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**UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN JOSE DIVISION**

JESSICA L. LAYSER, individually and
 on behalf of all others similarly situated,

Plaintiff,

v.

FACEBOOK, INC., a Delaware
 corporation headquartered in California,

Defendant.

Case No.

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

TABLE OF CONTENTS

I.	NATURE OF THE CASE	1
II.	PARTIES	2
III.	JURISDICTION AND VENUE	3
IV.	BACKGROUND	3
A.	Social Networking.	3
B.	Facebook.	4
C.	Social Advertising.	5
D.	Facebook's Use of Data to Maximize Advertising Value.	6
V.	RELEVANT MARKETS AND MONOPOLY POWER	8
A.	The Social Network Market.	8
B.	Facebook Has Monopoly Power in the Social Network Market.	12
C.	The Social Advertising Market.	16
D.	Facebook Has Monopoly Power in the Social Advertising Market.	20
VI.	ANTICOMPETITIVE CONDUCT	21
A.	Facebook Originally Gained Its Market Share Over Other Social Networks by Deceiving Consumers About Its Privacy Policies.	21
B.	Facebook Misuses Consumer Data to Identify Competitive Threats.	23
C.	Facebook Maintained Its Monopoly by Acquiring Burgeoning Competitive Threats.	26
1.	The Instagram Acquisition Neutralized a Competitive Threat.	27
2.	The WhatsApp Acquisition Neutralized a Competitive Threat.	31
D.	Facebook Limited Access to Its Platform to Deter Competition and Maintain Its Monopoly.	36
1.	Facebook's Anticompetitive Conditions on Platform Access Required Developers Not to Work with Competitors.	38
2.	Facebook's Enforcement of its Anticompetitive Conditions Deterred Emerging Threats.	41
E.	Facebook's Misconduct Becomes Public.	43

CLASS ACTION COMPLAINT

VII.	HARM TO COMPETITION	44
VIII.	CLASS ACTION ALLEGATIONS	45
IX.	FRAUDULENT CONCEALMENT AND TOLLING.....	48
X.	INTERSTATE TRADE AND COMMERCE	49
XI.	VIOLATIONS ALLEGED.....	50
	COUNT I - Violation of Section 2 of the Sherman Act (15 U.S.C. § 2)	
	Monopolization	52
	COUNT II - Violation of Section 2 of the Sherman Act (15 U.S.C. § 2)	
	Attempted Monopolization	52
XII.	PRAYER FOR RELIEF	52
	JURY TRIAL DEMANDED	53

1 Plaintiff Jessica L. Layser, by and through undersigned counsel, hereby brings this action
2 against Defendant Facebook, Inc. (“Facebook”), on behalf of herself and all others similarly situated,
3 and alleges as follows:

4 **I. NATURE OF THE CASE**

5 1. Facebook is the dominant online social network in the United States and in the world.
6 Initially, Facebook used its false promises of data security and privacy protections to overtake its early
7 rivals and become the dominant force in the market for person social networking. As it recognized,
8 once it won the initial battle for supremacy, its foothold in social networking would be protected. In
9 particular, because a personal social network is generally more valuable to a user when more of that
10 user’s friends and family are already members, a new entrant faces significant difficulties in attracting a
11 sufficient user base to compete with Facebook.

12 2. Facebook holds monopoly power in the market for personal social networking services
13 in the United States, which it enjoys primarily through its control of the largest and most profitable
14 social network in the world. Facebook monetizes its personal social networking monopoly principally
15 by selling advertising, which exploits a rich set of data about users’ activities, interests, and affiliations
16 to target advertisements to users. Facebook in fact specializes in selling social advertising, a unique
17 market for advertising built around the very specialized and granular data that Facebook is able to
18 collect on its users and their contacts in light of its monopoly in the personal social networking space.

19 3. Social advertising allows Facebook to identify the perfectly targeted audience for any
20 potential advertiser’s product and then evaluate the results of those advertisements based upon very
21 specific user data regarding how each user interacted with the advertisement. That allows addition
22 refinements and enhancements to the advertisement itself as well as the target audience. Because
23 Facebook is unique in the level of social data that it can gather, it has a firm hold on the market for
24 social advertising and has been able to monetize its product to a staggering degree. Last year alone,
25 Facebook generated advertising revenue of more than \$70 billion and profits of more than \$18.5
26 billion.

27 4. With that much at stake, Facebook has adopted numerous anticompetitive practices to
28 preserve its monopoly in social networking and consequently in social advertising. The company has,

for many years, continued to engage in a course of anticompetitive conduct with the aim of suppressing, neutralizing, and deterring serious competitive threats to Facebook. That conduct has included, among other things, utilizing data from third parties to identify burgeoning competitive threats, acquiring potential competitors before they can actually compete, and utilizing anticompetitive terms and practices with respect to application programming interfaces (“APIs”) that are made available to third-party software applications. Among other things, Facebook used its APIs to gather data from which it could assess potential threats and then punished and suppressed some promising threats (e.g., Path, Circle, and various messaging apps) while preventing and deterring others from even becoming threats in the first place. These anticompetitive practices allowed Facebook to acquire and maintain monopoly power in the market for personal social networking and the market for social advertising.

5. As a result of this anticompetitive conduct, Plaintiff and members of the Class were forced to pay supra-competitive prices for advertisements they purchased directly from Facebook.

II. PARTIES

6. Plaintiff Jessica L. Layser (“Layser”) is a realtor with her principal place of business in Langhorne, Pennsylvania. During the Class Period, Plaintiff Layser purchased advertising directly from Facebook.

7. Defendant Facebook is a publicly traded, for-profit company, incorporated in Delaware and with its principal place of business at 1601 Willow Road, Menlo Park, CA 94025.

8. Facebook is a social media company that provides online services to more than 3.14 billion users. Facebook owns and operates several business divisions, such as:

- **Facebook**. Facebook’s core social media application, which bears the company’s name, is, according to Facebook’s filings with shareholders, designed to enable “people to connect, share, discover, and communicate with each other on mobile devices and personal computers.” The Facebook core product contains a “News Feed” that displays an algorithmically ranked series of content and advertisements individualized for each person.
- **Instagram**. Instagram is a social media photo-sharing application that allows users to

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