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*Attorneys for Plaintiff and the Proposed Class*

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

SYNERGY RX PBM LLC, Individually and  
On Behalf of All Others Similarly Situated

Plaintiff,

v.

LINKEDIN CORPORATION,

Defendant.

Case No.

**CLASS ACTION COMPLAINT**

- (1) Violation of Cal. Bus. & Bus. Prof. Code § 17200, *et seq.*
- (2) Fraudulent Misrepresentation
- (3) Negligent Misrepresentation
- (4) Breach of Implied Duty to Perform With Reasonable Care
- (5) Accounting

**JURY TRIAL DEMANDED**

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1 Plaintiff Synergy RX PBM LLC (“Synergy” or “Plaintiff”), individually and on behalf of  
2 all others similarly situated, by and through its undersigned counsel, brings this class action  
3 complaint seeking monetary and injunctive relief against Defendant LinkedIn Corporation  
4 (“LinkedIn” or the “Company”). Plaintiff alleges the following upon information and belief based  
5 on the investigation of counsel, except as to those allegations that specifically pertain to Plaintiff,  
6 which are alleged upon personal knowledge.

### 7 NATURE OF THE ACTION

8 1. LinkedIn promotes itself as the world’s largest online network of business  
9 professionals with over 700 million members worldwide. As one of its primary sources of revenue,  
10 LinkedIn charges advertisers for displaying ads to LinkedIn members. Advertisers pay for these  
11 ads based on three metrics: each time an ad is displayed (“impressions”), each time a video ad is  
12 watched for a minimum duration (“video views”), or each time an ad is clicked (“clicks”). It is  
13 estimated that LinkedIn generated \$1.7 billion from ad sales to US-based advertisers in 2020.

14 2. LinkedIn sells its ads via real-time online auctions in which advertisers compete to  
15 show their ads to LinkedIn members. LinkedIn runs a new auction every time a new member logs  
16 in, and because LinkedIn boasts hundreds of millions of members, hundreds of millions of these  
17 auctions occur every day. Bids in each real-time auction are based on what different advertisers  
18 are willing to pay for a particular metric (i.e., impression, video view, or click), and then based on  
19 those bids and other factors, LinkedIn’s software programmatically determines (within  
20 milliseconds) which ad to show to a particular LinkedIn member and at what price.

21 3. The prices advertisers are willing to pay for LinkedIn ads depends on ad  
22 performance; that is, the rate at which LinkedIn members see and interact with the ads displayed  
23 to them. To enable advertisers to measure ad performance — and make informed decisions  
24 concerning ad spending — LinkedIn provides an interface called Campaign Manager that displays  
25 impressions, video views, and clicks per ad, as well as numerous derived metrics that incorporate  
26 those three base metrics as inputs (for example, “view rate,” which is calculated as video views  
27 divided by impressions).

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1           4.       LinkedIn has long represented to advertisers that they can rely on the metrics in  
2 Campaign Manager to accurately analyze the performance of their ad campaigns. As noted, based  
3 on such performance, advertisers determine their ad spending. For example, advertisers might  
4 consider the percentage of members who watched a video ad (“view rate”) in deciding whether to  
5 buy more video ads, and how much to pay for those ads (with higher video view rates motivating  
6 advertisers to buy more video ads, and pay more for those ads in the auctions).

7           5.       Advertisers do not have access to the systems necessary to audit and verify the data  
8 underlying the metrics displayed in Campaign Manager; only LinkedIn has such access.  
9 Accordingly, advertisers rely on LinkedIn’s representations concerning the accuracy of the metrics  
10 in Campaign Manager, and rely on LinkedIn to implement systems to detect any errors that might  
11 inflate those metrics.

12           6.       On November 12, 2020, LinkedIn announced that measurement errors discovered  
13 in August 2020 inflated metrics tied to impressions and video views for more than two years,  
14 “potentially impacting” over 418,000 advertisers during that timeframe. For example, LinkedIn  
15 recorded video views for video ads that continued to play off-screen, which would have inflated  
16 video view rates (as a LinkedIn spokesperson confirmed). In other instances, LinkedIn recorded  
17 impressions when members simply rotated their phones.

18           7.       The inflated metrics that LinkedIn disclosed went undetected for so long because  
19 LinkedIn’s internal auditing processes and systems have been deficient for years. LinkedIn knew  
20 this and admitted as much in its November 2020 announcement when it disclosed that, as a result  
21 of discovering the inflated metrics, it would begin “investing in improvements to our processes  
22 and systems,” and retain the Media Rating Council (“MRC”) — a media industry watchdog — to  
23 “audit our metrics.” LinkedIn could and should have taken these steps years ago. Had it done so,  
24 the inflated metrics only first discovered in August 2020 would have been promptly detected and  
25 fixed before causing harm to advertisers. But it did not do so because inflated metrics boosted  
26 LinkedIn’s revenue.

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1           8.       In its announcement, LinkedIn advised that it had issued “credits” to advertisers  
2 “potentially impacted” by the inflated metrics. But it has never disclosed how it calculated these  
3 “credits,” or how it determined which advertisers were “impacted.” Instead, LinkedIn has taken  
4 the position that it is free to unilaterally decide without any accountability which advertisers to  
5 compensate, and what sums to pay them (apparently based solely on PR considerations). That is  
6 unacceptable. Having effectively admitted that deficient auditing systems inflated key metrics for  
7 hundreds of thousands of advertisers for more than two years, LinkedIn is obligated to fully  
8 compensate all impacted advertisers for all the harm caused by those inflated metrics.

9           9.       In particular, since — as LinkedIn confirmed — invalid impressions and video  
10 views inflated the metrics displayed in Campaign Manager for over two years, then during that  
11 timeframe, ads *appeared* to perform better than they actually did. And since better ad performance  
12 leads advertisers to buy more ads, and increase the prices they pay for those ads, then — for more  
13 than two years — advertisers paid higher prices for ads than they otherwise would have paid, and  
14 bought more ads than they otherwise would have bought, absent the inflated metrics. There is no  
15 indication that LinkedIn is compensating advertisers at all for such harm (even though it  
16 substantially benefitted from the higher revenue generated from the inflated pricing).

17           10.       Moreover, it appears that LinkedIn’s measurement errors extend well beyond  
18 inflated metrics tied to impressions and video views. According to credible expert and other public  
19 sources, LinkedIn’s platform is plagued by fraudulent activity, including large volumes of invalid  
20 clicks. Thus, for years, advertisers have also been buying more ads, and paying higher prices for  
21 ads, based on inflated metrics tied to clicks. Advertisers must also be compensated for this harm.

22           11.       Finally, the fact that LinkedIn has failed to acknowledge the invalid clicks and other  
23 fraudulent activity on its platform discovered by third parties means that Plaintiff and other  
24 advertisers continue to face an actual threat of future harm of being further exposed to inflated  
25 metrics on LinkedIn that can only be addressed by injunctive relief.

26           12.       To ensure LinkedIn fully compensates Class members for all harm caused by  
27 inflated metrics on LinkedIn’s platform, and that LinkedIn implements adequate auditing  
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1 processes and systems to promptly detect and fix future errors that would inflate metrics, Plaintiff  
2 asserts claims for violation of California’s Unfair Competition Law, Cal. Bus. & Prof. Code  
3 §17200 *et seq.* (“UCL”), fraudulent misrepresentation (or in the alternative, negligent  
4 misrepresentation), breach of the implied duty to perform with reasonable care, and at a minimum,  
5 an accounting, on behalf of itself and all other similarly-situated LinkedIn advertisers.<sup>1</sup>

6 **PARTIES**

7 13. Plaintiff is an LLC organized under the laws of the State of Delaware, with its  
8 principal place of business in New York.

9 14. Defendant is a corporation incorporated under the laws of the State of Delaware,  
10 with its principal place of business located at 1000 West Maude Avenue, Sunnyvale, California  
11 94085. Defendant is wholly owned by Microsoft Corporation (“Microsoft”).

12 15. Defendant conceived, reviewed, approved, directed, and controlled the misconduct  
13 conduct alleged herein in California; and invoiced and collected the fees wrongfully earned from  
14 such misconduct from California.

15 **JURISDICTION, VENUE AND CHOICE OF LAW**

16 16. This Court has subject matter jurisdiction over Plaintiff’s claims under 28 U.S.C.  
17 §1332(d)(2), the Class Action Fairness Act of 2005, because at least one member of the Class,  
18 which exceeds 100 members in the aggregate, is a citizen of a different state than Defendant and  
19 the amount in controversy exceeds \$5,000,000, exclusive of interest and costs.

20 17. This Court has personal jurisdiction over Defendant because it transacts business  
21 in this State, and because the tortious conduct alleged in this Complaint occurred in, was directed  
22 to, and/or emanated from California.

23 18. Venue is proper in this District under 28 U.S.C. §1391 because Defendant is  
24 headquartered in this District, and conducts business transactions in this District, and because the  
25 wrongful conduct giving rise to this case occurred in, was directed from, and/or emanated from  
26 this District.

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28 <sup>1</sup> All emphasis herein is added, unless otherwise noted.

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