

2021-03-31 Lipkovitz, Eisar

Annotation Digest - All Annotations

TextMap Annotation Digest Report

Pg: 4 Ln: 12 - 14

Annotation:

4:12 Q. Could you provide your full name
13 for the record?
14 A. Sure. It is Eisar Lipkovitz.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 13 Ln: 11 - Pg: 15 Ln: 7

Annotation:

13:11 Q. Okay. I'd like to discuss your
12 time being employed at Google. When did you
13 join Google?
14 A. August 2, 2004.
15 Q. You remember it pretty clearly.
16 Is that a -- does that date stick out in your
17 mind?
18 A. I have an affliction of having an
19 extremely good memory. I'm not bragging,
20 but, you know, it's actually difficult for me
21 to -- not to remember stuff, you know, so...
22 Q. Yeah, I appreciate that. So what
23 were your -- what was your initial job when
24 you joined Google?
25 A. I have joined what was later
14: 1 E. LIPKOVITZ
2 called the Search infrastructure team. I was
3 working on the search engine, and I was
4 managing a team initially that was in charge
5 of what was called Google Web Server and
6 pretty quickly thereafter it expanded to sort
7 of managing the crawling and indexing team,
8 and, you know, over time it became sort of a
9 larger scope. All of it. And so the
10 infrastructure is what makes Search possible.
11 Q. So, Mr. Lipkovitz, you are an
12 engineer, correct?
13 A. I am, by trade.
14 Q. And what does that -- I mean, so
15 what does that mean that your day-to-day
16 responsibilities -- what are the -- I should
17 ask, what are the general responsibilities of
18 an engineer at Google? What type of projects
19 might you work on?
20 A. You know, it's just all over the
21 place and all of it changed over time. And
22 in my case, because I start at a manager,
23 it's a little bit different, but in general
24 it's writing code, reviewing code,
25 maintaining systems, writing design
15: 1 E. LIPKOVITZ

TextMap Annotation Digest Report

Pg: 13 Ln: 11 - Pg: 15 Ln: 7 continued...

Annotation:

15: 2 documents, participating in meetings and so
3 forth.
4 Q. Are engineers at Google involved
5 in strategic decisions?
6 A. It changed over time. When I
7 joined, quite a bit, yes.

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Pg: 24 Ln: 19 - Pg: 25 Ln: 15

Annotation:

24:19 Q. When you talk about programatic,
20 what do you mean by programatic?
21 A. You know, it's a buzz word that I
22 don't know, you know, who made it up, and it
23 was a pretty important one, especially when I
24 joined. The industry was moving away -- or
25 "away" is not right word. Prior to
25: 1 E. LIPKOVITZ
2 programatic, the vast majority of ads, you
3 know, being sold online, at least by dollars
4 I, should say, were direct sold. An
5 advertiser and a publisher would have a
6 relationship and they would agree, you know,
7 to a contract and buy units, roughly how TV,
8 you know, advertising is sold today.
9 And programatic was an attempt to
10 sort of get it more efficient and sort of
11 automated and, you know, use technology to
12 minimize the number of people needed to talk
13 and sales people and martinis and, you know,
14 all that stuff. That's probably the highest
15 level.

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Pg: 31 Ln: 22 - Pg: 32 Ln: 5

Annotation:

31:22 Q. Okay. That makes sense. So after
23 2016, summer 2016, you were the lead engineer
24 for the display and video team for Google?
25 A. That is correct.
32: 1 E. LIPKOVITZ
2 Q. You had responsibility for all
3 Google's display business on the engineering
4 side; is that correct?
5 A. It is correct.

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Pg: 31 Ln: 22 - Pg: 32 Ln: 5 continued...

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Pg: 45 Ln: 3 - 14

Annotation:

45: 3 How many people were in the
4 display and video organization altogether?
5 A. It changed over time but I would
6 like to say somewhere between 2500 to 3500
7 ish.
8 Q. Okay. And were you sitting on the
9 top of that org chart?
10 A. As I mentioned, we had, you know,
11 multiple partners depending on the time. I
12 was -- probably by head count, I had the
13 majority of them, because engineers is the
14 bulk of that organization from headcount.

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Pg: 57 Ln: 16 - Pg: 58 Ln: 11

Annotation:

57:16 Q. What is a publisher, as you
17 understand it?
18 A. I mean, you know, it starts with
19 the generic definition of publisher, which is
20 a common place in media. But in the context
21 of ads, it is an entity that is trying to
22 monetize, make money from media, by placing
23 ads next to their content. And they use
24 technology or, you know, some sort of online
25 ability do that, to do so.
58: 1 E. LIPKOVITZ
2 Q. Okay. And what types of
3 technology might a publisher use?
4 A. You kind of have to start with an
5 ad server, which is effectively a piece of
6 software that lets you manage the inventory
7 of slots on, you know, your web page. So
8 that's probably the most important aspect.
9 Q. Do publishers use an ad server for
10 both direct and remnant sales?
11 A. Yes, they do.

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Pg: 69 Ln: 18 - Pg: 70 Ln: 9

Annotation:

69:18 Q. Okay. Are you familiar with the

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Pg: 69 Ln: 18 - Pg: 70 Ln: 9 continued...

Annotation:

69:19 terms "buy side" and "sell side"?
20 A. Yes. So traditionally speaking,
21 buy side is referring to the advertiser
22 facing products and sell side to the
23 publisher selling product, facing products.
24 Q. Did Google have ad tech tools
25 which it offered to the sell side?
70: 1 E. LIPKOVITZ
2 A. Yes.
3 Q. And did you have ad tech tools
4 which you offered to the buy side?
5 A. Yes, we did.
6 Q. Okay. Did you -- I guess after
7 summer of 2016, did you have responsibility
8 for Google's products on both the buy and
9 sell side?

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Pg: 70 Ln: 11

Annotation:

70:11 A. I did.

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Pg: 100 Ln: 13 - 15

Annotation:

100:13 Q. If I'm a small advertiser spending
14 \$1,000 a month, would DBM be an option for
15 me?

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Pg: 100 Ln: 17 - Pg: 101 Ln: 5

Annotation:

100:17 A. Option meaning what? Like where
18 is the decision?
19 Q. Would it make sense for me to work
20 on DBM?
21 A. I would not advise it.
22 Q. Why not?
23 A. Because like all the benefits
24 exist on DBM would be extremely useless for
25 you.
101: 1 E. LIPKOVITZ
2 Q. How so?
3 A. You know, if we have to charge you

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Pg: 100 Ln: 17 - Pg: 101 Ln: 5 continued...

Annotation:

101: 4 for support, you'll spend more money on that
 5 than whatever you spend on media.

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Pg: 114 Ln: 11 - 12

Annotation:

114:11 Q. Does the ad server business have
 12 substantial fixed cost?

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Pg: 114 Ln: 14 - 25

Annotation:

114:14 A. Yeah, I think it is -- you know,
 15 the biggest one is probably the technology
 16 R&D team, right, and payroll for that. You
 17 know, you may need some sales and support to
 18 support the customers and then you have some
 19 infrastructure costs, you know, to have the
 20 actual ad server, right. It's usually
 21 software as a service, you know. The ad tech
 22 company hosted everything and had the
 23 production assistants, they have to have ops
 24 people, sometimes they have data centers,
 25 whatever.

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Pg: 116 Ln: 21 - Pg: 117 Ln: 20

Annotation:

116:21 A. That's a good question. It was a
 22 debate, right. I think there were sort of
 23 multiple reasons, right. One is, you know,
 24 we had a team, right, and you get into this
 25 dynamic that I see everywhere that Google
117: 1 E. LIPKOVITZ
 2 probably works where, you know, it's hard to
 3 cancel a thing and the team would advocate
 4 for it, right. And, you know, some type of a
 5 job security. And to be clear, these people
 6 would not lose their job, you know, it's hard
 7 to lose your job at Google. It's just
 8 literally their vested interest, right, one.
 9 Two, a lot of the customers of DFP
 10 were large publishers, many of them are large
 11 media companies, right, so, you know, Google

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Pg: 116 Ln: 21 - Pg: 117 Ln: 20 continued...

Annotation:

117:12 did not want to anger, pissing them off. And
13 I think, three, you know, it is providing
14 value, and, you know, we tried to sort of
15 contain the cost. I don't think we are
16 making any profit of that, right. But it's
17 some sort of a public service, you know, to
18 continue kind of boosting the ecosystem.
19 It's just hard, you know, when you're a large
20 company to do -- stop doing something.

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Pg: 117 Ln: 21 - 22

Annotation:

117:21 Q. Was there value specifically to
22 Google in running the ad server?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 117 Ln: 24 - Pg: 120 Ln: 4

Annotation:

117:24 A. Yeah, so the team -- there were
25 people, you know, when I was referring back
118: 1 E. LIPKOVITZ
2 to the first argument, right, the team wasn't
3 just, you know, when we are doing job
4 security or self-preservation, right, they
5 would argue that's a strategic value of
6 having access to inventory.
7 Q. What do you mean by "access to
8 inventory"?
9 A. So, you know, I think our goal was
10 to give advertisers -- you know, we had
11 multiple constituents right, at a super high
12 level, right. Advertisers, users and
13 publishers. My point of view was always that
14 advertisers sort of have the highest
15 allegiance because they're actually paying.
16 And what advertisers want is they want to
17 have access to users, right. And we wanted
18 to give them the best product, which means,
19 you know, it's easy to use and it gives the
20 best performance, but, you know, you still
21 need to have access to as many users as
22 possible. So in that regard, yes, DFP was
23 helpful.
24 Q. How was it helpful in providing
25 access to users?

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Pg: 117 Ln: 24 - Pg: 120 Ln: 4 continued...

Annotation:

119: 1 E. LIPKOVITZ
2 A. Yeah. So I think there is two
3 ways to think about access to users or
4 impressions, right. One is having a
5 relationship, right, with every publisher to
6 the extent it is possible and having an
7 opportunity to compete on every impression of
8 that particular publisher. And, you know,
9 first one is easy, right. So you want to
10 have a relationship, whether you are running
11 a network or you're running an SSP with all
12 publishers, right. So you don't want to
13 anger them. You want to offer them a product
14 that they will be happy with.
15 And, secondly, is having some
16 influence over the decisioning, right. So at
17 the end of the day, the ad server -- because
18 at the end of the day, somebody has to show
19 the ad, right, and the ad server is making
20 the final decision, right. And our goal is
21 to compete at every potential auction that
22 exists, which we felt is good in two ways.
23 One is, you know, give our
24 advertisers access; and, two, by definition,
25 increases the publisher revenue, right,
120: 1 E. LIPKOVITZ
2 because every impression you won, if you
3 didn't win, right, the publisher would make
4 less money.

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Pg: 124 Ln: 11

Annotation:

124:11 Q. Are you familiar with a last look?

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Pg: 124 Ln: 13 - 24

Annotation:

124:13 A. I heard this expression being
14 used, yes.
15 Q. What do you understand last look
16 to refer to?
17 A. I think what people were referring
18 to is some opportunity, kind of at the end,
19 after everybody else bid on the impression,
20 to try to beat the, you know, the best price

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Pg: 124 Ln: 13 - 24 continued...

Annotation:

124:21 or whatever.
22 Q. While you were in -- from 2014
23 through 2018, did Google offer AdX last look
24 in DFP?

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Pg: 125 Ln: 14 - Pg: 126 Ln: 8

Annotation:

125:14 A. I think that -- I think it's a
15 publisher friendly feature, right, because if
16 you give anybody, no matter who it is, an
17 opportunity to match whatever price, like any
18 auction, right, at the end of the day, the
19 seller will make more money, right.
20 Because I just think it's more
21 problematic from an advertiser standpoint,
22 depending how it's being done, and it gets
23 complicated who is actually benefiting from
24 this. When user with preferential treatment,
25 you know, it is a very complex topic, so I
126: 1 E. LIPKOVITZ
2 really, A, first don't remember all the
3 details; B, I think it's very hard to say
4 exactly whether it's good or bad, right. It
5 just felt somewhat asymmetric. I wasn't
6 excited about it.
7 Q. And did DFP offer any other SSPs
8 last look?

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Pg: 126 Ln: 10

Annotation:

126:10 A. I do not know.

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Pg: 132 Ln: 11 - 14

Annotation:

132:11 When you first joined Google's
12 display team in 2014, am I right that GDN was
13 not permitted to buy inventory offered by
14 third-party SSPs?

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Pg: 132 Ln: 16

Annotation:

132:16 A. That is correct.

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Pg: 132 Ln: 17 - 18

Annotation:

132:17 Q. So GDN was not permitted to buy
18 inventory from programatic, correct?

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Pg: 132 Ln: 20 - Pg: 135 Ln: 12

Annotation:

132:20 A. I'm not a fan of the words
21 "permitted," because it did become a debate
22 while I was there, but it did not, yes.
23 Q. Okay. Why?
24 A. Well, you know, there is some what
25 I consider religion, which, you know, maybe
133: 1 E. LIPKOVITZ
2 was justified by supposedly business reasons,
3 and there was some actual arguments that
4 were, you know, fairly objective, right, but
5 just harder to quantify.
6 Like let me start with the second
7 one. GDN was especially, you know, a fairly
8 simple product for, you know, advertisers
9 that don't need a lot of control. I
10 understand that you mentioned earlier
11 smaller, but it's difficult, but it's some a
12 large advertiser don't need control.
13 However, there were concerns that
14 if those advertisers place ads on third-party
15 SSPs, they may end up being shown into -- you
16 know, like in context, those are the types
17 that we don't want. And then spam.
18 So let me explain these two
19 issues, right. So, you know, if you're
20 Coca-Cola, you know, you might not want to be
21 a place where, you know, your ads are showing
22 on some porn site or whatever. Or, you know,
23 or some websites that have some political
24 point of view you don't agree with, you know,
25 all these things became an real issue, you
134: 1 E. LIPKOVITZ
2 know, a few years back, right.
3 And there were people on the GDN
4 team who felt that this is an incredible

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Pg: 132 Ln: 20 - Pg: 135 Ln: 12 continued...

Annotation:

134: 5 important thing, and the only way to ensure,
6 because we know who the publisher is, is to
7 make sure through our, you know, the Google
8 network, including AdX, where we have a
9 direct relationship with these publishers,
10 right, so we know who they are, we can
11 authenticate which pages they are, what they
12 look like and stuff like that.

13 Spam is another issue. It's,
14 again, an advertiser friendly position that,
15 you know -- by "spam," I mean, it's a case
16 where the impression actually was not shown
17 to anybody, like a real person, right, so
18 there's some types of middleman that would
19 manufacture impressions, right, to collect
20 revenue and essentially two advertisers of
21 money, right. And AdX and, you know, other
22 Google technologies had a little bit better
23 SDKs and some special Java Script that will
24 be better detecting this sort of type of
25 activity, right.

135: 1 E. LIPKOVITZ
2 That's what the genesis of that.
3 The counterargument was, well, you know, some
4 advertisers are willing to take risks, why
5 can't we offer that. And that was getting
6 into some internal debate. But that's sort
7 of, you know, how things evolve. And to be
8 honest, you know, it was the way things just
9 sort of evolved, right, so at some point,
10 this became a topic of debate. So it's not
11 that anything was prohibited, but that's sort
12 of how we got there.

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Pg: 135 Ln: 19 - 21

Annotation:

135:19 Were there financial
20 considerations in GDN bidding on third-party
21 exchanges?

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Pg: 135 Ln: 23 - Pg: 136 Ln: 7

Annotation:

135:23 A. Yes. I think that when Google
24 bids on a third-party exchange, they would

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Pg: 135 Ln: 23 - Pg: 136 Ln: 7 continued...

Annotation:

135:25 not make sell side margin.
136: 1 E. LIPKOVITZ
2 Q. What do you mean by "sell side
3 margin"?
4 A. So when the impression was bought
5 through AdX, AdX took a cut of the payout
6 from the advertiser to the publisher. It's
7 considered sell side margin.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 136 Ln: 18 - 21

Annotation:

136:18 Was there concern that GDN bidding
19 of third-party exchanges would make
20 third-party exchanges more attractive
21 partners for publishers?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 136 Ln: 23 - Pg: 137 Ln: 18

Annotation:

136:23 A. There are often people that
24 express that concern, yes.
25 Q. Who in particular expressed that
137: 1 E. LIPKOVITZ
2 concern?
3 A. Generally speaking, people that
4 were on the sales -- you know, the -- sort of
5 the partnership sales team that worked with
6 those publishers.
7 Q. Would Jonathan Bellack express
8 those concerns?
9 A. He did.
10 Q. What did -- if you recall, what
11 specific concerns did Jonathan Bellack raise?
12 A. You know, what you just said and,
13 you know, I think we talked about it earlier,
14 right, like the exclusivity in core of GDN or
15 AdWords and in AdX.
16 Q. Can you explain that concept, that
17 last concept about the exclusivity of GDN and
18 AdX a little bit more?

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Pg: 137 Ln: 20 - Pg: 138 Ln: 3

Annotation:

137:20 He said quote --
21 A. He likes -- and, you know, and I
22 think the people in the sort of partnership
23 team were even stronger in that respective to
24 make the claim that AdX is the, in quote, the
25 only place where GDN or AdWords demand is
138: 1 E. LIPKOVITZ
2 exposed.
3 Q. Why was that important?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 138 Ln: 5 - 7

Annotation:

138: 5 A. Because it's some sort of like, in
6 quote, a winning argument with a publisher.
7 I didn't agree with that.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 141 Ln: 21 - 23

Annotation:

141:21 Q. Had GDN bid on third-party
22 exchanges, would it have increased their
23 auction pressure?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 141 Ln: 25 - Pg: 142 Ln: 5

Annotation:

141:25 A. It would, yes. By definition, any
142: 1 E. LIPKOVITZ
2 additional buyer would have this impact.
3 Q. Would it have increased the
4 clearing price of those third-party
5 exchanges?

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Pg: 142 Ln: 7

Annotation:

142: 7 A. It could.

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Pg: 142 Ln: 13 - Pg: 143 Ln: 6

Annotation:

142:13 Q. What is AWBid?
14 A. So I think it stands for AdWords
15 bidding. And the idea was to extend AdWords'
16 ability to buy on other exchanges, which is a
17 topic we discussed, you know, in the last ten
18 minutes at length.
19 Q. Were there proponents of AWBid
20 within Google?
21 A. Yes.
22 Q. Who were the proponents of AWBid?
23 A. So it's effectively -- I mean, the
24 biggest one was Oren Zamir, who reported to
25 me at the time. And he was sort of the head
143: 1 E. LIPKOVITZ
2 of the remarketing, you know, we called it
3 remarketing, here it's called retargeting,
4 where he felt, and I agree with him, that
5 that's an area where the benefit for
6 advertisers is actually quite clear.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 143 Ln: 7 - 8

Annotation:

143: 7 Q. Why was there significant benefits
8 for advertisers?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 143 Ln: 10 - 23

Annotation:

143:10 A. Yeah, we -- because, you know,
11 fundamentally, advertisers have a budget,
12 right. And so there is a limit to how many
13 impressions they are actually going to buy,
14 right. And most impressions are similar with
15 one exception. For retargeting advertisers,
16 they had all the data and, you know, our
17 technology supported it, that shows that
18 anyplace you can catch a user, right, that is
19 subject to retargeting, increases your chance
20 of a click and a conversion. So it is a type
21 of an advertising where more is better, much
22 more than, you know, any other type of
23 targeting.

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Pg: 154 Ln: 18 - 24

Annotation:

154:18 Q. Is -- so are you saying
19 remarketing was a small part of GDN demand?
20 A. If counted by number of
21 impressions, yes.
22 Q. Was AWBid limited to remarketing
23 targeting?
24 A. Yes.

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Pg: 201 Ln: 17 - Pg: 202 Ln: 14

Annotation:

201:17 Q. Who was using header bidding
18 technology?
19 A. That was a mix of -- so publishers
20 were using the technology, but how they got
21 introduced to that was sort of all over the
22 place. So sometimes Criteo would come in
23 and, you know, say I want to put my tag on
24 the page and the publishers are, like, well,
25 why should we give you exclusive access, fine
202: 1 E. LIPKOVITZ
2 put the header bidding there. Sometimes
3 could be one of the SSPs that you mentioned
4 or a network. I mean Criteo is a network
5 that would come and say, you know, like, why
6 you giving all these impressions just for one
7 SSP, could be Google or anybody else. We
8 would like to, right, so they would go and
9 introduce.
10 At some point there were some
11 vendors that were like selling header bidding
12 technology, right, because there's some
13 configuration you can do with that and
14 whatnot.

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Pg: 204 Ln: 5 - 7

Annotation:

204: 5 Q. So in some way was the publisher
6 directly calling the SSP via the header
7 bidding code?

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Pg: 204 Ln: 9 - 15

Annotation:

204: 9 A. Yes, you can say calling usually
10 multiple SSPs, yes.
11 Q. Did header bidding allow that call
12 to happen without DFP being involved?
13 MS. ELMER: Same objection.
14 A. I believe there was a possibility
15 that can happen, yes.

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Pg: 208 Ln: 9 - 10

Annotation:

208: 9 Q. Well, why would publishers adopt
10 the technology if it was so crappy?

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Pg: 208 Ln: 12 - Pg: 209 Ln: 12

Annotation:

208:12 A. So let's talk about what's crappy
13 about it first and then I think it will help
14 you understand the question -- the answer,
15 right. The worse part of it, in my opinion,
16 was the fact that it made the page render a
17 lot slower because it had to execute the
18 sequence, it was very inefficient. It was
19 complicated so it slowed down your browser
20 even, right. And because it was bargain,
21 people they feel like they make mistakes,
22 sometimes you didn't get any ads, right. So
23 the user experience was pretty bad.
24 Some publishers -- and what I mean
25 by that is like the page would reload. It
209: 1 E. LIPKOVITZ
2 would take a very long time for the page to
3 render or you get like broken links. Some
4 publishers didn't care about, right, or at
5 least, let me be more specific. The person
6 who put the header bidding tag was somebody
7 trying to show their boss they're making more
8 money, you know, and the person that was in
9 charge of the content or the CEO of the
10 publisher didn't even realize what was going
11 on.
12 Second issue was --

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Pg: 209 Ln: 19 - Pg: 211 Ln: 9

Annotation:

209:19 A. That's one dimension. The second
20 one is around fraud and billing. So this is
21 something we didn't talk about, but it's an
22 important one. You know, a publisher needs
23 to know how much they are owed because they
24 sold their impression. If you're working
25 with an exchange or an SSP in general, you
210: 1 E. LIPKOVITZ
2 know, your ad server knows who you sold
3 impression to. And then you can go work with
4 that party to make sure how much you owe.
5 With header bidding, there was a
6 lot done with the client. There was no paper
7 trail, so you had to have a lot of trust. So
8 it's one of those things where you think
9 you're making more money, but then, when you
10 try to collect it, you realize you're not.
11 That was another big factor.
12 So those two in particular
13 were ones where the people making decision
14 didn't even have enough visibility and, all
15 they focus about is the fact that they have
16 increased the auction pressure by having more
17 buyers.
18 Now the last point, which is very
19 subtle, has to do with what is the actual
20 value prop of having another SSP. Some of
21 them had -- were running auctions that were
22 not clean, either first class auction or
23 something you don't even understand. It
24 wouldn't be clear with their margin and the
25 net effect was that as it was trying to deal
211: 1 E. LIPKOVITZ
2 with that, right, whether they're Google
3 advertisers or other DSP advertisers.
4 Initially it worked, but then advertisers
5 became more sophisticated. They start
6 bidding against themselves. They start
7 realizing what DSP do what things, and I
8 think the value of header bidding diminished
9 over time.

Linked Issues: Trial Designations - Google Counter FINAL

Pg: 211 Ln: 10 - 11

Annotation:

211:10 Q. Given that, why did header bidding
11 adoption grow so rapidly?

TextMap Annotation Digest Report

Pg: 211 Ln: 10 - 11 continued...

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 211 Ln: 13 - 20

Annotation:

211:13 A. I think the concept of having
14 multiple parties compete in the impression is
15 actually pretty good, and I think publishers
16 were sort of desperate forever, they'll try
17 it.
18 Q. Did it also allow -- this will be
19 a more complicated question.
20 A. Sure.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 211 Ln: 21 - 22

Annotation:

211:21 Q. Did it increase the amount of
22 inventory third-party SSPs were seeing?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 211 Ln: 24 - Pg: 212 Ln: 17

Annotation:

211:24 A. It must have, yes.
25 Q. Why must it have?
212: 1 E. LIPKOVITZ
2 A. Because anyplace that you put a
3 header bidding tag, prior to that there was
4 only one SSP getting it. Now more than one.
5 So definitionally add more impression for
6 every SSP.
7 Q. Is there a value in seeing more
8 inventory for SSPs?
9 A. There is.
10 Q. What is that value?
11 A. I mean, firstly, you know, you
12 would have a larger denominator, right, so
13 you might increase your numerator so you get
14 more revenue.
15 Second, you can tell your buyers
16 on the exchange that you have more inventory
17 or you have access to publisher X, Y, Z.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

TextMap Annotation Digest Report

Pg: 225 Ln: 9 - 13

Annotation:

225: 9 Q. So let me just make sure I
10 understand. Was the argument that
11 publishers, header bidding made it easier for
12 publishers to switch to other SSPs, am I
13 understanding your testimony right?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 225 Ln: 15 - 24

Annotation:

225:15 A. I think in the long run, and when
16 you say "switch," switch what, right? You
17 need to be more specific. I think what
18 header bidding did is it exposed them, made
19 it easier for them to work with multiple SSPs
20 at the same time, which can then lead to
21 discovering some things that they like more
22 about a particular product or more aggressive
23 sales strategy that will eventually lose --
24 cause Google to lose the entire account.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 226 Ln: 25 - Pg: 227 Ln: 6

Annotation:

226:25 Q. It's the SSPs that are competing
227: 1 E. LIPKOVITZ
2 with AdX, correct?
3 A. Correct.
4 Q. And the header bidding is allowing
5 those SSPs to have more access to inventory,
6 correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 227 Ln: 8 - 11

Annotation:

227: 8 A. That is correct, yes.
9 Q. It's allowing those SSPs to
10 develop direct relationships with publishers,
11 correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

TextMap Annotation Digest Report

Pg: 227 Ln: 13 - 18

Annotation:

227:13 A. Yeah.
14 Q. Sorry, I was answering Julie. Let
15 me -- I'll restate the question.
16 And header bidding is allowing
17 SSPs so develop direct relationships with
18 publishers, correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 227 Ln: 20 - 24

Annotation:

227:20 A. It lowers the barriers of entry,
21 yes.
22 Q. Could header bidding have
23 ultimately allowed non-Google SSPs to see as
24 many impressions as AdX?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 228 Ln: 1 - 2

Annotation:

228: 1 E. LIPKOVITZ
2 A. Theoretically speaking, yes.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 236 Ln: 18 - 20

Annotation:

236:18 Q. What is it about access to
19 inventory that increases the competitiveness
20 of the SSP?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 236 Ln: 22 - Pg: 238 Ln: 7

Annotation:

236:22 A. You know, it's pretty simple,
23 right. Like you can compete on different
24 things if you're on SSP. Having the most
25 impressions is, you know, is pretty easy for
237: 1 E. LIPKOVITZ
2 people to measure even, right.
3 Q. But I guess I'm struggling to
4 understand how that translates into
5 competitiveness. Does it make AdX a better
6 place to buy?

TextMap Annotation Digest Report

Pg: 236 Ln: 22 - Pg: 238 Ln: 7 continued...

Annotation:

237: 7 A. Yes.
8 Q. And why does make AdX a better
9 place to buy?
10 A. I mean, at some level, because you
11 don't need to buy in other places, right,
12 because you get everything you need there.
13 Let me give you an analogy, right. So Amazon
14 has the marketplace, right. They send the
15 products from Amazon. Sometimes they allow
16 other merchants to put their products on
17 Amazon, right. So you as the consumer at
18 some point like, you know, I'm just going to
19 go to Amazon. Why would I even go to Google
20 or go into other websites and do comparison
21 shopping. It's not just worth my time,
22 because I know Amazon has everything or
23 whatever.
24 Q. So, I mean -- so I'm just trying
25 to understand SSP competition a little bit
238: 1 E. LIPKOVITZ
2 better, being a lawyer. Not somebody that
3 deals with this every day.
4 A. No, I get it.
5 Q. Earlier we talked about how SSPs
6 compete on the amount of demand on their
7 buying on their SSP, correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 238 Ln: 9 - 13

Annotation:

238: 9 Q. So the more demand you have on
10 your exchange --
11 A. Yeah.
12 Q. - the more competitive your
13 exchange is; is that correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 238 Ln: 15 - 21

Annotation:

238:15 A. It's more competitive for
16 publishers, but yes.
17 Q. For -- is your testimony that
18 there's also competition for access to
19 inventory -- let me start again.
20 Is it -- do SSPs compete for
21 access to inventory?

TextMap Annotation Digest Report

Pg: 238 Ln: 15 - 21 continued...

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 238 Ln: 23 - Pg: 239 Ln: 20

Annotation:

238:23 A. They do. Okay. Let me make maybe
24 a slight suggestion, right. If we go back to
25 the marketplace, could be eBay, Amazon, it
239: 1 E. LIPKOVITZ
2 doesn't actually matter, right. It's always
3 a two-sided marketplace, there are buyers and
4 sellers. And you get into this sort of
5 virtual cycle thing where, if you find a way
6 to make it more attractive to buyers, now
7 you're competitive towards buyers, you will
8 then use that to go to tell sellers, you
9 should sell here, because I have more buyers.
10 And then you're going to go back to buyers
11 and say, I just got more sellers, you should
12 buy here and shouldn't buy anywhere else.
13 So you get the dynamic that, you
14 know, more parties, doesn't matter if it's
15 buyers and sellers, have this virtual cycle
16 that, you know, makes the whole thing sort of
17 more competitive.
18 Q. And header bidding here is
19 undermining the network effects of offering
20 more inventory to advertisers, correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 239 Ln: 22 - Pg: 240 Ln: 4

Annotation:

239:22 A. Let me think about it. Yeah, you
23 can say that. It is essentially back to the
24 commoditization. Yeah, it is reduced to the
25 network effect, you can say.
240: 1 E. LIPKOVITZ
2 Q. Is it lowering AdX's
3 differentiated value proposition for
4 advertisers?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 240 Ln: 6 - 8

Annotation:

240: 6 A. Yes, it could.
7 Q. Is it increasing other SSP's value
8 proposition to advertisers?

TextMap Annotation Digest Report

Pg: 240 Ln: 6 - 8 continued...

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 240 Ln: 10 - 12

Annotation:

240:10 A. Yes, it could.
11 Q. Is it increasing other networks'
12 value to advertisers?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 240 Ln: 14 - 16

Annotation:

240:14 A. It could.
15 Q. And together it's commoditizing
16 the SSP level of the stack, correct?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 240 Ln: 18 - 23

Annotation:

240:18 A. It does. But it does create a lot
19 of new products.
20 Q. Okay. I mean, is it fair to say
21 that the network effects -- AdX no longer has
22 differentiated network effects compared to
23 its competitors --

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 240 Ln: 25

Annotation:

240:25 Q. -- Due to header bidding?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 241 Ln: 3 - 5

Annotation:

241: 3 A. I wouldn't say any longer. I
4 think it will have --
5 Q. I didn't get your answer.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

TextMap Annotation Digest Report

Pg: 241 Ln: 8 - 12

Annotation:

241: 8 A. Yeah, let me repeat myself. I
9 wouldn't say it no longer has a network
10 effect. I think it weakens it.
11 Q. Okay. But it strengthens other
12 SSP's network effect?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 241 Ln: 14 - 18

Annotation:

241:14 A. Yes. But you also have the
15 opposite scenario, right, where somebody was
16 exclusively, you know, sort of speak with one
17 SSP and because of header bidding now AdX has
18 access.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 243 Ln: 6 - 7

Annotation:

243: 6 Q. Does it also put pricing pressure
7 on AdX?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 243 Ln: 9 - 12

Annotation:

243: 9 A. What do you mean by "pricing
10 pressure"? Pricing of what?
11 Q. Did it put pressure on AdX to
12 reduce its revenue share?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 243 Ln: 14 - 16

Annotation:

243:14 A. We have not lowered the rev shares
15 to my knowledge. So I don't know. I mean, I
16 can speculate.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 253 Ln: 4 - 6

Annotation:

253: 4 Q. Was a concern that the

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Pg: 253 Ln: 4 - 6 continued...

Annotation:

253: 5 commoditization of the SSP would lead to a
6 pricing war?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 253 Ln: 8 - 12

Annotation:

253: 8 A. I think we were in some sort of
9 pricing war that we refused to participate
10 in, right. That probably made it worse.
11 Q. How did you refuse to participate
12 in a pricing war?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 253 Ln: 14 - 17

Annotation:

253:14 A. You know, you just lose customers
15 instead of lowering prices.
16 Q. Did Google lose shares as a
17 result?

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 253 Ln: 19

Annotation:

253:19 A. I don't know.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 315 Ln: 3 - 19

Annotation:

315: 3 Q. Why -- first of all, did you
4 understand GDN to have differentiated demand?
5 A. Yes.
6 Q. And why was its demand
7 differentiated?
8 A. Because primarily of all the
9 technology that essentially Bahman and Ali's
10 team build, right, to produce the ROI, you
11 know, the advertisers want, right. And, you
12 know, we don't -- we don't buy USA Today. We
13 don't care, you know, where, from a GDN lens,
14 where you buy the things. We just look at,
15 based on availability of signals and based on
16 some of technologies, right, and based on

TextMap Annotation Digest Report

Pg: 315 Ln: 3 - 19 continued...

Annotation:

315:17 some restrictions we have and where we want
18 to buy and whatnot, right. So, yes, in that
19 regard, it is a differentiated demand.

Linked Issues: Trial Designations - DOJ Affirmative FINAL

Pg: 317 Ln: 10 - 12

Annotation:

317:10 And I know that we keep on going
11 over this point, but is there a group of
12 advertisers that only buys on GDN?

Linked Issues: Trial Designations - Google Counter FINAL

Pg: 317 Ln: 15 - 17

Annotation:

317:15 A. And don't buy where else? I mean,
16 that's a very broad question.
17 Q. On the DSPs.

Linked Issues: Trial Designations - Google Counter FINAL

Pg: 317 Ln: 19 - Pg: 318 Ln: 11

Annotation:

317:19 A. I believe there is a large
20 category of usually small advertisers don't
21 buy on DSPs. I do believe those, especially
22 now, would buy on FAN and Amazon. Why
23 wouldn't they.
24 Q. Okay. That's helpful.
25 Is there anywhere else those small
318: 1 E. LIPKOVITZ
2 advertisers could buy other than FAN and
3 Amazon?
4 A. I think some of the networks
5 probably offer self-service products, you
6 know, like an Amobee or Criteo is still in
7 business, right. And I don't know what --
8 you know, the reason Criteo doesn't have
9 small advertisers is because of the
10 complexity of what I told you earlier, but
11 probably have a long-tail product.

Linked Issues: Trial Designations - Google Counter FINAL