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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

REVEAL CHAT HOLDCO, LLC, a Delaware limited liability company, USA TECHNOLOGY AND MANAGEMENT SERVICES, INC. (d/b/a Lenddo USA), a Delaware corporation, and BEEHIVE BIOMETRIC, INC., a dissolved Delaware corporation, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

FACEBOOK, INC., a Delaware corporation,
Defendant.

Case No.: 5:20-cv-00363-BLF

PLAINTIFFS' MEMORANDUM OF POINTS AND AUTHORITIES IN OPPOSITION TO FACEBOOK'S MOTION TO DISMISS THE AMENDED CLASS ACTION COMPLAINT

Hearing Date: December 3, 2020
Time: 9:00 am
Hon. Beth Labson Freeman

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INTRODUCTION

Facebook’s Motion to Dismiss (“Motion”) badly mischaracterizes the facts and law of Plaintiffs’ Amended Class Action Complaint (“Complaint” or “ACAC”). The Complaint comfortably pleads Section 2 Sherman Act violations by Facebook; cognizable antitrust injury by each Plaintiff; and timeliness—as a matter of accrual and otherwise. The Motion should be denied.

BACKGROUND

In late 2011, faced with an existential threat from mobile applications ahead of its Initial Public Offering, Facebook devised a multiyear scheme to leverage its third-party applications Platform for dominance in the nascent—and network effect-laden—Social Data Market. (ACAC ¶¶ 92-100, 114-151.) The scheme, which was hatched and promulgated by Mark Zuckerberg himself, relied on a coordinated, multi-prong pattern of deception and unfair play amongst a pool of thousands of app developers regarding the central commodity of Facebook’s Platform: access to its Core Application Programming Interfaces (APIs). (*Id.* ¶¶ 152-203.) The scheme also required absolute secrecy as to its true nature, even as Facebook publicly announced certain actions regarding API withdrawal and the availability of extended API agreements for certain developers. (*Id.* ¶¶ 446-475.) Thousands of promising, successful applications that relied on Facebook’s Platform, and that participated in the Social Data Market (and its adjutant Social Advertising Market), were excluded from these markets—and remain excluded from these markets—as a result of Facebook’s API scheme. (*Id.* ¶¶ 426-445.) The developers of three such applications—Plaintiffs Reveal Chat, Lenddo, and Beehive—lost social data access through the Platform, unsuccessfully sought extended API agreements from Facebook, then unsuccessfully sought an alternate platform for social data, but ultimately could not access the Social Data Market once Facebook excluded them. (*Id.* ¶¶ 16-65.) In November 2019, NBC News published internal Facebook documents revealing that Plaintiffs, and thousands of similarly-situated developers, were the victims of a coordinated anticompetitive scheme. (*Id.* ¶ 475.) In January 2020, Plaintiffs brought this lawsuit. After an initial round of motion practice, Plaintiffs filed the operative Amended Class Action Complaint on August 8, 2020. (Dkt. No. 62.) Facebook moved to dismiss

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