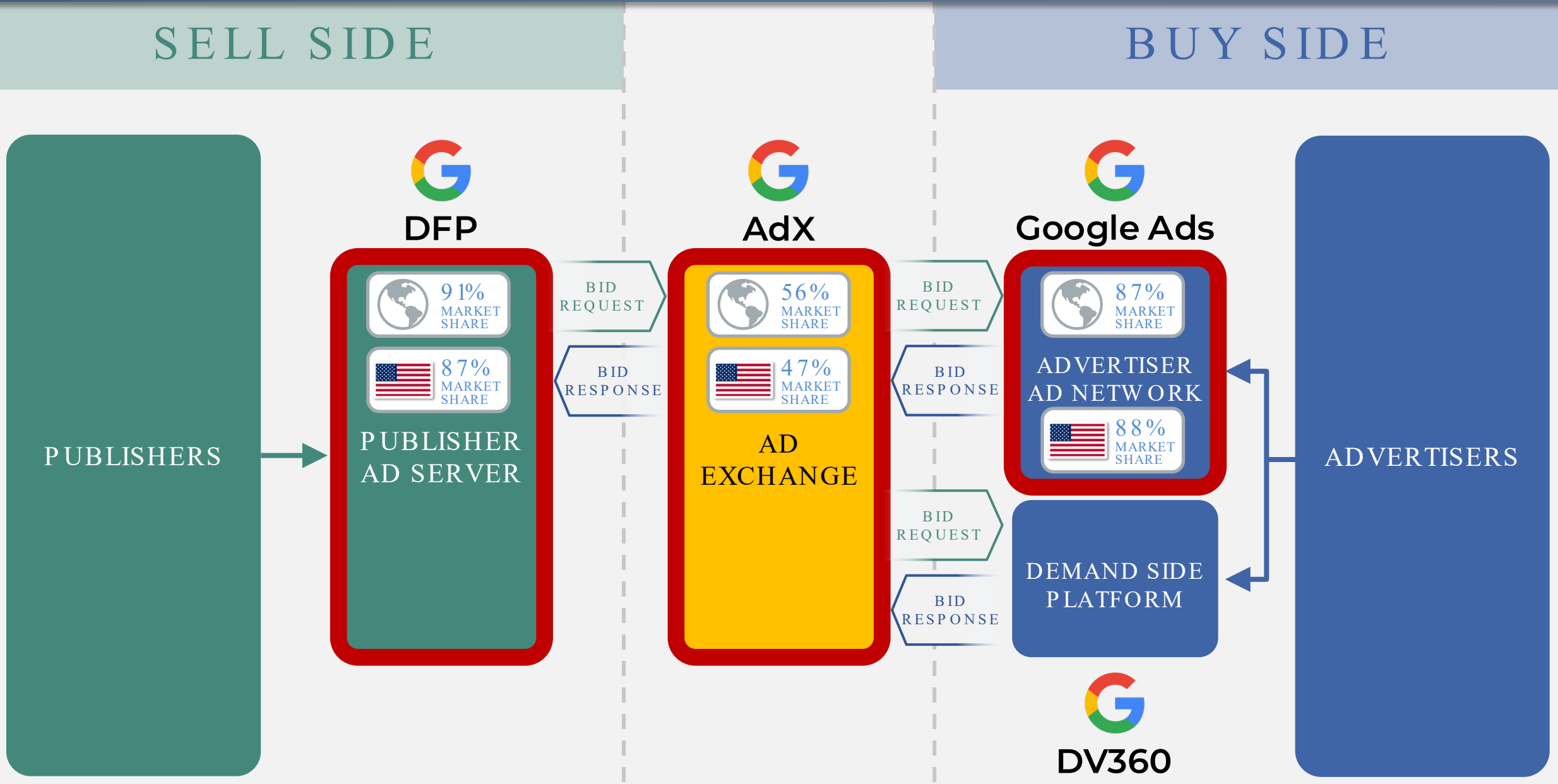
GOOGLE IS A MONOPOLIST THREE TIMES OVER



PTX1278; PTX1243; PTX1269; PTX1258; PTX1259

"IF GOLDMAN OR CITIBANK OWNED THE NYSE"

September 2, 2016
Email Among Google Employees

On Fri, Sep 2, 2016 at 10:19 PM, Jonathan Bellack <jbellack@google.com> wrote:

Second, is there a deeper issue with us owning the platform, the exchange, and a huge network? The analogy would be if Goldman or Citibank owned the NYSE. I think Jim originated this thought, but what if we partnered with the other big buyers and key publishers to create a neutral third-party exchange organization? One obstacle to that is with the ad server & exchange lines blurring, to do that in full you'd almost have to drag DFP into the neutral body too. But the strategy of Google owning DoubleClick was always to protect fair access to inventory against hostile third parties. A neutral NYSE type exchange accepted by us, FB, Amazon, Verizon, could ensure that kind of fair access maybe even on a more permanent basis.

"WE'LL DO TO DISPLAY WHAT GOOGLE DID TO SEARCH"

January 29, 2009 Email
From Brad Bender to other Google Employees

From: Brad Bender [bradbender@google.com]
Sent: 1/29/2009 5:36:56 PM
To: display-gcn-eng-leads@google.com
CC: display-gcn-pm@google.com
Subject: David Rosenblatt's Overview of Google's Display Strategy
Attachments: GOOG_01.23.09_C.pdf; Display Internal Broad-2-1.ppt

Those two exchanges will end up controlling or managing probably 90% of display inventory on the web. Once that happens, one way to think about this is the financial context. We'll have created what's comparable to the NYSE or the London stock exchange; in other words, we'll do to display what Google did to search: make it very easy to buy, standardize the metrics and definitions so you're not reinventing the wheel each time, and the process becomes automated as opposed to faxing IOs back and forth. So what happen to networks: you have a proliferation of networks which on average are smaller than today, and compete on the basis of better technology and more importantly, better data.

ROADMAP OF PLAINTIFFS' CLOSING ARGUMENT

- Plaintiffs' market definition reflects commercial realities
- Google has monopoly power in all three relevant markets
- Google's conduct was anticompetitive
- Google's conduct is not a lawful refusal to deal with rivals
- Google's conduct is not a lawful product design choice
- Google's procompetitive justifications are invalid, insufficient, and pretextual

PLAINTIFFS' LIVE NON-GOOGLE FACT WITNESSES

STEPHANIE LAYSER

JOSHUA LOWCOCK

MATTHEW WHEATLAND

TIM WOLFE

JAMES AVERY

BRIAN BOLAND

TIM CADOGAN

ANDREW CASALE

JED DEDERICK

JAY FRIEDMAN

RAJEEV GOEL

TOM KERSHAW

LUKE LAMBERT

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GOOGLE IS CONFLATING DIFFERENT TYPES OF COMPETITION

1. Overall competition between firms in a sector of the economy
2. Competition within a single auction to buy an impression on the open web
3. Competition between products in a particular antitrust product market and geographic market

AN OVERALL COMPETITOR DOES NOT NECESSARILY COMPETE IN THE RELEVANT MARKET

FTC v. Staples, Inc., 970 F. Supp. 1066, 1075 (D.D.C. 1997)

"[T]he mere fact that a firm may be termed a competitor in the overall marketplace does not necessarily require that it be included in the relevant product market for antitrust purposes."

MARKET DEFINITION IS A PRAGMATIC TOOL

United States v. Bertelsmann SE & Co. KGaA, 646 F. Supp. 3d 1, 24 (D.D.C. 2022)

Market definition is an "analytical tool," and not an "end unto itself."

Ohio v. Am. Express Co., 585 U.S. 529, 543-44 (2018)

The goal is to identify the "arena within which significant substitution in consumption or production occurs."

United States v. Bertelsmann SE & Co. KGaA, 646 F. Supp. 3d 1, 24 (D.D.C. 2022); *Ohio v. Am. Express Co.*, 585 U.S. 529, 543-44 (2018)

THERE IS NO ONE TRUE MARKET DEFINITION

United States v. Bertelsmann SE & Co. KGaA, 646 F. Supp. 3d 1, 25 (D.D.C. 2022)

"[W]ithin [a] broad market, well-defined submarkets may exist which, in themselves, constitute product markets for antitrust purposes."

United States v. Bertelsmann SE & Co. KGaA, 646 F. Supp. 3d 1, 25 (D.D.C. 2022) (quoting *Brown Shoe Co. v. United States*, 370 U.S. 294, 325 (1962)).

COMPETITION DEPENDS ON THE TOOL

Adam Stewart
Vice President of Consumer, Government, and Entertainment and Large Customer Sales

Google

Q. …Can a website publisher, like Discovery [], use DV360 to sell advertising?

A. No.

Tr. Sept. 25 PM 75:23-25

COMPETITION DEPENDS ON THE TOOL

Neal Mohan
Senior Vice President

Google

Q. …So it's your testimony that Facebook was a direct competitor, but yield managers were not?

A. Well, yield managers competed in a part of the display ad space, and Facebook, of course, being Facebook, competed in many large parts of the display ad space as well.

Q. And that's because there are different tools within the space, and so competitors depend on the tool; right?

A. Competitors can vary depending on the features or tools that they offer, yes.

GOOGLE EVALUATES COMPETITION BASED ON INDIVIDUAL TOOLS

May 2016
Presentation, Facebook GTM Competitive Intelligence

Evolution of Facebook Ad Technology Ambitions

	Marketer Ad Server	DSP	DMP	Exchange	Ad Network	SSP	Publisher Ad Server
Google	Doubleclick Campaign Manager	Doubleclick Bid Manager	Audience Center 360	Doubleclick Ad Exchange	Google Display Network	Doubleclick Ad Exchange	Doubleclick for Publishers
Facebook	Atlas	Mar 2016 ~~Atlas-DSP~~	-	May 2016 ~~FACEBOOK Exchange (FBX)~~	Facebook Audience Network	May 2016 ~~LiveRail~~	Jan 2016 ~~LiveRail~~

2016 has shown a shift in Facebook's strategy and a move away from full ad stack ambitions toward a walled garden with FAN at the center

United States v. Rockford Mem. Corp.
898 F.2d 1278, 1284 (7th Cir. 1990)

"[S]ervices are not in the same product market merely because they have a common provider."

THIRD PARTIES RECOGNIZE OPEN WEB DISPLAY AS DISTINCT

JOSHUA LOWCOCK
Global Chief Media Officer

ANDREW CASALE
Founder & CEO

RAJEEV GOEL
Founder & CEO

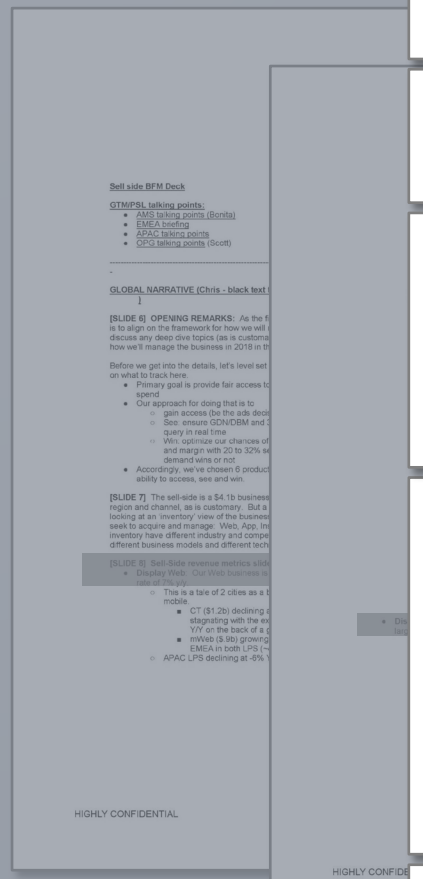
BRIAN O'KELLEY
CEO

JAY FRIEDMAN
CEO

Matthew Wheatland
Chief Digital Officer

Tr. Sept. 9 PM 60:6-20 (Lowcock); Tr. Sept. 9 AM 113:9-115:25 (Casale); Tr. Sept. 12 PM 70:25-71:14 (Goel); Des. Tr. at 29:04-30:08 (O'Kelley); Tr. Sept. 10 AM 157:6-14 (Friedman); Tr. Sept. 18 AM 136:14-24 (Wheatland).

GOOGLE RECOGNIZES OPEN WEB DISPLAY AS DISTINCT


Sell side BFM Deck

GTM/PSL talking points:
- AMS talking points (Bonita)
- EMEA briefing
- APAC talking points
- OPG talking points (Scott)

GLOBAL NARRATIVE (Chris - black text

[SLIDE 6] OPENING REMARKS:

Before we get into the details, let's level set on what to track here.
- Primary goal is provide fair access to spend
- Our approach for doing that is to
  - gain access (be the ads decis
  - See: ensure GDN/DBM and query in real time
  - Win: optimize our chances of and margin with 20 to 32% s demand wins or not
- Accordingly, we've chosen 6 product ability to access, see and win.

[SLIDE 7] The sell-side is a $4.1b business region and channel, as is customary. But a looking at an 'inventory' view of the business seek to acquire and manage: Web, App, In inventory have different industry and compe different business models and different tech

[SLIDE 8] Sell-Side revenue metrics slide
- Display Web: Our Web business is rate of 7% y/y.
  - This is a tale of 2 cities as a t mobile
    - CT ($1.2b) declining stagnating with the ex Y/Y on the back of a
    - mWeb ($.9b) growing EMEA in both LPS (~
  - APAC LPS declining at -6% Y

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HIGHLY CONFIDE

[SLIDE 8] Sell-Side revenue metrics slide

- **Display Web**: Our Web business is our largest and most mature , with a global growth rate of 7% y/y.

- **Display App**: Our App business continues to perform well, growing at 54% y/y on a large base of $1.0b.

- **Search**: The traditional AFS business (e.g. portals, downloadable applications) is mature and in a slow decline at -2%, primarily driven by lower desktop queries, Google product/ policy decisions and shifting priorities of large commerce players who are looking for vertical-specific formats like AFsh and solutions that complement their core transaction business.

Native Web:

- **WHY?** Our ability to remain relevant in the transition from desktop web to mobile web will be tied to our ability to capitalize on the migration from banners to native as ad formats that better match the look and feel of the content it surrounds. The near-term rough opportunity for native web is a combination of 'pure play' native networks (e.g. from native only networks like Sharethrough and Triplelift - $300m ish) + incremental lift as we shift from banner to native (~$700m ish). However, the real opportunity is much larger if all banners are replaced by native in the long-term.

And lastly….

Video Instream:

- **WHY**: The instream video opportunity in 2018 is estimated at about 11B ($9B from OTT and $3B from addressable TV).

PTX0764 at -251, -252, -254, -259, -261

LAMBERT: DIFFERENT AD FORMATS ARE COMPLEMENTARY

Luke Lambert
Chief Innovation and Product Solutions Officer

So let's stay with ACME. Every channel within the position in the funnel you can liken to a baseball team. They all have a role to play. They have a position to play on the field, to deliver. Right?

And so if one channel is my pitcher, another channel is my catcher, their jobs are different, but both of them as a team are going to deliver on my awareness goal.

So if I find that my pitcher channel is not performing for my client, I'm probably going to go to them and say we may want to change the way we're compensating our pitcher and maybe pay a little bit more money to the catcher or we take the pitcher out of the game and we put a new one in.

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AD SPACE

THE AGENDA: Staunton holds closed session on empty committee seats

LOCAL 5:30 a.m. ET Aug. 27

Top Headlines

- Augusta County under National Weather Service hazardous weather outlook
- Staunton Music Festival partners with schools to expose students to classical music
- PD: Staunton man jailed on five charges of possessing child pornography
- Riverheads beats Strasburg in volleyball season opener
- Wilson Memorial vs Alleghany volleyball: Photos

Advertisement

6:37

news leader.

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THE AGENDA: Staunton holds closed session on empty committee seats

LOCAL 5:30 a.m. ET Aug. 27

Top Stories | For You | Sections | Popular | eNewspaper

Pls. Demonstrative C; https://newsleader.com

GOOGLE'S "THREE PILLAR" STRATEGY MAPS ONTO PLAINTIFFS' MARKETS

September 2, 2008
Email from Neal Mohan

DFP

AdX

Google Ads

- Current State of product strategy (three pillars)

a) Platform to ACCESS the desired inventory. As we discussed last week, here I think we have both the strategy as well as detailed roadmap figured out. We also completed a detailed pricing review and refresh across all products (for NA region only - working with sales for other regions).

b) Ad exchange to AGGREGATE the inventory that the platform piece gives us access to. Here I think we have the strategy (including positioning to advertisers and publishers) and the roadmap features and timing mostly figured out. One major component we are working on and will seek detailed feedback on is AdX pricing.

c) Google Content Network to MONETIZE the inventory we aggregate via Ad Exchange and all our AdSense deals. Here we believe that our high level strategy is in place (focus on performance: targeting and optimization) but the roadmap is NOT ready yet. As discussed, we are working hard on this part and hope to have an inital plan cover the first half of 2009 in place in the next few weeks. It is my highest priority across all the elements of the display strategy.

the following information:
1) Detailed roadmap for each pillar in that quarter: platform, exchange and network

1

PTX0032
1:23-cv-00108

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GOOG-DOJ-02133916

PTX0032 at -916

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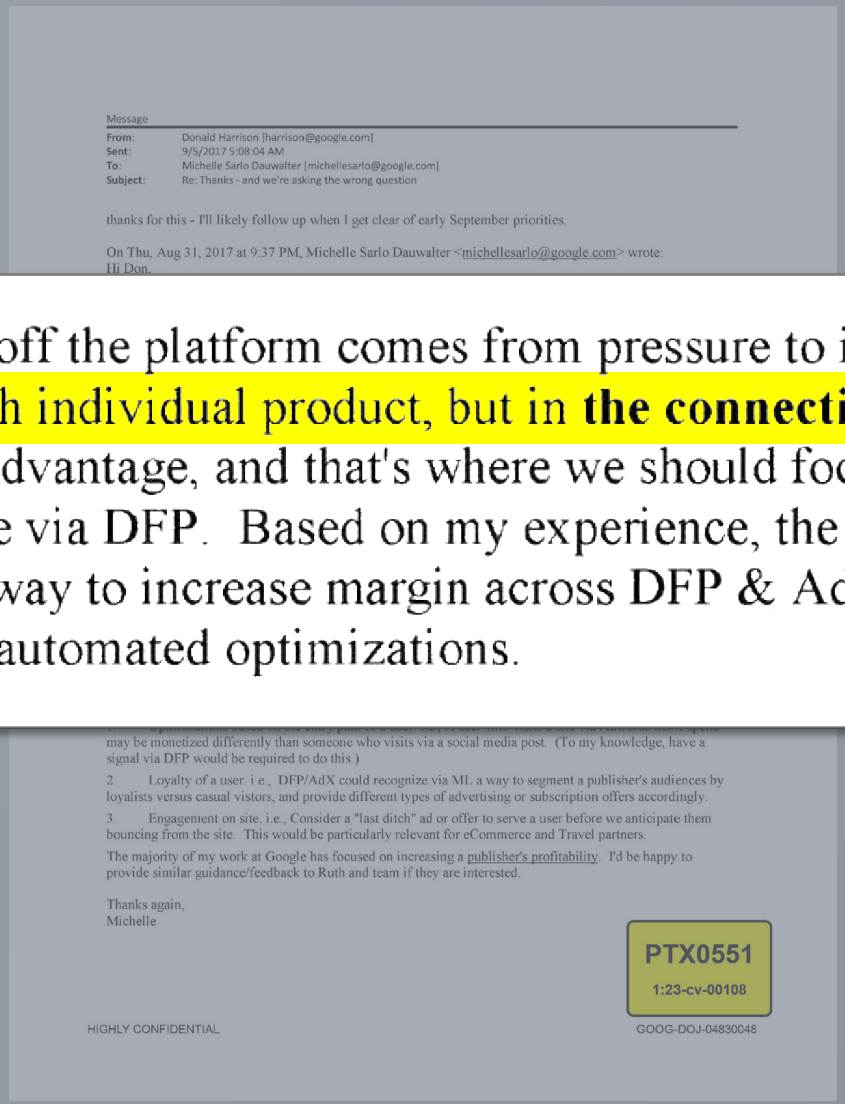
Google's procompetitive justifications are invalid, insufficient, and pretextual

MULTIPLE MONOPOLIES ENHANCE POWER

August 31, 2017 Email
from Michelle Dauwalter



Message

From: Donald Harrison [harrison@google.com]
Sent: 9/5/2017 5:08:04 AM
To: Michelle Sarlo Dauwalter [michellesarlo@google.com]
Subject: Re: Thanks - and we're asking the wrong question

thanks for this - I'll likely follow up when I get clear of early September priorities.

On Thu, Aug 31, 2017 at 9:37 PM, Michelle Sarlo Dauwalter <michellesarlo@google.com> wrote:
Hi Don,

It is likely that the question to spin off the platform comes from pressure to increase profitability. The value of Google's ad tech stack is less in each individual product, but in **the connections across all of them**. Google-scale data is Google's competitive advantage, and that's where we should focus efforts to increase profitability via media transactions that originate via DFP. Based on my experience, the path toward increasing profitability is very clear: the most streamlined way to increase margin across DFP & AdX is to ingest more data from Google's non-ad products to create automated optimizations.

may be monetized differently than someone who visits via a social media post. (To my knowledge, have a signal via DFP would be required to do this.)

2. Loyalty of a user. i.e., DFP/AdX could recognize via ML a way to segment a publisher's audiences by loyalists versus casual vistors, and provide different types of advertising or subscription offers accordingly.

3. Engagement on site. i.e., Consider a "last ditch" ad or offer to serve a user before we anticipate them bouncing from the site. This would be particularly relevant for eCommerce and Travel partners.

The majority of my work at Google has focused on increasing a publisher's profitability. I'd be happy to provide similar guidance/feedback to Ruth and team if they are interested.

Thanks again,
Michelle

PTX0551
1:23-cv-00108

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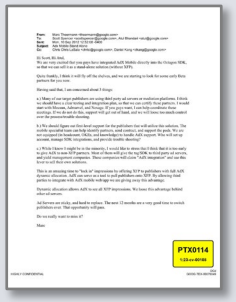
GOOG-DOJ-04830048

PTX0551 at -048

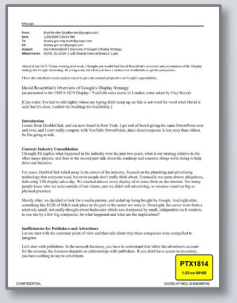
PUBLISHERS ARE STUCK WITH DFP AS THEIR PUBLISHER AD SERVER



PTX0114 at -049

MARC THEERMANN (GOOGLE):

"[Publisher] Ad Servers are sticky, and hard to replace. The next 12 months are a very good time to switch publishers over. That opportunity will pass."



PTX1814 at -745

DAVID ROSENBLATT (GOOGLE):

"Nothing has such high switching costs...Switching [publisher ad servers] is a nightmare. Takes an act of God to do it."

EVEN FACEBOOK FOUND IT "UNFEASIBLE" TO COMPETE EFFECTIVELY

Brian Boland
Former Vice President

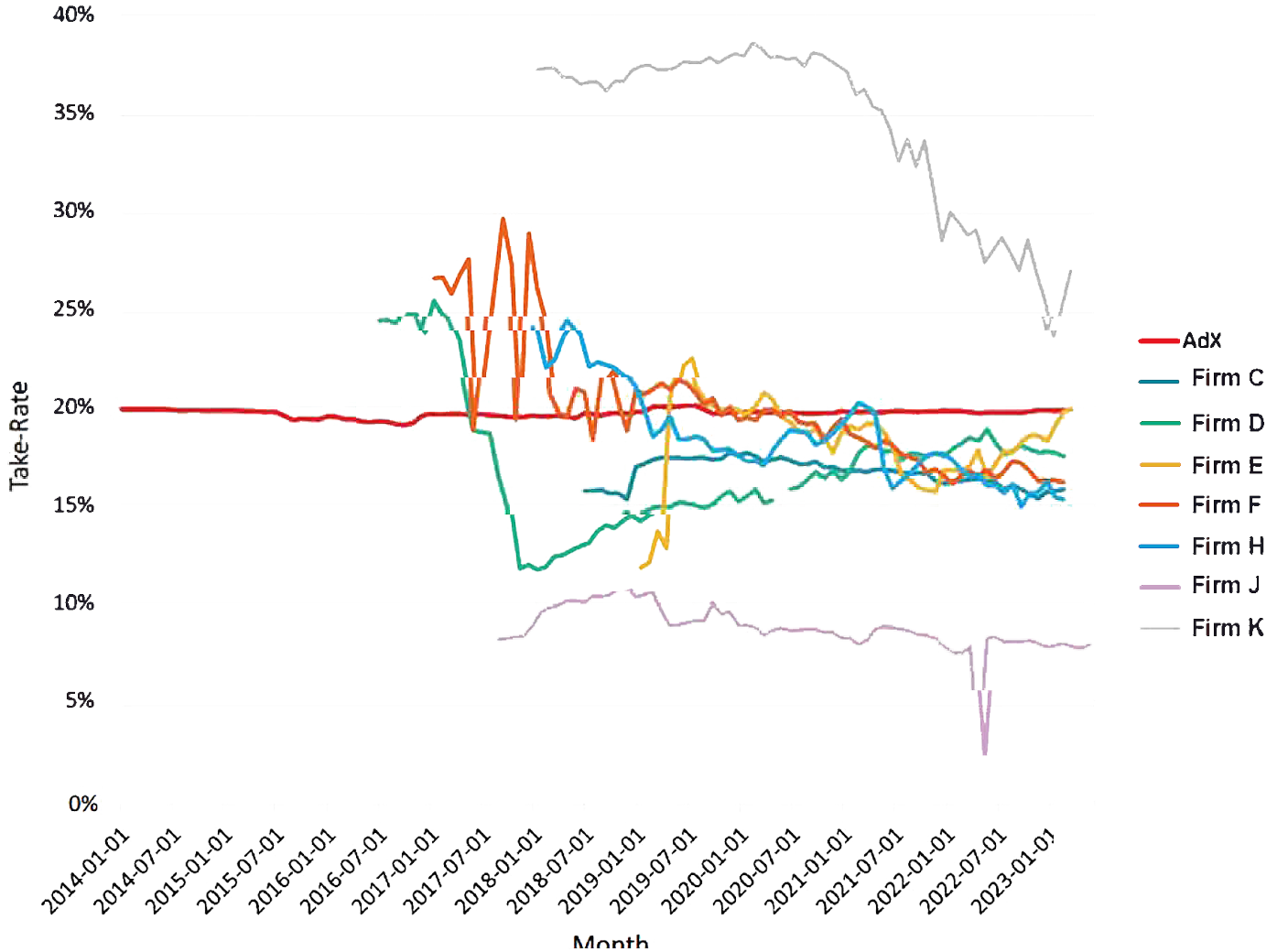
facebook

Q. And, again, why were you unsuccessful in building and deploying that publisher ad server?

A. We determined that it would be unfeasible to build the market-comparable set of features for what Google had established with their portion of the technology stack as well as the aspects where they were able to bring their own demand through AdX into their ad server and that we were -- that we feared we would not be able to get access to.

ADX HAS SUSTAINED A HIGH TAKE RATE FOR A DECADE

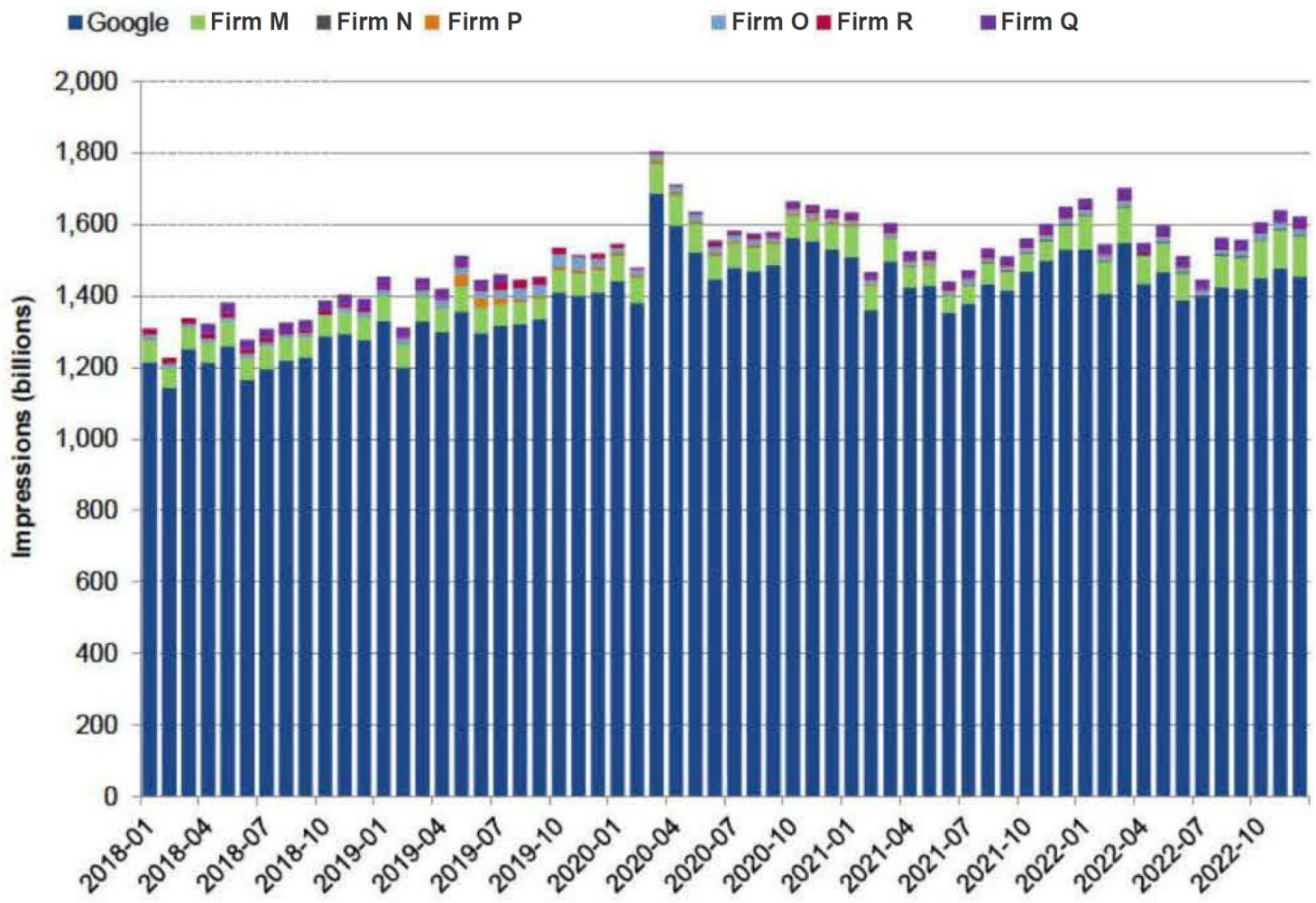
FIGURE 4: EFFECTIVE TAKE RATE FOR WORLDWIDE OPEN WEB DISPLAY + VIDEO OUTSTREAM IMPRESSIONS



PTX1199A

GOOGLE DOMINATES THE PUBLISHER AD SERVER MARKET

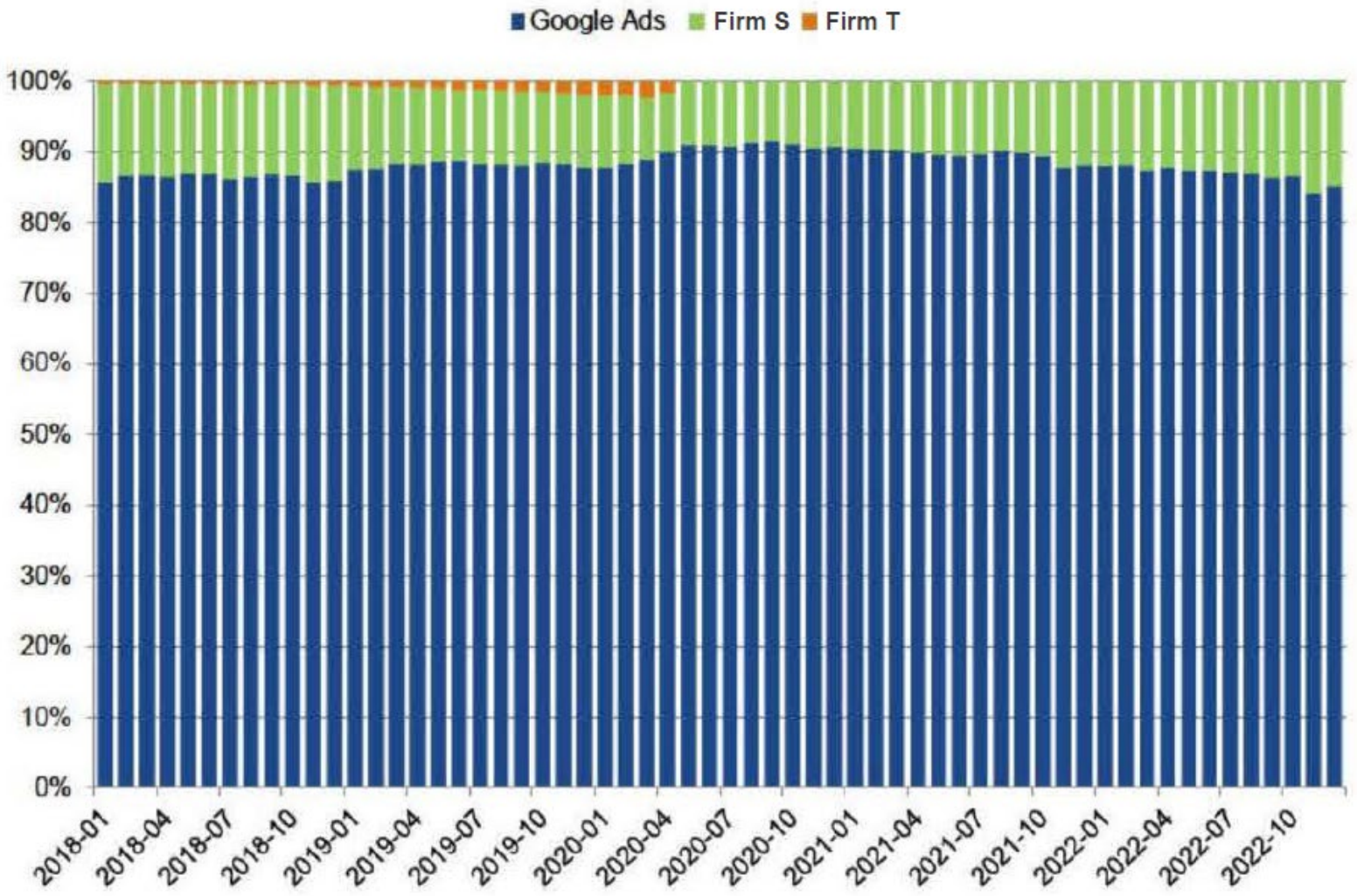
Figure 45. Worldwide open-web display impressions served by publisher ad servers (2018–2022)



PTX1236A

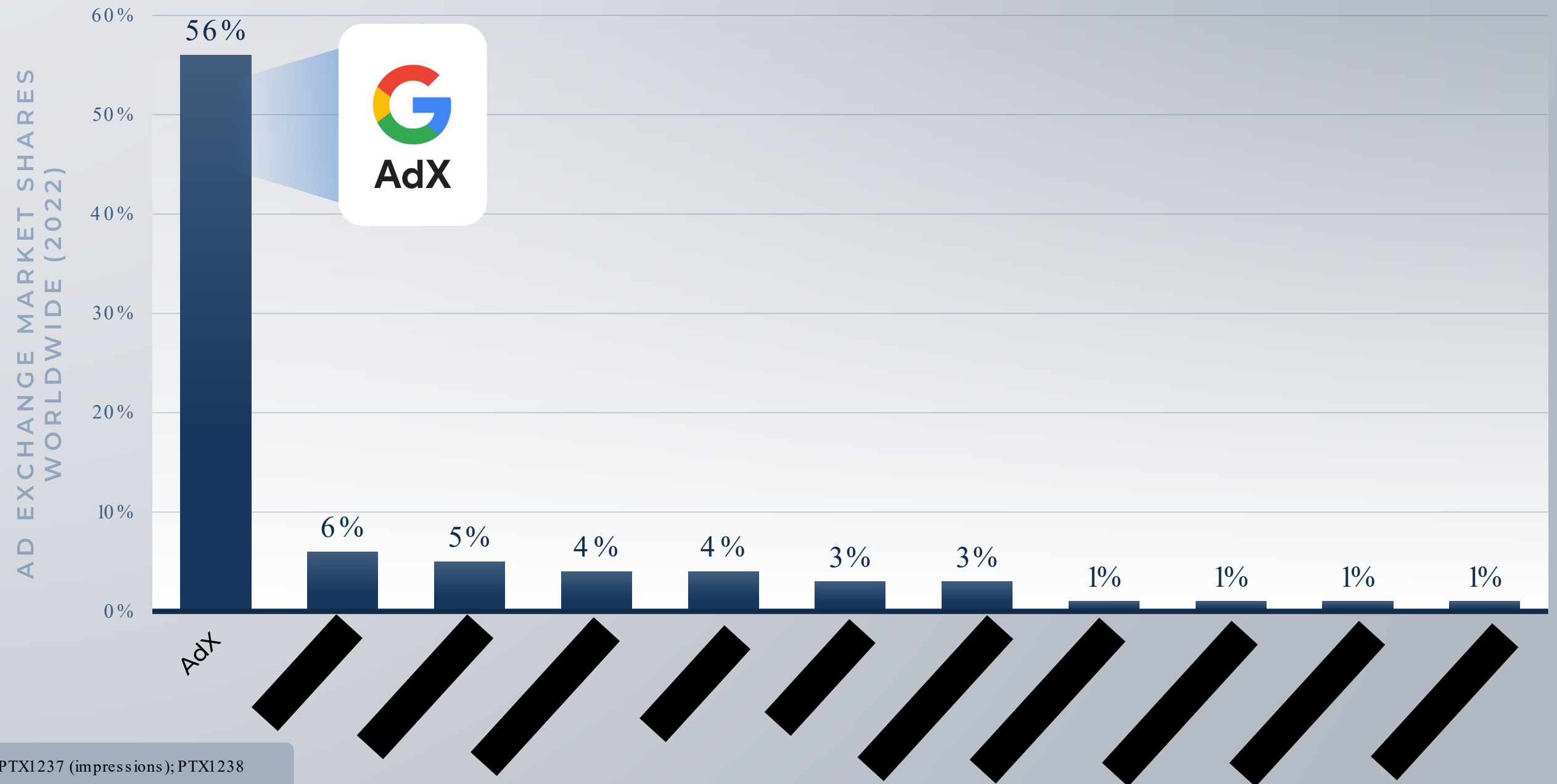
GOOGLE DOMINATES THE ADVERTISER AD NETWORK MARKET

Figure 56. Google Ads has maintained a substantial share of worldwide indirect open-web display impressions among advertiser ad networks (2018–2022)



PTX1243A

GOOGLE DOMINATES THE AD EXCHANGE MARKET



PTX1237 (impressions); PTX1238

GOOGLE'S ACTIONS SPEAK FOR THEMSELVES

United States v. Microsoft Corp., 253 F.3d 34, 57-58 (D.C. Cir. 2001) (en banc)

"More telling, the District Court found that some aspects of Microsoft's behavior are difficult to explain unless Windows is a monopoly product. For instance, according to the District Court, the company set the price of Windows without considering rivals' prices... something a firm without a monopoly would have been unable to do. The District Court also found that Microsoft's pattern of exclusionary conduct could only be rational 'if the firm knew that it possessed monopoly power….' It is to that conduct that we now turn."

United States v. Microsoft Corp., 253 F.3d 34, 57-58 (D.C. Cir. 2001) (en banc)

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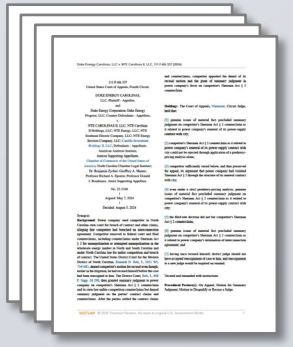
Google's procompetitive justifications are invalid, insufficient, and pretextual

DUKE ENERGY: "CONDUCT MUST BE CONSIDERED AS A WHOLE"

Duke Energy Carolinas, LLC v. NTE Carolinas II, LLC, 111 F.4th 337, 354 (4th Cir. 2024)



"It is foundational that alleged anticompetitive conduct must be considered as a whole. . . . Thus, when a court is faced with allegations of a complex or atypical exclusionary campaign, the individual components of which do not fit neatly within pre-established categories, its application of such specific conduct tests would prove too rigid."

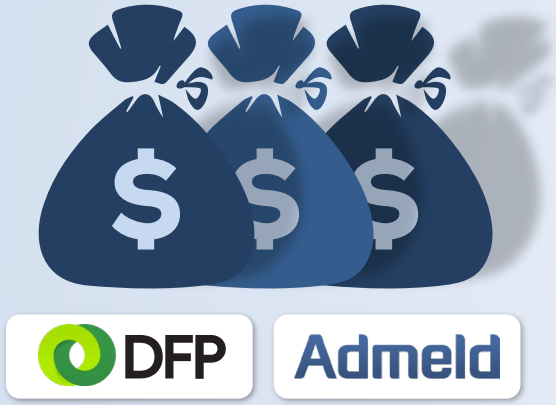
THERE ARE SOME THINGS A MONOPOLIST CANNOT DO

LePage's Inc. v. 3M, 324 F.3d 141, 151-52 (3d Cir. 2003)

"[A] monopolist is not free to take certain actions that a company in a competitive (or even oligopolistic) market may take, because there is no market constraint on a monopolist's behavior."

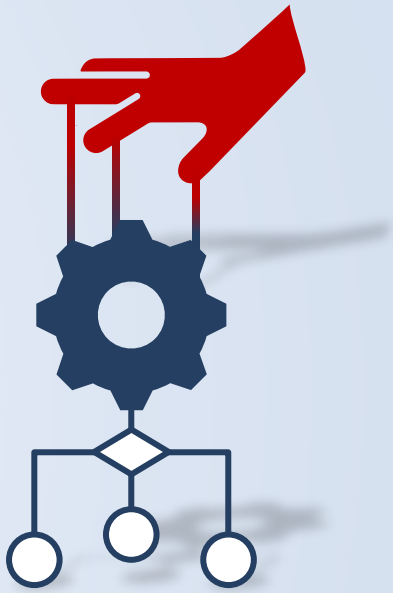
LePage's Inc. v. 3M, 324 F.3d 141, 151-52 (3d Cir. 2003)

MONOPOLIST'S PLAYBOOK



1. Control the Competition

2. Control Your Customers



3 . Control the Rules

GOOGLE RECOGNIZED OWNING THE AD SERVER WAS CRITICAL

March 23, 2009
Email from Neil Mohan

From: Neal Mohan <nmohan@google.com> on behalf of Neal Mohan
Sent: Monday, March 23, 2009 6:17 PM
To: Nikesh Arora
Cc: Susan Wojcicki; Amy Lambert; Dennis Woodside; Henrique DE Castro
Subject: Re: sale reductions.

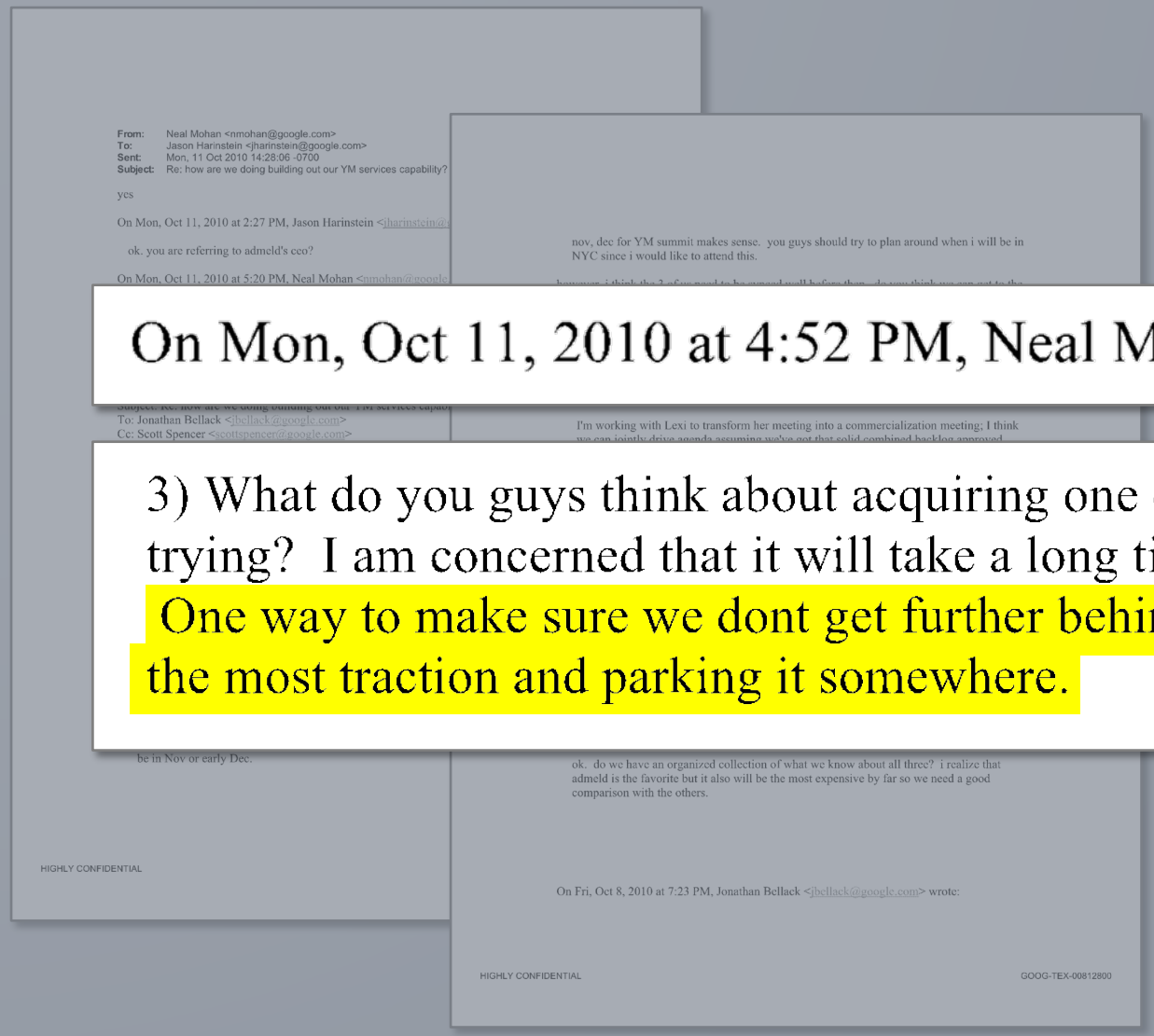
Here are a few thoughts from my end:

c) As you guys all know, and as Susan says below, I believe it is a mistake to look at DCLK as a standalone

d) Our competitors have essentially the same three-pillared strategy (platform, AdX, network) strategy as we do and have realized that the most strategic battle is about the publisher platform and so are focusing on it pretty agressively (Yahoo APT, MSFT Pub Center, AOL Platform A are basically their DFP and AdX competitors). If we lose platform share, we can build the best GCN in the world but will still be at a severe risk of being disintermediated if Y, M own the ad tag on the publisher page.

GOOGLE BOUGHT ADMELD TO "PARK" A COMPETITOR

October 11, 2020
Email from Neil Mohan

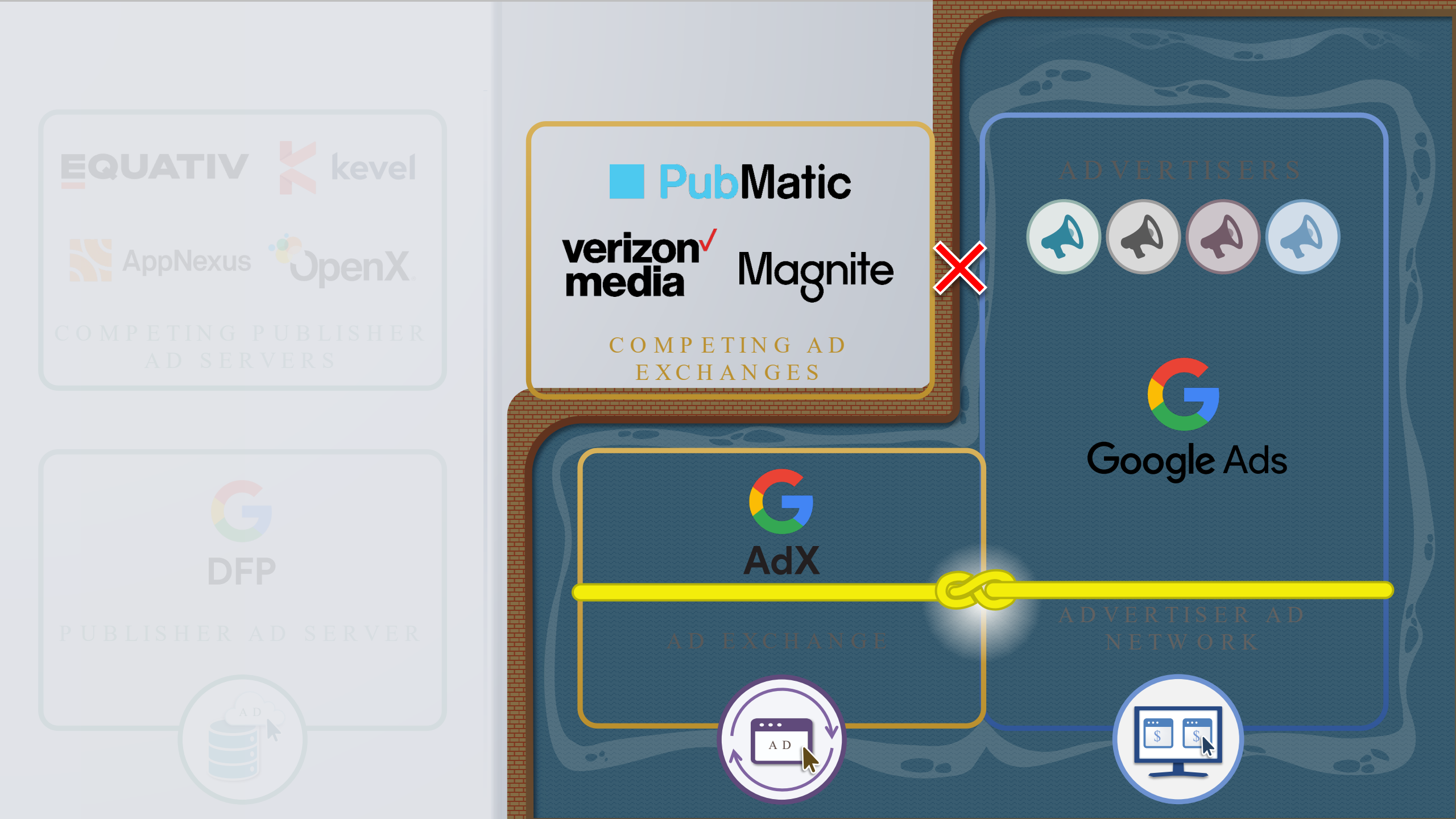


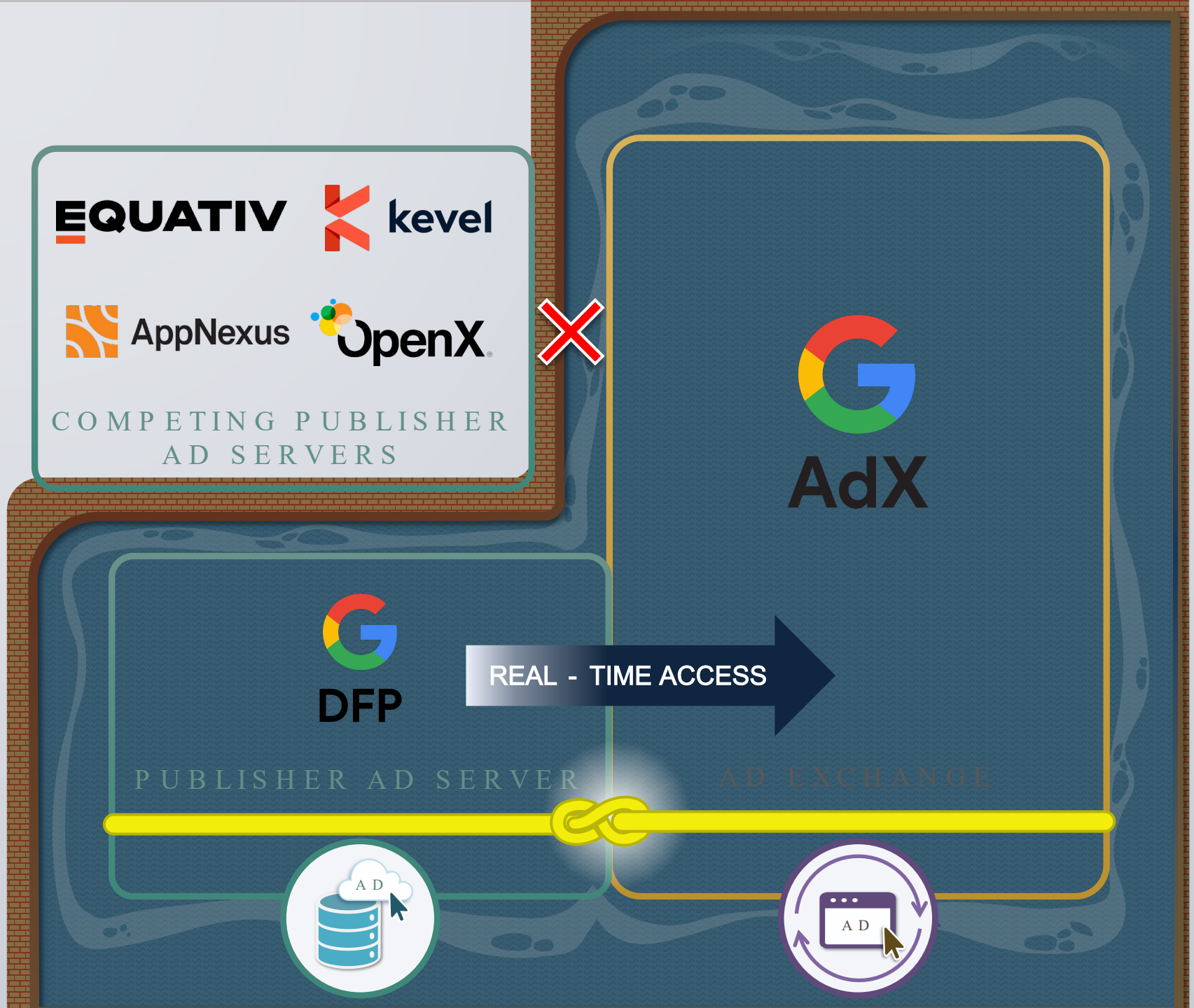
On Mon, Oct 11, 2010 at 4:52 PM, Neal Mohan <nmohan@google.com> wrote:

3) What do you guys think about acquiring one of them? Is that like giving up before trying? I am concerned that it will take a long time to sort out the org stuff internally. One way to make sure we dont get further behind in the market is picking up the one with the most traction and parking it somewhere.

Yield Manager

PTX0058 at -800


EQUATIV
kevel
AppNexus
OpenX
COMPETING PUBLISHER AD SERVERS
DFP
PUBLISHER AD SERVER
PubMatic
verizon media
Magnite
COMPETING AD EXCHANGES
ADVERTISERS
Google Ads
AdX
AD EXCHANGE
ADVERTISER AD NETWORK
AD

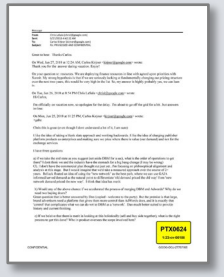

EQUATIV
kevel
AppNexus
OpenX
COMPETING PUBLISHER AD SERVERS
AdX
DFP
REAL - TIME ACCESS
PUBLISHER AD SERVER
AD EXCHANGE
AD
AD

GOOGLE ADS' EXCLUSIVITY ALLOWED GOOGLE TO CHARGE 20% ADX TAKE RATE

BRYAN ROWLEY

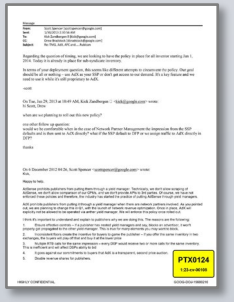
Google Ads exclusivity "compels publishers to work with" Google products.

Des. Tr. 108:18-109:03 (Rowley)



PTX0624 at -169

"The AdX sell-side fee of 20% holds today not because there is 20% of value in comparing 2 bids to one another, but because it comes with unique demand via AdWords that is not available any other way."



PTX0124, at -216

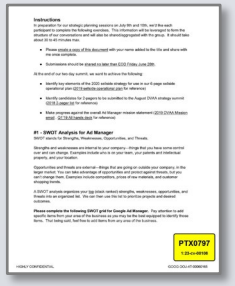
Publishers use of Google should be "all or nothing – use AdX as your SSP or you don't get access to our demand."

GOOGLE ADS HAS UNIQUE DEMAND

TIM CADOGAN

"DFP was so powerful because DFP was also linked to AdX . . . which was then linked to Google Ads, which is the biggest pool of advertising on the planet."

Tr. Sept. 17 PM 54:23-55:7, 64:5-19



PTX0797 at -166

One of the "strengths" of DFP is "Access to unique demand . . . GDN [Google Ads] demand is 'relatively unique.'"

TOM KERSHAW

"Search buyers was a unique asset that . . . no other exchange could have . . . that allowed [Google] to harness that mid -tier small business -type demand that no one else had the scale to get to."

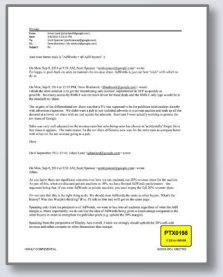
Tr. Sept. 13 AM 7:21-8:4

EISAR LIPKOVITZ

Google Ads demand is "differentiated."

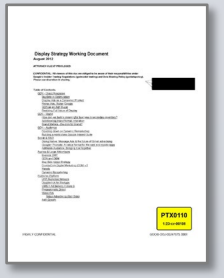
Tr. Sept. 10 PM 96:20-22

GOOGLE ADS' EXCLUSIVITY TO ADX HELPS GOOGLE, NOT ITS CUSTOMERS



PTX0198 at -703

"Speaking only from the perspective of [Google Ads], we want to buy into all auctions regardless of what the AdX margin is."



PTX0110 at -009

"[W]e appear to be running a buyside-subsidizes-sellside model; we are artificially handicapping our buyside [Google Ads] to boost the attractiveness of our sellside (AdX)."

PUBLISHERS: DFP ONLY EFFECTIVE WAY TO ACCESS GOOGLE ADS/ADX

ARNAUD CREPUT

One of the main reasons publishers never switched from DFP to Equativ to be "the fear of losing revenues, the fear not to have access to Google demand."

Tr. Sept. 13 PM 66:9-67:21

STEPHANIE LAYSER

Publishers are "stuck" with Google's publisher ad server because the "significant amount of unique demand" in AdX is tied to DFP. The revenue "risk in switching" away from DFP is too high to justify attempting to switch publisher ad servers.

Tr. Sept. 10 AM 10:16-13:2, 26:22-24, 51:19-52:3, 55:6-56:3 113:2-114:3

TIM WOLFE

Even if the ad server fee "were to be cut in half for us, it was not going to offset the revenue loss of not having direct access to the Google ad exchange as a demand source for our inventory" which "has been as high as 60, currently around 50 percent of Gannett's total programmatic monetization."

Tr. Sept. 9 AM 76:3-18

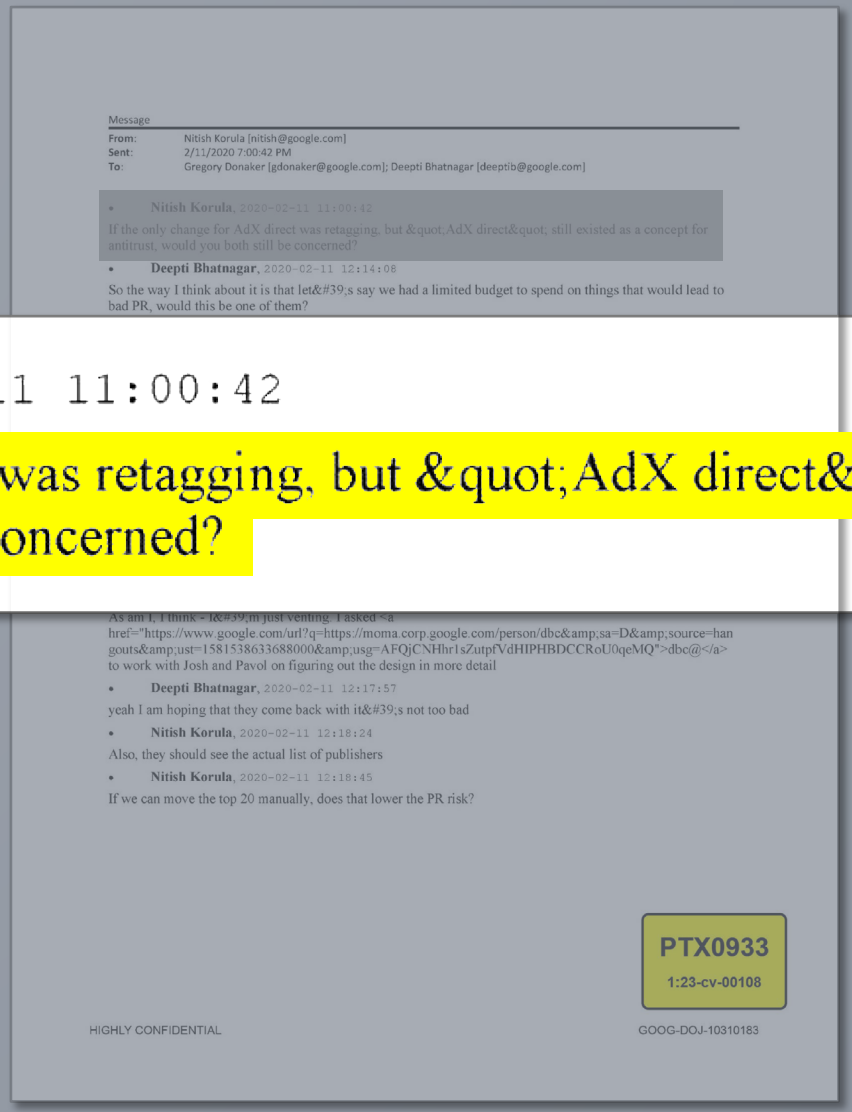
BRIAN O'KELLEY

DFP "wasn't the best ad server," but Google "just destroyed all competition for that ad server" and "every other ad server company either went out of business or was sold for scrap…Within a couple years of [the DFP] acquisition, there were no viable competitors in the publisher ad server space."

Des. Tr. 74:17-75:21 (O'Kelley)

ADX DIRECT IS ONLY A "CONCEPT FOR ANTITRUST"

February 11, 2020
Chat by Nitish Korula



Message

From: Nitish Korula [nitish@google.com]
Sent: 2/11/2020 7:00:42 PM
To: Gregory Donaker [gdonaker@google.com]; Deepti Bhatnagar [deeptib@google.com]

- **Nitish Korula**, 2020-02-11 11:00:42

If the only change for AdX direct was retagging, but "AdX direct" still existed as a concept for antitrust, would you both still be concerned?

- **Deepti Bhatnagar**, 2020-02-11 12:14:08

So the way I think about it is that let's say we had a limited budget to spend on things that would lead to bad PR, would this be one of them?

As am I, I think - I'm just venting. I asked dbc@ to work with Josh and Pavol on figuring out the design in more detail

- **Deepti Bhatnagar**, 2020-02-11 12:17:57

yeah I am hoping that they come back with it's not too bad

- **Nitish Korula**, 2020-02-11 12:18:24

Also, they should see the actual list of publishers

- **Nitish Korula**, 2020-02-11 12:18:45

If we can move the top 20 manually, does that lower the PR risk?

PTX0933
1:23-cv-00108

HIGHLY CONFIDENTIAL

GOOG-DOJ-10310183

- **Nitish Korula**, 2020-02-11 11:00:42

If the only change for AdX direct was retagging, but "AdX direct" still existed as a concept for antitrust, would you both still be concerned?

"FIRST LOOK"

Pls. Demonstrative
AB
1:23-cv-00108

Winning AdX Bid

$1.07

$1.06

Actual Payment

$1.10

$1.08

$1.05

$1.00

PRICE FLOOR

$1.06

DFP

AdX

1st

BID

HISTORICAL AVERAGE

$1.06

2nd

PubMatic

BID

HISTORICAL AVERAGE

$1.04

3rd

Index Exchange

BID

HISTORICAL AVERAGE

$1.01

4th

Magnite

BID

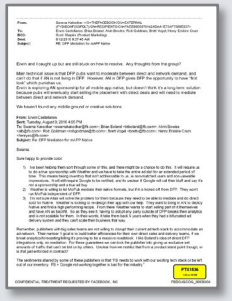
HISTORICAL AVERAGE

$0.99

5th

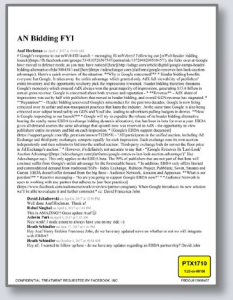
OpenX

FIRST LOOK HELPED ADX AT THE EXPENSE OF GOOGLE'S CUSTOMERS



PTX1536 at -405

FACEBOOK EMPLOYEE:
First Look is "bias [in] their system against us" by "giv[ing] Google the opportunity to cherry pick the best supply."



PTX1710 at -407

FACEBOOK EMPLOYEE:
First Look was an "unfair advantage which granted only AdX full viewability of publishers' entire inventory and the opportunity to cherry pick the impressions it wanted."

BRIAN BOLAND

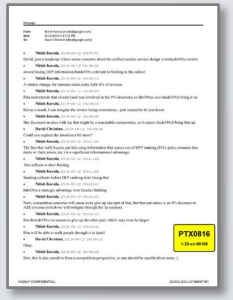
Google's ability to "cherry-pick the best supply" came from Google having "the opportunity to take the very first look at all the supply and then choose to remove an impression by buying that impression."

Tr. Sept. 13 PM 103:25-104:12

LAST LOOK AND SECOND PRICE AUCTION

Pls. Demonstrative
AC
1:23-cv-00108

LAST LOOKED HELPED ADX AT THE EXPENSE OF GOOGLE'S CUSTOMERS



PTX0816 at -161

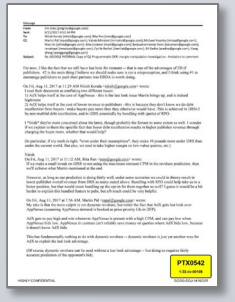
NITISH KORULA (GOOGLE):

Last Look gave AdX a "significant informational advantage."

RAJEEV GOEL

With header bidding, "Last Look is [AdX's] ability to look at all of the other bids that are coming in for publisher's inventory."

Tr. Trans. Sept. 12 PM 101:1-12



PTX0542 at -335

MARTIN PÁL (GOOGLE):

"[D]ynamic revshare" is "just yet another way for AdX to exploit the last look advantage."

GOOGLE'S EXPERT AGREES HEADER BIDDING IS A "GOOD IDEA" BECAUSE IT "BRINGS IN MORE REAL-TIME BIDS"

Paul Milgrom
Professor of Economics

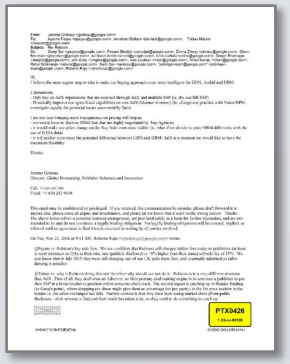
Stanford University

Q. Because header bidding, it doesn't go away; does it?

A. No. It brings in more real-time bids. It's a good idea.

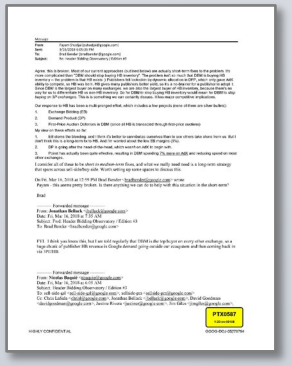
Tr. Sept. 24 AM, 116:11-13

PROJECT POIROT USED DV360'S MARKET POWER TO HARM ADX'S RIVALS



PTX0426 at -741

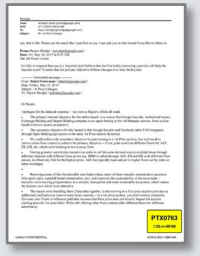
Google initially proposed to "Only buy on AdX impressions that are exposed through AdX and multiple SSP (ie, dry out HB SSP)."



PTX0587 at -794

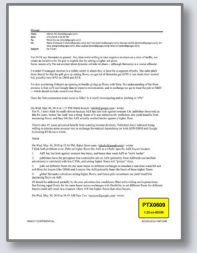
"Poirot has actually been quite effective, resulting in DBM spending 7% more on AdX and reducing spend on most other exchanges."

WITH UPR, GOOGLE TOOK AWAY ITS CUSTOMERS' FREEDOM OF CHOICE



PTX0763 at -165-66

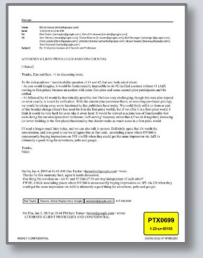
Questioning "motivation behind removing publisher controls" and later observing "the primary objective is to help the buyside."



PTX0609 at -146

GOOGLE EMPLOYEE:

Publishers sometimes set higher price floors for AdX because they have "some perceived benefit from wanting revenue diversity" and publishers have been "willing to tolerate some revenue loss in exchange for reduced dependence on both [Google Ads/DV360] and Google . . . as a whole."



PTX0699 at -260

NITISH KORULA (GOOGLE ENGINEER):

UPR would involve "taking away some functionality that publishers have today. We could likely sell it to them as part of this broader change . . ., but if we offer it [the ability to set different floors for different exchanges] in a first-price world, I think it would be very hard for us to take it away later: It would be viewed as a pure loss of functionality that we're doing for our own (perceived 'nefarious/self-serving' reasons) . . . ."

ROADMAP OF PLAINTIFFS' CLOSING ARGUMENT

Plaintiffs' market definition reflects commercial realities

Google has monopoly power in all three relevant markets

Google's conduct was anticompetitive

Google's conduct is not a lawful refusal to deal with rivals

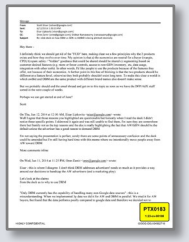
Google's conduct is not a lawful product design choice

Google's procompetitive justifications are invalid, insufficient, and pretextual

PREDATORY INTENT

PTX1814 at -746

"[W]e'll do to display what Google did to search."



PTX0183 at -717

Google Ads' exclusivity on AdX was "purely a decision to hold back a set of advertisers ([Google Ads] customers) in order to promote adx."

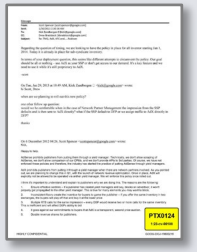
PTX0041 at -006

"I do think we need tight [DFP] – ADX / [Google Ads]" bundles[.]"

PTX0762 at -290

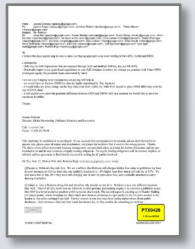
"[D]oing this [UPR] by itself makes it look extremely self-serving."

PREDATORY INTENT



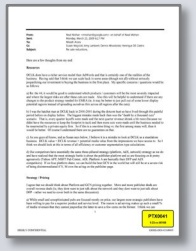
PTX0124 at -216

Publishers use of Google should be "all or nothing – use AdX as your SSP or you don't get access to our demand."



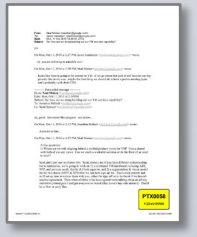
PTX0426 at -741

Google at one point proposed to "dry out HB [header bidding] SSP[.]"



PTX0041at -006

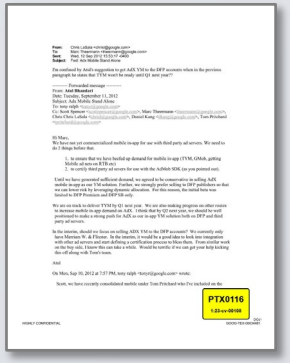
AdX is the "glue that seals DFP to [Google Ads]."



PTX0058 at -800

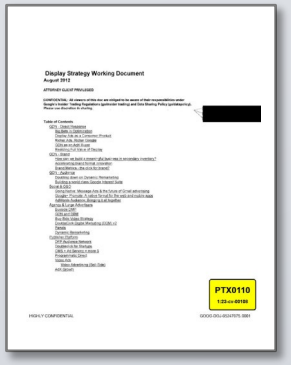
"Parking" Adm eld "let [Google] solve the problems from a position of strength (market share, knowledgeable team members)."

PREDATORY INTENT



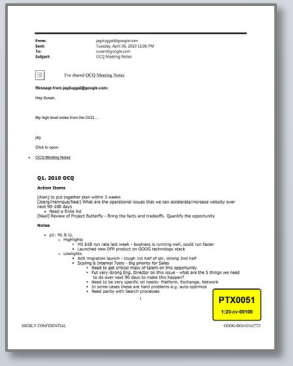
PTX0116 at -462-63

"This is an amazing time to 'lock in' impressions by offering [D]FP to publishers with full AdX dynamic allocation. AdX can serve as a tool to pull publishers onto [D]FP."



PTX0110 at -009

"[W]e appear to be running a buyside-subsidizes-sellside model; we are artificially handicapping our buyside (GDN) to boost our sellside (AdX). Specifically, we have chosen to limit GDN buying only on AdX, an exclusivity that only makes AdX more attractive to sellers."



PTX0051at -726

"Somebody will become the OS [operating system] for Display – we want it to be us[.]"

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- **Google's procompetitive justifications are invalid, insufficient, and pretextual**

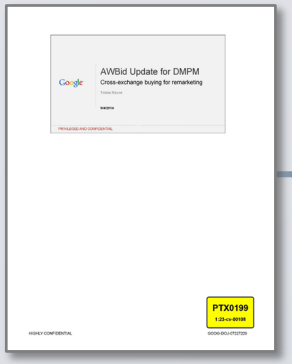
GOOGLE BEARS THE BURDEN OF ESTABLISHING PROCOMPETITIVE JUSTIFICATIONS

Dickson v. Microsoft Corp, 309 F.3d 193, 207 n.16 (4th Cir. 2002)

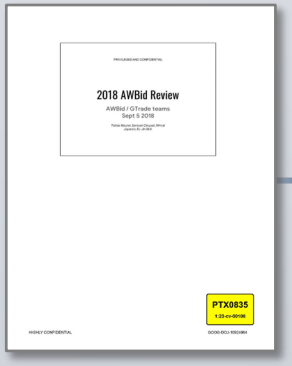
"[U]nder traditional rule of reason analysis, if the plaintiff successfully demonstrates anticompetitive effect, then the burden shifts to the defendant to proffer a procompetitive justification for its conduct."

Dickson v. Microsoft Corp, 309 F.3d 193, 207 n.16 (4th Cir. 2002) (citing *United States v. Microsoft*, 253 F.3d 34, 59 (D.C. Cir. 2001) (en banc))

GOOGLE DOES NOT HAVE A CYBERSECURITY "SECRET SAUCE"



PTX0199 at -240-241



PTX0835 at -867

Google research showed that the click spam rates of third-party exchanges were at "acceptable levels" and "comparable to AdX"

GOOGLE MUST SPECIFY AND SUBSTANTIATE PURPORTED PROCOMPETITIVE BENEFITS

United States v. Microsoft Corp., *253 F.3d 34, 66* (D.C. Cir. 2001) (en banc)

Although Microsoft does make some general claims regarding the benefits of integrating the browser and the operating system, *see, e.g*, Direct Testimony of James Allchin p 94, reprinted in 5 J.A. at 3321 (**"Our vision of deeper levels of technical integration is highly efficient and provides substantial benefits to customers and developers."**), it neither specifies nor substantiates those claims.

United States v. Microsoft Corp., 253 F.3d 34, 66 (D.C. Cir. 2001 (en banc) (emphasis added)

GOOGLE NEITHER SPECIFIES NOR SUBSTANTIATES THE BENEFITS OF INTEGRATION

Mark Israel
Senior Managing Director
COMPASS LEXECON

GOOGLE "NEITHER SPECIFIES..."

"..it's just easier often to work within one firm. If you want to develop a product that works together and makes these matches well, you don't have to contract with third parties, you can do it all in-house. That tends to work more efficiently."

..."NOR SUBSTANTIATES THOSE CLAIMS."

Q. You have not attempted to quantify any of the purported benefits arising from this integration of ad tech products, correct?

A. I think it's fair that I have not quantified specific numbers attributable to integration.

Tr. Sept. 26 AM 160:16-20; Tr. Sept. 26 PM 72:25-73:4