly competing with the Google Play Store, as described in Section I.E.2 above, violated Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action; and

g. That Google's contractual provisions and payment policies requiring app developers to exclusively use Google Play Billing to process in-app purchases of digital content—including Developer Distribution Agreement Sections 3.2 and 4.1, and Google's Developer Program Policies—violate Sections 1 and 2 of the

28 COMPLAINT

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Sherman Act, 15 U.S.C. §§ 1 and 2, and the State laws identified in Plaintiff States' eighth cause of action.

492. Plaintiff States are entitled to, and should receive, injunctive relief against Google as appropriate, including structural remedies, to remedy Google's unlawful conduct and to prevent similar or related future unlawful conduct. Accordingly, Plaintiff States pray that the Court adjudge and decree that Google, all persons acting on its behalf or under its direction or control, and all successors thereto, be enjoined from:

- a. Imposing needless technological obstacles or inaccurate warnings in the user experience of sideloading Android apps for apps that meet reasonable industry safety standards;
- b. Using contracts or other restraints—including but not limited to Anti-Fragmentation Agreements, Android Compatibility Commitments, Mobile Application Distribution Agreements, and Revenue Sharing Agreements—to unreasonably restrict competition in the Android App Distribution Market (by, for example, prohibiting an OEM from preloading a competing app store with or in lieu of the Google Play Store, or requiring premium placement of the Google Play Store on the device's home screen);
- Prohibiting developers from using Google Play to distribute apps or app stores that may be used to facilitate the distribution of apps on Android devices outside of Google Play;
  - d. Conditioning access to Google App Campaigns on placement of an app in the Google Play Store;
  - Paying Samsung or other OEMs to abandon relationships with app developers or to otherwise scale back competition through competing app stores such as the Samsung Galaxy Store;
    - f. Paying app developers, directly or through in-kind services, to deter them from making their apps available outside the Google Play Store;

28 COMPLAINT

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1	g.	Requiring the developers of apps in the Google Play Store to use or offer Google
2		Play Billing or any other Google service to process payments for in-app purchases;
3	h.	Using any information obtained by Google Play Billing for any purpose other than
4		clearing the financial transaction at issue;
5	i.	Sharing any information obtained by Google Play Billing with any other part of
6		Google for any reason, and from using any such information for any business
7		purpose (e.g., for advertising purposes) other than clearing the financial transaction
8		at issue; and
9	j.	Additional conduct as may be advisable based upon the facts of the case as it is
10		proven at trial.
11	493.	Plaintiff States are also entitled to, and should receive, additional injunctive relief
12	against Goog	gle as appropriate that may include, but is not necessarily limited to, the following:
13	a.	Prohibiting Google from additional conduct, and requiring Google to take
14		additional actions, as may be advisable based upon the facts of the case as it is
15		proven at trial both to remedy Google's past and current unlawful conduct and to
16		reasonably reduce the possibility of future similar unlawful conduct; and
17	b.	Requiring Google to employ a neutral monitor to ensure compliance with the
18		foregoing injunctive relief, and to report periodic verifications of such compliance
19		or non-compliance to the Plaintiff States at reasonable intervals, for a period of not
20		less than twenty years.
21	494.	Plaintiff States are entitled to recover, and should be awarded, civil penalties as
22	provided her	ein. Consistent with the total dollar limits set forth in all such authorities, the Court
23	should make	a single award of civil penalties in an amount sufficient to deter Google and others
24	similarly situ	ated from future unlawful conduct of the sort at issue in this case. The Court could
25	authorize the	Plaintiff States to allocate such a civil penalties award among themselves as they
26	may deem ap	ppropriate, or the Court could allocate such a civil penalty award among the states in
27	accordance v	vith each states' laws. Plaintiff States will seek a specific award which they deem
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28 COMPLAINT

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1	appropriate based upon the facts of the case as it is proven at trial. Discovery specifically
2	concerning the calculation of civil penalties by the Plaintiff States should be deferred until after
3	trial.
4	495. Plaintiff States are entitled to recover, and should be awarded, their reasonable
5	attorney's fees, expenses, and costs of suit, as provided for in 15 U.S.C. §15c(a) and under
6	specific state law claims.
7	496. Plaintiff States seek such further and additional relief as may be appropriate based
8	upon the facts of the case as it is proven at trial.
9	
10	Respectfully submitted,
11	July 7, 2021
12	FOR PLAINTIFF STATE OF UTAH:
13	SEAN D. REYES, Attorney General
14	/s/ David N. Sonnenreich DAVID N. SONNENREICH, Deputy Attorney General
15	Office of the Utah Attorney General
16	160 E 300 S, 5th Floor Salt Lake City, Utah 84114 Phone: 801-845-6862
17	Email: dsonnenreich@agutah.gov
18	FOR PLAINTIFF STATE OF NEW YORK:
19	LETITIA JAMES, Attorney General
20	/s/ Bryan L. Bloom
21	ELINOR R. HOFFMANN, Chief, Antitrust Bureau BRYAN L. BLOOM, Assistant Attorney General
22	MORGAN J. FEDER, Assistant Attorney General
23	New York State Office of the Attorney General
24	28 Liberty Street New York, NY 10005
25	Phone: 212-416-8262 Email: Elinor.Hoffmann@ag.ny.gov
26	Bryan.Bloom@ag.ny.gov
27	Morgan.Feder@ag.ny.gov
28	COMPLAINT 132

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1	FOR PLAINTIFF STATE OF NORTH CAROLINA:
2	JOSHUA H. STEIN, Attorney General
3	/s/ Jessica V. Sutton JESSICA V. SUTTON, Special Deputy Attorney General
4	W. SWAIN WOOD, First Assistant Attorney General and General Counsel KEVIN ANDERSON, Senior Deputy Attorney General and Director, Consumer Protection
5	Division JONATHAN MARX, Special Deputy Attorney General
6	North Carolina Department of Justice
7	P.O. Box 628 Raleigh, NC 27602
8	Phone: 919-716-6000 Email: jsutton2@ncdoj.gov
9	FOR PLAINTIFF STATE OF TENNESSEE:
10	HERBERT H. SLATERY III, Attorney General and Reporter
11	/s/ Herbert H. Slatery III
12	HERBERT H. SLATERY, Attorney General and Reporter J. DAVID MCDOWELL, Director of Antitrust, Senior Assistant Attorney General
13	S. ETHAN BOWERS, Assistant Attorney General
14	Tennessee Office of the Attorney General and Reporter P.O. Box 20207
15	Nashville, TN 37202 Phone: 615-741-8722
16	Email: David.McDowell@ag.tn.gov Ethan.Bowers@ag.tn.gov
17	FOR PLAINTIFF STATE OF ARIZONA:
18	MARK BRNOVICH, Attorney General
19	/s/ Dana R. Vogel
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28	COMPLAINT 133

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28	COMPLAINT 134

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28	COMPLAINT 135

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28	COMPLAINT 136

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28	COMPLAINT 137

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28	COMPLAINT 138

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28	COMPLAINT 139

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28	COMPLAINT 140

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28	COMPLAINT 141

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28	COMPLAINT 142

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28	COMPLAINT 143

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28	COMPLAINT 144