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8 *Attorneys for Plaintiff Unlocked Media, Inc. Liquidation Trust*

9
 10 **UNITED STATES DISTRICT COURT**
 11 **NORTHERN DISTRICT OF CALIFORNIA**

12
 13 UNLOCKD MEDIA, INC.
 14 LIQUIDATION TRUST, by and
 through its duly appointed trustee,
 15 Peter S. Kaufman,

16 Plaintiff,

17 v.

18 GOOGLE LLC; GOOGLE IRELAND
 19 LIMITED; GOOGLE COMMERCE
 20 LIMITED; GOOGLE ASIA PACIFIC
 21 PTE. LIMITED; and ALPHABET
 INC.,

22 Defendants.

Case No. 21-cv-07250

23
 24
 25
 26
 27
 28 **COMPLAINT**
WITH JURY TRIAL DEMAND

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1 Plaintiff Unlockd Media, Inc. Liquidation Trust (“Plaintiff”, and together
2 with non-parties Unlockd Limited, Unlockd Media, Inc., Unlockd Operations U.S., Inc.,
3 and their subsidiaries, “Unlockd”), by its undersigned counsel, brings this action against
4 Defendants Google LLC, Google Ireland Ltd, Google Commerce Ltd, Google Asia
5 Pacific Pte Ltd, and Alphabet Inc. (collectively, “Defendants” or “Google”) and allege,
6 with knowledge with respect to their own acts and on information and belief as to other
7 matters, as follows:

8 INTRODUCTION

9 1. Twenty years ago, Google touted itself as an idealistic startup that
10 wanted to revolutionize the way people connect with information. In Google’s telling, it
11 was on a mission to organize the world’s online information to make it universally
12 accessible and useful to anyone with an internet connection. To generate revenue,
13 Google would deliver relevant, cost-effective digital advertising that could be targeted
14 based on individualized consumer data. By leveraging data to connect the right ads with
15 the right consumers at the right time, Google claimed, it could help advertisers to finely
16 target their audiences in ways that were not available with traditional media. In
17 conducting business, Google committed to “make the world a better place” and adopted
18 “don’t be evil” as its official motto.

19 2. Decades later, Google has become a giant in digital advertising. Last
20 year, its advertising revenue reached nearly \$147 billion, comprising about 80% of the
21 company’s total revenue. No other company comes close. Google is no longer the
22 idealistic startup it once claimed to be. It has acquired monopoly power in multiple
23 digital markets, in areas ranging from online search engines to mobile application
24 (“app”)¹ distribution, and it uses its monopoly power to strengthen its dominance and
25 exclude its competitors, always keeping in mind its core profit driver: digital
26 advertising. Google’s history affirms the adage that absolute power corrupts absolutely.
27
28

1 3. This particular case is about Google’s abuse of its control over the
2 Android smartphone ecosystem to drive an upstart competitor in the digital advertising
3 market—Unlockd—out of business. Google’s plan worked perfectly. By first allowing
4 Unlockd to build its business in reliance on two crucial Google platforms—Google Play
5 Store and Google AdMob—and then banning Unlockd from those same platforms once
6 it got big enough to challenge Google in the digital advertising market, Google
7 successfully eliminated Unlockd. Unlockd was forced into bankruptcy as a direct result
8 of Google’s anticompetitive acts.

9 4. Until its bankruptcy, Unlockd was a global technology startup with
10 an innovative vision. Unlockd identified an untapped “attention opportunity”
11 immediately following the unlocking of a smartphone, a user’s most engaged moment,
12 and created a proprietary technology to monetize that opportunity in a way that rewards
13 users for their attention. Research showed that Android smartphone users unlock their
14 devices 76 times per day on average, making monetization of the unlock screen an
15 enormous opportunity. With Unlockd’s technology, users opted in to receive full-screen
16 mobile ads or content upon unlocking their Android smartphones, and in exchange, they
17 received virtual “points” that they could redeem for rewards such as mobile credit,
18 subsidized streaming services, additional loyalty points, or in-app benefits like extra
19 lives in mobile games. Unlike Google—which keeps its advertising revenue for itself—
20 Unlockd’s business model included sharing its advertising revenue with its end-users.
21 Unlockd expected to pay users over \$500 million in rewards by 2025.

22 5. By identifying the unique attention opportunity presented when a
23 phone is being unlocked, and by identifying users who explicitly agreed to accept
24 advertisements when unlocking their phones, Unlockd was able to offer a valuable
25 opportunity for advertisers, at the same time that it benefited users. *First*, advertisers
26 received first access to consumers at their most engaged moment, leading to significant
27 improvements in user engagement compared to similar forms of advertising. In effect,
28 Unlockd had the best real estate in town. *Second*, Unlockd was able to hyper-target its

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