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21 **UNITED STATES DISTRICT COURT**
22 **NORTHERN DISTRICT OF CALIFORNIA**
23 **SAN FRANCISCO DIVISION**

24 **IN RE GOOGLE PLAY STORE**
25 **ANTITRUST LITIGATION**

26 THIS DOCUMENT RELATES TO:

27 *State of Utah et al. v. Google LLC et al.*, Case
28 No. 3:21-cv-05227-JD

Case No. 3:21-md-02981-JD

**DEFENDANTS' ANSWERS AND
DEFENSES TO STATE OF UTAH ET
AL. COMPLAINT**

DEMAND FOR JURY TRIAL

INTRODUCTION

Defendants Google LLC, Google Ireland Limited, Google Commerce Ltd., Google Asia Pacific Pte Ltd., Alphabet Inc., and Google Payment Corp. (collectively “Google”) answer Consumer Plaintiffs’ Consolidated First Amended Class Action Complaint, through its undersigned counsel, as set forth below.

Android, Google’s open-source mobile operating system (“OS”), is a critical source of competition against other operating systems. This competition has brought tremendous benefits to developers and users. By providing Android to smartphone manufacturers for free, Google LLC has expanded access to smartphones and the marketplace for mobile apps, creating enormous incentives for developers to invest in apps that make virtually every sector of the economy more efficient, affordable and accessible for users. These benefits have typically come at little or no cost to smartphone manufacturers, developers or users. Google’s app store, Google Play, which works on Android, created an innovative channel for the distribution and use of software apps, and a leading source of critical competition to Apple’s iOS ecosystem and App Store. Android and Google Play have been widely embraced not because of anticompetitive conduct, but because users and developers prefer Google Play when given a choice among Android app stores and distribution channels. Android device manufacturers can choose to pre-install their own or third-party app stores on Android devices, right alongside Google Play, and over 60% of Android devices come with more than one app store pre-installed. And Android users are free to download apps and app stores directly from the Internet; millions do so every day.

Far from generating anticompetitive harm, Android and Google Play bring enormous benefits to developers and users—and they do so at zero cost to users and minimal cost to developers, including the States, in the vast majority of cases. Plaintiff States’ suit threatens to undermine, rather than enhance, the very competition that has brought these benefits, and harm the same consumers the States purport to represent.

RESPONSE TO NUMBERED PARAGRAPHS

The section headings in the Complaint do not require a response. To the extent that the section headings contain allegations requiring a response, Google denies all such allegations.

1 1. Google denies the allegations in Paragraph 1, except admits that Plaintiffs purport
2 to bring claims under Sections 1 and 2 of the Sherman Act and under state law.

3 2. Google denies the allegations in Paragraph 2, except Google admits that Google
4 LLC acquired the Android mobile operating system in 2005 and that Android is an open
5 ecosystem that, at its core, has always been about openness, and respectfully refers the Court to
6 the quoted documents for a complete and accurate statement of their contents.

7 3. Google denies the allegations in Paragraph 3, except admits that one or more
8 defendants receive a payment for in-app purchases with respect to apps distributed through Google
9 Play, and charges up to 30% as a service fee. Google avers that Google provides benefits to
10 developers, including discoverability made possible by distribution, e-learning opportunities, free
11 tools for developers to effectively build apps for Android devices, testing and monitoring tools,
12 and a global digital payment infrastructure to enable developers to transact with users using the
13 most effective payment methods regardless of where the developers or users are located. Google
14 further avers that Google has enabled developers to create revenue streams for themselves.
15 Google further avers that beginning on January 1, 2018, the service fee on subscriptions with
16 respect to apps distributed through Google Play was reduced from 30% to 15% in the second year.
17 Google further avers that beginning on July 1, 2021, the service fee was reduced to 15% for the
18 first \$1 million of revenue on digital goods or services every developer earns each year.

19 4. Google denies the allegations in Paragraph 4.

20 5. Google denies the allegations in Paragraph 5, except admits that Google users use
21 Google Play Billing for in-app purchases with respect to apps distributed through Google Play
22 with some exceptions, including purchasing physical goods and purchasing digital content
23 elsewhere that is consumed within the app.

24 6. Google admits the allegations in Paragraph 6, except that it lacks knowledge or
25 information sufficient to form a belief as to the truth of the allegations in the last three sentences.

26 7. Google denies the allegations in Paragraph 7.

27 8. Google denies the allegations in Paragraph 8.

28 9. Google denies the allegations in Paragraph 9.

1 10. Google denies the allegations in Paragraph 10.

2 11. Google denies the allegations in Paragraph 11, except admits that Google Play
3 Billing is required for in-app purchases of digital content on apps distributed through the Google
4 Play Store, and admits that in-app purchases of physical products do not require Google Play
5 Billing.

6 12. Google denies the allegations in Paragraph 12.

7 13. Google denies the allegations in Paragraph 13.

8 14. Google denies the allegations in Paragraph 14.

9 15. Google denies the allegations in Paragraph 15.

10 16. Google denies the allegations in Paragraph 16.

11 17. Google denies the allegations in Paragraph 17.

12 18. Google denies the allegations in Paragraph 18.

13 19. Google denies the allegations in Paragraph 19, except admits that the “direct
14 downloading of apps and app stores” is sometimes called “sideloading,” and avers that multiple
15 app stores and access points to apps exist, as users can and do multi-home in accessing apps.

16 20. Google denies the allegations in Paragraph 20.

17 21. Google denies the allegations in Paragraph 21.

18 22. Google denies the allegations in Paragraph 22.

19 23. Google denies the allegations in Paragraph 23, except admits that Google users use
20 Google Play Billing for purchases through Google Play with some exceptions, including
21 purchasing physical goods and purchasing digital content elsewhere that is consumed within the
22 app.

23 24. Google denies the allegations in Paragraph 24.

24 25. Google denies the allegations in Paragraph 25.

25 26. Google denies the allegations in Paragraph 26.

26 27. The allegations in Paragraph 27 are legal conclusions not subject to admission or
27 denial. To the extent a response is required, Google denies the allegations in Paragraph 27.

28

1 28. The allegations in Paragraph 28 are legal conclusions not subject to admission or
2 denial. To the extent a response is required, Google denies the allegations in Paragraph 28.

3 29. Google denies the allegations in Paragraph 29.

4 30. Google denies the allegations in Paragraph 30.

5 31. Google denies the allegations in Paragraph 31 except admits that mobile device
6 manufacturers, wireless carriers, and app developers utilize Android and distribute apps and that
7 tens of millions of consumers choose Android-based smartphones in the United States.

8 32. Google denies the allegations in Paragraph 32.

9 33. Google denies the allegations in Paragraph 33.

10 34. The allegations in Paragraph 34 consist of Plaintiffs' characterizations of their
11 purported claims and legal conclusions not subject to admission or denial and to which no
12 response is required. To the extent any response is required, Google denies the allegations in
13 Paragraph 34.

14 35. Google denies the allegations in Paragraph 35, except admits that Google LLC is a
15 limited liability company organized and existing under the laws of the State of Delaware with its
16 principal place of business in Mountain View, California, and that Google LLC is a party to the
17 Google Play Developer Distribution Agreement ("DDA"). Google further admits that Google
18 LLC is a subsidiary of XXVI Holdings Inc., which is a Delaware corporation and a subsidiary of
19 Alphabet Inc. Google further admits that Alphabet Inc. is a publicly traded company that is
20 incorporated and existing under the laws of the State of Delaware and that maintains its principal
21 executive offices in Mountain View, California. Google further admits that its products and
22 services include Android OS, Chrome, Gmail, Drive, Maps, Google Play, Search YouTube,
23 Google Cloud, and Search Ads 360.

24 36. Google denies the allegations in Paragraph 36, except admits that Google Ireland
25 Limited is organized under the laws of Ireland with its principal place of business in Dublin,
26 Ireland, is a subsidiary of Google LLC, and is a party to the DDA.

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