

**PIERCE BAINBRIDGE BECK  
PRICE & HECHT LLP**

YAVAR BATHAEE (CA 282388)

yavar@piercebainbridge.com

MICHAEL POMERANTZ (NY 2920932) (*pro hac vice* forthcoming)

mpomerantz@piercebainbridge.com

DAVID L. HECHT (NY 4695961) (*pro hac vice* forthcoming)

dhecht@piercebainbridge.com

ADAM C. LUDEMANN (NY 5352323) (*pro hac vice* forthcoming)

aludemann@piercebainbridge.com

277 Park Ave. 45th Floor

New York, NY 10172

(212) 484-9866

BRIAN J. DUNNE (CA 275689)

bdunne@piercebainbridge.com

355 S. Grand Ave. 44th Floor

Los Angeles, CA 90071

(213) 262-9333

*Attorneys for Plaintiffs*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

REVEAL CHAT HOLDCO LLC, a  
Delaware limited liability company, USA  
TECHNOLOGY AND MANAGEMENT  
SERVICES, INC. (d/b/a Lenddo USA), a  
Delaware corporation, CIR.CL, INC., a  
dissolved Delaware corporation, and  
BEEHIVE BIOMETRIC, INC., a  
dissolved Delaware corporation,

Plaintiffs,

v.

FACEBOOK, INC., a Delaware  
corporation,

Defendant.

Case No. 3:20-cv-363

**CLASS ACTION COMPLAINT**

Jury Trial Demanded

**TABLE OF CONTENTS**

1

2 INTRODUCTION ..... 1

3 PARTIES ..... 5

4 I. PLAINTIFFS ..... 5

5 II. DEFENDANT ..... 7

6 JURISDICTION AND VENUE ..... 8

7 FACTS ..... 9

8 I. FACEBOOK EMERGES AS THE DOMINANT SOCIAL NETWORK ..... 9

9 A. The Last Social Network Standing ..... 9

10 B. A New Market of Its Own Creation ..... 11

11 C. The Social Data Barrier to Entry ..... 14

12 D. Google’s Failed Entry into the Social Data Market ..... 16

13 II. A THREAT TO FACEBOOK’S MONOPOLY:  
14 THE RISE OF SMART PHONES AND MOBILE APPS ..... 19

15 A. The Mobile App Revolution ..... 19

16 B. Facebook Recognizes the Looming Threat Presented by  
17 Mobile Applications..... 23

18 C. The Facebook Platform ..... 25

19 D. The Profitable Open Graph Platform and Mobile Install Business ..... 27

20 III. FACEBOOK WEAPONIZES ITS PLATFORM TO  
21 DESTROY COMPETITION ..... 30

22 A. Facebook Makes Plans to Remove Vital Friends and News Feed APIs and  
23 Refuses to Sell Social Data to Competing Application Developers ..... 30

24 B. Facebook’s Social-Data Heist ..... 32

25 C. Facebook Targets Its Competitors for Reciprocity or Denial of API Access ..... 37

26 D. The Decision to Remove Developer Access to the Friends, News  
27 Feed and Other Crucial APIs Lacked Any Legitimate Justification ..... 41

28

**TABLE OF CONTENTS**

*(continued)*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

E. Facebook Prepares to Announce Removal of the APIs ..... 46

F. The Announcement at F8 ..... 50

IV. THE WHITELIST AND DATA SHARING AGREEMENTS ..... 51

V. THE SURVEILLANCE AND ACQUISITION OF COMPETITIVE THREATS..... 55

A. Facebook Relies on Onavo’s Surveillance of Facebook’s Competitors, and Acquires and Uses Onavo’s Assets ..... 56

B. Facebook Identifies Instagram as a Threat and Acquires the Company ..... 60

C. Facebook Acquires WhatsApp ..... 66

VI. FACEBOOK’S INTEGRATION OF INSTAGRAM AND WHATSAPP WITH ITS FACEBOOK PRODUCT ..... 71

VII. THE RELEVANT MARKETS..... 77

A. The Social Data Market ..... 77

B. The Social Advertising Market ..... 83

C. Barriers to Entry ..... 85

D. Relevant Geographic Markets..... 87

VIII. HARM TO COMPETITION AND ANTITRUST INJURY ..... 88

CONCEALMENT AND TOLLING ..... 94

CLASS ACTION ALLEGATIONS ..... 94

CLAIMS FOR RELIEF ..... 99

PRAYER FOR RELIEF ..... 106

JURY DEMAND ..... 107



1 allowed Facebook to fend off a frontal assault by Google’s polished social network, Google+.  
2 Google, with its massive resources and user base, failed to penetrate the SDBE, and Google  
3 abandoned the project after it was clear that users were not engaging on its platform.

4 6. Smartphones, however, were different. Significant advances in mobile technology  
5 allowed users to access the internet from any location, on user interfaces controlled by touch,  
6 providing a distinct experience from desktop or laptop computers. Special-purpose apps designed  
7 specifically for smart phones could not only access the Internet, but also users’ address books—a  
8 ready-made social network from which apps could draw.

9 7. These apps had become direct competitors to Facebook, providing overlapping  
10 functionality such as messaging, photo sharing, dating, check-ins, and payments. Facebook failed  
11 to create its own viable mobile app, and by 2011, found its dominance threatened. Zuckerberg  
12 told *Fortune*, “[i]t was probably one of the biggest mistakes we’ve ever made.” Facebook’s own  
13 mobile app was buggy and slow, garnering one-star ratings in the Apple App Store and crashing  
14 more often than it worked.

15 8. This existential threat to Facebook’s monopoly in social data and social advertising  
16 came as the company was barreling towards an initial public offering (“IPO”) worth billions.  
17 Facebook had successfully built a developer platform upon which third-party developers could  
18 build social applications, driving engagement on Facebook’s Platform and thereby Facebook’s  
19 revenue. It was clear, however, that the very same Platform was providing Facebook’s competitors  
20 with access to Facebook’s network of users. Third-party developers began using Facebook’s  
21 Platform in more novel and creative ways than Facebook itself was doing. Facebook found itself  
22 lagging behind these third-party social applications in the mobile arena.

23 9. With its market dominance in imminent danger, Facebook moved to extinguish the  
24 mobile threat, to obtain a sustaining foothold in the Social Data and Social Advertising Markets,<sup>2</sup>

---

25  
26  
27 <sup>2</sup> Defined terms are set forth elsewhere in the body of the Complaint.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.