

1 Dennis J. Stewart (SBN 99152)
2 **GUSTAFSON GLUEK PLLC**
3 600 B Street
4 17th Floor
5 San Diego, CA 92101
6 Telephone: (619) 595-3299
7 dstewart@gustafsongluek.com

8 *Additional Plaintiff's Counsel Appear on the Signature Page*

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

11 MIKULA WEB SOLUTIONS, INC.,
12 individually and on behalf of all others
13 similarly situated,

14 Plaintiff,

15 v.

16 GOOGLE LLC,

17 Defendant.

Civil Action No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

1 Plaintiff Mikula Web Solutions, Inc. brings this action against Defendant Google LLC
2 (“Google” or “Defendant”) individually and as a class action, pursuant to Rule 23 of the Federal
3 Rules of Civil Procedure, on behalf of similarly situated publishers that sold digital Display Ad
4 inventory through Google’s AdSense targeting consumers in the United States since March 11,
5 2008. Plaintiff seeks treble damages and injunctive relief for Google’s longstanding and continuing
6 violations of sections 1 and 2 of the Sherman Act, 15 U.S.C. §§1, 2. Plaintiff alleges as follows
7 based on its personal knowledge, the investigation of Plaintiff’s counsel, and on information and
8 belief.

9 I. NATURE OF THE ACTION

10 1. This is a civil antitrust action under sections 1 and 2 of the Sherman Act for treble
11 damages and other relief arising out of Google’s exclusionary and anticompetitive campaign to
12 obtain and maintain monopolies in several distinct, but closely related, relevant markets, including
13 (a) publisher ad server services (“Publisher Ad Servers”); (b) display ad network services (“Ad
14 Networks”); (c) display ad exchanges (“Exchanges”); and (d) display ad buying tools (“Ad Buying
15 Tools”) (collectively, the “Relevant Markets”). These markets constitute what is referred to as the
16 “Display Ad Stack.”

17 2. While Google got its start in Search, today it is an advertising company. Google
18 makes billions of dollars a year by collecting information about individual Internet users and then
19 using that information to help advertisers find suitable persons to whom they can send direct,
20 targeted ads. Google obtains user information from a number of sources, including through its
21 Google Search service and Chrome web browser. Thanks to these and other Google offerings,
22 Google knows when individual users log on, the websites they visit, the things they search for, the
23 products they buy, and other valuable information.

24 3. Google has engaged in anticompetitive conduct that created and entrenched its
25 market power at all levels of the Display Ad Stack. As described further below, three events in
26 particular are key to Google’s dominance in these markets, and the resulting harms to publishers:
27 (1) Google’s acquisition of DoubleClick, which allowed Google to be a fully integrated player
28 spanning the entire Display Ad Stack; (2) the introduction of “header bidding” in 2015, which

1 allowed Google's rivals to bid simultaneously against each other for publisher impressions; and
2 (3) Google's subsequent introduction of Open Bidding in 2018, which was Google's response to
3 the competition created by header bidding.

4 4. Google used each of these events, along with other actions described herein, to
5 leverage its monopoly in Search into other markets, to exclude rivals, allocate markets, and
6 otherwise extend and defend its dominance in the Relevant Display Ad Markets.

7 5. As a result, Google has control over a dominant share of the Display Ad inventory
8 on which advertisers will bid as well as over which advertisers can participate in the most
9 significant auctions and how publishers prioritize and compare different sources to identify the
10 advertiser that will ultimately "win" the right to place an ad in a particular ad slot.

11 Google's exclusionary conduct has had substantial anticompetitive effects in the Relevant Markets
12 and has harmed publishers. Plaintiff and members of the proposed Class accordingly seek
13 compensatory and injunctive relief for violations of the Sherman Act, 15 U.S.C. §§ 1 & 2.

14 **II. JURISDICTION AND VENUE**

15 6. Plaintiff brings this action under sections 1 and 2 of the Sherman Act, 15 U.S.C. §§
16 1, 2.

17 7. Plaintiff has been injured, and is likely to continue to be injured, as a direct result
18 of Google's unlawful, anticompetitive conduct.

19 8. The United States District Court for the Northern District of California has subject
20 matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1337(a), and section 4 of
21 the Clayton Act, 15 U.S.C. § 15(a)(2).

22 9. The United States District Court for the Northern District of California also has
23 subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d). The amount in
24 controversy exceeds \$5,000,000 exclusive of interests and costs, and Plaintiff and a significant
25 proportion of the members of the proposed Class are citizens of states different from Google.

26 10. Venue is proper in this District under sections 4 and 12 of the Clayton Act, 15
27 U.S.C. §§ 15, 22. Google is headquartered in this District and its principal business operations are
28

1 based in this District. Moreover, Google’s anticompetitive conduct was directed and carried out in
2 this District. Venue also is proper pursuant to 28 U.S.C. § 1391 for the same reasons.

3 11. Plaintiff and members of the Class also have contracts with Google that contain a
4 forum selection clause requiring all claims between the parties to be resolved “exclusively in the
5 federal or state courts of Santa Clara County, California,” which includes this District.
6

7 **III. PARTIES**

8 12. Plaintiff Mikula Web Solutions, Inc. is a small business incorporated in
9 Pennsylvania with its principal place of business in Doylestown, Pennsylvania. Plaintiff assists
10 small and medium sized business with complete website development solutions including website
11 design, e-commerce, database applications, online marketing solutions, and website hosting. As
12 part of that, Mikula Web Solutions, Inc. sells digital Display Ad inventory through Google. As a
13 direct result of Google’s unlawful, exclusionary conduct, Mikula Web Solutions, Inc. has been
14 paid lower-than-competitive rates for its digital Display Ad inventory.

15 13. Defendant Google is a Delaware corporation with its principal place of business in
16 Mountain View, California. Google is owned by Alphabet Inc., a publicly traded company
17 incorporated and existing under the laws of the State of Delaware and headquartered in Mountain
18 View, California. Google engages in, and its activities substantially affect, interstate trade and
19 commerce. Google provides a range of products and services that are marketed, distributed, and
20 offered to consumers throughout the United States and internationally.
21

22 **IV. DISPLAY ADVERTISING**

23 14. Display Ads are ads that appear on a website, often in a side window or some other
24 designated space on the page. The suppliers of that ad space—usually the owner of the website—
25 are generally referred to as “publishers.” Because many publishers rely on Display Ads as an
26 important source of funds for their businesses, the price at which they can sell space on their pages
27 is critical.
28

1 15. When an Internet user visits a publisher's website where ad space is available, a
2 process is initiated to solicit and organize bids through various sources of advertiser demand to fill
3 that space. Once the winning bid has been identified, in a process that typically takes less than a
4 second, the Display Ad is placed on the publisher's website. The intermediaries providing these
5 services receive compensation in a form of a share of the payments from advertisers for their
6 Display Ads to appear on the website.

7 16. The Display Ad intermediation industry has four main layers: Sell-side Tools
8 (Publisher Ad Servers and Ad Networks), Exchanges, Ad Buying Tools, and Advertiser Ad
9 Servers. Together, these four layers are called the "Display Ad Stack."

10 17. Sell-side tools include Publisher Ad Servers and Ad Networks, which are used by
11 publishers selling space on their websites ("impressions") to assist them in choosing which ads to
12 place on their sites. Generally, larger publishers use Publisher Ad Servers, and smaller publishers
13 use Ad Networks to sell space on their website.

14 18. Exchanges, or "Supply-Side Platforms" ("SSPs"), run auctions of impressions.
15 Bidders in these auctions, who represent advertisers, use Ad Buying Tools, also called "Demand-
16 Side Platforms" ("DSPs"). These Ad Buying Tools help advertisers run ad campaigns and manage
17 bids on Exchanges. The DSPs also run their own auctions for impressions in which their advertiser
18 clients are the bidders.

19 19. The winner of each DSP auction advances to one or more auctions run by the
20 Exchanges. The winner of each Exchange's auction is then shown to the Publisher Ad Server or
21 Ad Network, which then selects and places an ad on the publisher's site. Figure 1 provides a visual
22 representation of the industry.

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