

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

ASSOCIATED NEWSPAPERS LTD. and
MAIL MEDIA, INC.

Plaintiffs,

-against-

GOOGLE LLC and ALPHABET INC.,

Defendants.

CIVIL ACTION NO. 1:21-cv-03446

**COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF**

JURY TRIAL DEMANDED

INTRODUCTION

1. Plaintiffs publish the online newspaper MailOnline, which is branded in the United States as “Daily Mail.” Daily Mail began as a printed newspaper in London 125 years ago, in 1896. Daily Mail introduced an online version of its newspaper in 2003, and opened its U.S. headquarters in New York City in 2011. That same year, Daily Mail overtook *The New York Times* as the world’s most popular English-language newspaper website.

2. Daily Mail reaches over 225 million unique monthly visitors, with 75 million of those visitors coming from the United States. Daily Mail publishes hundreds of stories daily, using its home page to deliver the breaking news, politics, health, entertainment, and celebrity content people want to read.

3. Like most other news sites, Daily Mail does not charge readers for its online content. The costs of employing reporters, editors, photographers, video journalists, and running the website are paid for by selling advertising space alongside news articles.

4. Daily Mail’s ad-supported business model is overwhelmingly popular with U.S. readers. Eighty percent of Americans do not pay for access to news, and one recent consumer

survey reports that over 84% of Americans want an “ad-supported internet where content is free.”

5. Online advertising continues to grow overall as users consume more internet content, yet newspapers’ advertising revenue has declined by 70% over the last decade. As a result, since 2008, newsroom employment has dropped by more than half, 20% of all newspapers have closed, and half of all U.S. counties now have only one newspaper, usually a weekly edition. The circulation of daily newspapers has decreased by more than 40%.

6. News publishers do not see the growing ad spending because Google and its parent Alphabet unlawfully have acquired and maintain monopolies for the tools that publishers and advertisers use to buy and sell online ad space. Those tools include the software publishers use to sell their ad inventory, and the dominant exchange where millions of ad impressions are sold in auctions every day. Google controls the “shelf space” on publishers’ pages where ads appear, and it exploits that control to defeat competition for that ad space. Among other tactics, Google makes it difficult for publishers to compare prices among exchanges; reduces the number of exchanges that can submit bids; and uses bids offered by rival exchanges to set its own bids — a *de facto* bid rigging scheme. Further, for years, Google has used its search rankings to punish publishers that do not submit to its practices. The lack of competition for publishers’ inventory depresses prices and reduces the amount and quality of news available to readers, but Google ends up ahead because it controls a growing share of the ad space that remains.

7. A series of decisions in this Court have found antitrust liability for manipulating securities markets much like Google has done here. *See, e.g., Iowa Pub. Emps.’ Ret. Sys. v. Merrill Lynch, Pierce, Fenner & Smith Inc.*, 340 F. Supp. 3d 285 (S.D.N.Y. 2018); *In re Credit Default Swaps Antitrust Litig.*, 2014 WL 4379112 (S.D.N.Y. Sept. 4, 2014). These cases shared

the same set of facts: dominant broker-dealers depressed prices by forbidding traders to compare offers in real time, eliminating rival platforms that introduced competition, and trading on inside information. This Court already understands conduct like Google's and can provide a remedy.

8. Google has acknowledged that much of its conduct occurred in this District, *see Texas v. Google*, 20-cv-00957 (E.D. Tex. Jan. 19, 2021), ECF No. 28, at 4-5, and that the largest share of its witnesses is located in this District, *see* Tr. at 49-50 (E.D. Tex. Mar. 18, 2021). Likewise, many of the ad-tech companies that Google acquired (including DoubleClick), as well as many of the rivals that Google has eliminated, were based in this District. Finally, New York City is the center of the United States' publishing and advertising industries. America's largest news and entertainment companies are based in New York City, as are more than 1,200 ad agencies. This Court has a predominating local interest in restoring competition in industries critical to New York's economic health and the vitality of the publishing business. This District is a "major jurisdiction" for addressing Google's economic censorship. *Cf.* Harry Kalven, Jr., *A Worthy Tradition: Freedom of Speech in America* 75 (1988).

9. Competition enforcers throughout the world have condemned Google's unlawful monopolization. The U.K. Competition and Markets Authority identified Google's misconduct and the harm to publishers, but concluded it had insufficient injunctive authority to implement a remedy. *See Online Platforms and Digital Advertising Market Study Final Report* at 20, 60, 394-406 (July 1, 2020) ("Google's strong position at each level of the intermediation value chain creates clear conflicts of interest, as it has the ability and incentive to exploit its position on both sides of a transaction to favour its own sources of supply and demand."). The Australian Competition and Consumer Commission identified Google's misconduct and the harm to publishers, and is prescribing compensation and a code of conduct to remedy some of Google's

practices. *See Digital Advertising Services Inquiry Interim Report* (Dec. 2020). The U.S. House Antitrust Subcommittee studied the conduct of Google and other platforms, collecting 1.3 million documents and holding seven hearings. The House Subcommittee found that Google is harming “the free and diverse press” and endangering “political and economic liberty.” *Final Report and Recommendations, Investigation of Competition in Digital Markets*, at 57-77, 206-11 (Apr. 15, 2021). In December 2020, a group of State Attorneys General filed suit against Google alleging monopolization and misrepresentations similar to those described in this Complaint. *See Texas v. Google LLC*, 20-cv-00957 (E.D. Tex. Complaint filed Dec. 16, 2020, Amended Complaint filed Mar. 15, 2021). The United States and a group of State Attorneys General filed suit against Google for monopolizing search advertising in October 2020, *see United States v. Google LLC*, 1:20-cv-03010 (D.D.C. Complaint filed Oct. 10, 2020), and the U.S. Department of Justice is continuing to investigate Google’s monopolization of the display advertising markets at issue in this case. The leadership of both the Senate and House Antitrust Subcommittees have introduced bills that, among other things, would provide additional resources to antitrust enforcers to address Google’s conduct.

10. Daily Mail brings this antitrust action for compensation and for injunctive relief to restore competition in the monopolized markets and safeguard news content for readers.

PARTIES

11. Plaintiff Associated Newspapers Ltd. (“ANL”) is a British multinational media company registered in England and Wales and headquartered in London. ANL owns and operates the *Daily Mail* and *The Mail on Sunday* newspapers, MailOnline (dailymail.co.uk and dailymail.com), and several other publications. MailOnline is the world’s most read English-language news site and, branded as “Daily Mail,” the fifth most popular U.S. news website.

ANL is a wholly owned subsidiary of Daily Mail and General Trust plc (“DMGT”), a company listed on the London Stock Exchange that manages a portfolio of companies in the consumer media, insurance risk, property information, and events and exhibitions sectors.

12. Plaintiff Mail Media, Inc. (“Mail Media”) is a wholly owned subsidiary of DMGT that manages ANL’s U.S.-based operations for MailOnline. Mail Media is a privately held company incorporated and existing under the laws of the State of Delaware, with its headquarters in New York, New York. On behalf of ANL, Mail Media employs hundreds of reporters and editors, as well as ad-tech, operations, and ad-sales teams, in the United States. This Complaint refers to ANL and Mail Media together as “Daily Mail.”

13. Defendant Google LLC (“Google”) is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business in Mountain View, California. Google is an online advertising company providing internet-related products, including various online advertising technologies, directly and through subsidiaries and business units it owns and controls. Google maintains an office in this District at 111 8th Avenue, New York, New York 10011.

14. Defendant Alphabet Inc. (“Alphabet”) is a publicly traded company incorporated and existing under the laws of the State of Delaware and headquartered in Mountain View, California. Alphabet was created as a holding company for Google in late 2015, and Alphabet controls Google’s day-to-day operations. Virtually all of Alphabet’s revenue comes from Google. Since December 2019, Alphabet and Google have had the same Chief Executive Officer. As a result of Alphabet’s operational control, Google is Alphabet’s alter ego. This Complaint refers to Google and Alphabet together as “Google.”

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