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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

TODD CROWDER, KEVIN SCHULTE, and
GARRICK VANCE, on behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

LINKEDIN CORPORATION,

Defendant.

Case No. 5:22-cv-00237

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

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INTRODUCTION

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2 1. This lawsuit concerns the unlawful monopolization of the professional social networking
3 market by defendant LinkedIn. Plaintiffs are LinkedIn Premium subscribers who have been overcharged
4 due to LinkedIn's unlawful conduct, which has enabled LinkedIn to extract supracompetitive profits from
5 its subscribers through inflated subscription prices and data sale revenues.
6

7 2. After emerging as the unchallenged leader in the professional social networking market
8 through what its founder Reid Hoffman called "Blitzscaling"—the rapid race to capture network and
9 lock-in effects by scaling at any cost—LinkedIn quickly turned to protecting and monetizing its position,
10 including by using sophisticated data acquisition and analysis to maximize user attention and revenues.
11 By 2015, LinkedIn's subscription business was protected by a powerful barrier to entry, which was the
12 net sum of LinkedIn's data centralization and aggregation, its machine learning and AI infrastructure,
13 and the inferred data it produced. This Data, Machine Learning, and Inference Barrier to Entry
14 ("DMIBE") became LinkedIn's greatest asset, and in 2016 drew a \$26.5 billion acquisition of the
15 company by Microsoft—owner of one of world's largest and most powerful arsenals of massively
16 scalable on-demand computational hardware. Combining LinkedIn's unrivaled professional data trove
17 and infrastructure with its parent Microsoft's high-end cloud computing arrays, the companies are
18 developing an AI and machine-learning-backed monopoly of enormous scale—fortifying and profoundly
19 strengthening the DMIBE. At the time of this Complaint, the DMIBE represents a near-insurmountable,
20 and growing, barrier to meaningful entry in the professional social networking market, let alone entry at
21 sufficient scale to effectively check LinkedIn's pricing and subscription terms.
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24 3. Since the Microsoft acquisition, LinkedIn has engaged in affirmative anticompetitive
25 conduct that has strengthened (and continues to strengthen) the DMIBE, that has reduced consumer
26 choice, and that has allowed LinkedIn to charge and maintain inflated Premium subscription prices and
27
28

1 subscription terms with no competitive check. This conduct has prevented—indeed, effectively
2 precluded—entry by others into the professional social networking market, insulating prices from
3 competition. Among this anticompetitive conduct was (and is): (i) LinkedIn’s non-optional sale of
4 Premium user data to unnamed “partners,” which forcibly grafts a negative value feature—one that
5 materially harms competition in the professional social networking market and at the same time lacks
6 measurable procompetitive effects, even aside from its lack of consumer benefit—onto LinkedIn’s
7 Premium subscription product; (ii) deploying sophisticated technological countermeasures specifically
8 designed by LinkedIn to prevent users’ *public* data from being accessed by potential or actual
9 competitors, thereby maintaining and fortifying the DMIBE and hindering potential entry at scale; (iii)
10 aggressively integrating LinkedIn’s unmatched professional social networking data repository and
11 pipeline and its powerful AI and machine-learning data and infrastructure with its parent company
12 Microsoft’s Azure cloud servers and arrays of Graphical Processing Units (“GPUs”)—an internationally
13 scarce hardware resources necessary for complex AI and machine learning computation at scale; and (iv)
14 expressly or tacitly dividing markets with LinkedIn’s most natural potential competitor, Facebook—an
15 agreement that, as explained in detail in this complaint, apparently continues to this day.

16
17
18 4. Plaintiffs seek trebled damages for the price overcharge they have experienced (and
19 continue to experience) for LinkedIn Premium subscriptions due to LinkedIn’s monopolization of the
20 professional social networking market. They also seek injunctive relief to stop LinkedIn’s anticompetitive
21 conduct, including, among other things, injunctive relief allowing Premium subscribers to opt out of
22 LinkedIn’s parasitic data sale to unnamed partners and injunctive relief halting and unwinding the
23 unprecedented and anticompetitive integration of LinkedIn’s professional data, machine learning, and AI
24 infrastructure with Microsoft’s powerful cloud computing hardware. Absent abatement by this Court,
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