

1 HUESTON HENNIGAN LLP
John C. Hueston, State Bar No. 164921
2 jhueston@hueston.com
Douglas J. Dixon, State Bar No. 275389
3 ddixon@hueston.com
620 Newport Center Drive, Suite 1300
4 Newport Beach, CA 92660
Telephone: (949) 229-8640

5 Joseph A. Reiter, State Bar No. 294976
6 jreiter@hueston.com
Michael K. Acquah, State Bar No. 313955
7 macquah@hueston.com
William M. Larsen, State Bar No. 314091
8 wlarsen@hueston.com
Julia L. Haines, State Bar No. 321607
9 jhaines@hueston.com

Karen Ding
10 kding@hueston.com
Tate Harshbarger
11 tharshbarger@hueston.com
523 West 6th Street, Suite 400
12 Los Angeles, CA 90014
Telephone: (213) 788-4340

13 *Attorneys for Plaintiffs Match Group, LLC;*
14 *Humor Rainbow, Inc.; PlentyofFish Media ULC;*
15 *and People Media, Inc.*

16 **UNITED STATES DISTRICT COURT**
17 **NORTHERN DISTRICT OF CALIFORNIA**

18 MATCH GROUP, LLC, a Delaware
corporation; HUMOR RAINBOW, INC.,
19 a New York corporation;
PLENTYOFFISH MEDIA ULC, a
20 Canadian corporation; and PEOPLE
MEDIA, INC., a Delaware corporation,

21 Plaintiffs,

22 v.

23 GOOGLE LLC; GOOGLE IRELAND
24 LIMITED; GOOGLE COMMERCE
LIMITED; GOOGLE ASIA PACIFIC
25 PTE. LIMITED; and GOOGLE
PAYMENT CORP.,

26 Defendants.
27
28

Case No. 3:22-cv-02746-JD

**FIRST AMENDED COMPLAINT
FOR (1) VIOLATIONS OF THE
SHERMAN ACT; (2) VIOLATIONS
OF THE CARTWRIGHT ACT; (3)
UNFAIR COMPETITION; (4)
TORTIOUS INTERFERENCE WITH
CONTRACT; AND (5) TORTIOUS
INTERFERENCE WITH
PROSPECTIVE ECONOMIC
ADVANTAGE**

DEMAND FOR JURY TRIAL

TABLE OF CONTENTS

	<u>Page</u>
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	INTRODUCTION..... 1
	PARTIES..... 13
	JURISDICTION AND VENUE..... 14
	DIVISIONAL ASSIGNMENT..... 15
	BACKGROUND..... 15
	A. Match Group Provides Popular Online Dating Services..... 15
	B. Google Has Monopolized the Marketplace for Mobile and Licensable Operating Systems..... 19
	C. Google Has Unlawfully Maintained a Monopoly in the Market for Distribution of Android Apps..... 21
	D. Google Also Has Market Power in the Market for Dating App Distribution..... 25
	E. Google Devises and Uses Exclusionary Contracts, Illegal Tying, and Predatory Practices to Block Competitors and Ensure Google Play’s Dominance..... 28
	1. Google Uses Exclusionary Contracts with OEMs..... 29
	2. Google Uses Exclusionary Contracts with App Developers..... 31
	3. Google Uses Payment Incentives and Predatory Practices..... 32
	4. Google Uses Technological Roadblocks, Contractual Restrictions, and False Information to Make Direct App Downloads Impractical..... 36
	5. Google’s Anti-Competitive Conduct Destroys Competition in the Android App Distribution Market or, Alternatively, the Dating App Distribution Market..... 39
	F. Google Unlawfully Seized and Maintains a Monopoly in the Market for Android App In-App Payment Processors..... 41
	1. Google Uses Illegal Ties and Exclusive Contracts to Mandate Use of Google Play Billing..... 44
	2. Google Abuses Its Monopoly Power by Imposing an Arbitrary and Unconscionable Tax on Consumers and App Developers..... 46
	3. Google’s Conduct Destroys Competition in the Android App

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS (cont.)

Page

IAP Market and Harms Consumers and App Developers 51

G. Match Group Offers Consumers an Alternative and Competitive In-App Payment Option 53

H. Google Allows Match Group’s Apps to Remain on Google Play, Recognizing That Match Group’s Payment Options Do Not Violate Google’s Policies 55

I. Abusing its Monopoly Power, Google Abruptly Changed Its Policies 58

J. Google’s Anti-Competitive Conduct Has Irreparably Harmed Match Group and its Customers 64

FIRST CAUSE OF ACTION 66

SECOND CAUSE OF ACTION 68

THIRD CAUSE OF ACTION 69

FOURTH CAUSE OF ACTION 71

FIFTH CAUSE OF ACTION 73

SIXTH CAUSE OF ACTION 75

SEVENTH CAUSE OF ACTION 78

EIGHTH CAUSE OF ACTION 80

NINTH CAUSE OF ACTION 81

TENTH CAUSE OF ACTION 83

ELEVENTH CAUSE OF ACTION 84

TWELFTH CAUSE OF ACTION 86

THIRTEENTH CAUSE OF ACTION 88

FOURTEENTH CAUSE OF ACTION 89

FIFTEENTH CAUSE OF ACTION 91

PRAYER FOR RELIEF 92

INTRODUCTION¹

1
2 1. This is a case about the strategic manipulation of markets, broken
3 promises, and abuse of power that Google LLC² has employed to illegally foreclose
4 competition in the world’s biggest mobile device ecosystem, Android, and become
5 one of the largest, most powerful companies in the world. Google convinced billions
6 around the world to use the Android mobile operating system (“Android” or “Android
7 OS”) on promises of an open ecosystem, flexibility, and a focus on the user. Through
8 those platitudes and promises and the anticompetitive tactics detailed in this
9 complaint, Google illegally monopolized the market for distributing apps on Android
10 devices with its Google Play Store (“Google Play”)—making it today the only viable
11 choice a mobile application (“app”) developer has to reach Android users. Now,
12 Google seeks to eliminate user choice of payment services and raise prices on
13 consumers by extending its dominance to the separate market for in-app payment
14 (“IAP”) processors on Android. It is conditioning app availability on Google Play
15 with exclusive use of its own in-app payment processing product, Google Play
16 Billing, where it can charge supra-competitive prices and monetize the personal data
17 of billions of digital app users.

18 2. Ten years ago, Match Group was Google’s partner. We are now
19 its hostage. Google lured app developers to its platform with assurances that we could
20 offer users a choice over how to pay for the services they want. But once it
21 monopolized the market for Android app distribution with Google Play by riding the
22 coattails of the most popular app developers, Google sought to ban alternative in-app
23

24 ¹ For the purposes of this complaint, the term “Match Group” includes only the operating entities
25 named as Plaintiffs. Match Group LLC; Humor Rainbow, Inc.; PlentyofFish Media ULC; and People
26 Media, Inc. are part of the Match Group family of companies with the ultimate parent company
27 Match Group, Inc. (“MGI”), a nonoperating holding company. MGI’s other subsidiaries are not
28 included in the definition of “Match Group” in this complaint. Match Group asserts the allegations
in this complaint upon personal knowledge as to itself and its own acts and experiences and, as to all
other matters, upon information and belief, including an investigation conducted by its attorneys.

² Unless noted otherwise, throughout this complaint, “Google” refers to Google LLC and all other
Google entity defendants.

1 payment processing services so it could take a cut of nearly every in-app transaction
2 on Android. This Complaint lays bare Google's misdeeds that made it possible.

3 3. Google monetizes Android, in part, by operating Google Play and a
4 separate in-app payment processing service called Google Play Billing. Over the last
5 decade, through bait and switch tactics that exploited the very app developers it so
6 ardently courted and claimed to support and by paying off potential competitors not
7 to compete, Google has grown Google Play into the only viable Android app
8 marketplace. If a developer wants users to find its app, that app must be on Google
9 Play.

10 4. But that was not enough for Google. It also wanted to control the much
11 more lucrative in-app payment processing market on Android. Every year, consumers
12 spend tens of billions of dollars on Android apps. And that number increases every
13 year. When those transactions involve the purchase of "digital goods or services"
14 using Google Play Billing, Google keeps as much as 30% for itself. Google
15 disingenuously calls this extortionate tax a "fee" even though it is nearly ten times the
16 actual fees other payment processors charge in competitive marketplaces.

17 5. Further, what constitutes a "digital good or service" is ill-defined and
18 arbitrarily applied. Clothing and food delivery and ride sharing apps do not qualify.
19 But Match Group's dating apps do qualify, even though they enable users to meet in
20 the real world for a date, just like a ride sharing app enables a user to find a driver in
21 the real world for a ride.

22 6. Google's "fee" also bears no relation to the cost or value of services
23 Google provides developers. Indeed, all developers with apps on Google Play benefit
24 from the exact same services, and they all pay Google a \$25.00 registration fee. Yet
25 only the small handful who sell "digital goods and services," again, as arbitrarily
26 defined by Google, pay the Google tax, which results in pure non-competitive profit
27 to Google. It also allows Google to collect massive volumes of user data that Google
28 can then monetize.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.