

United States et al. *V.* *Google, LLC*

Rebuttal Testimony of
Prof. Kinshuk Jerath, Ph.D.

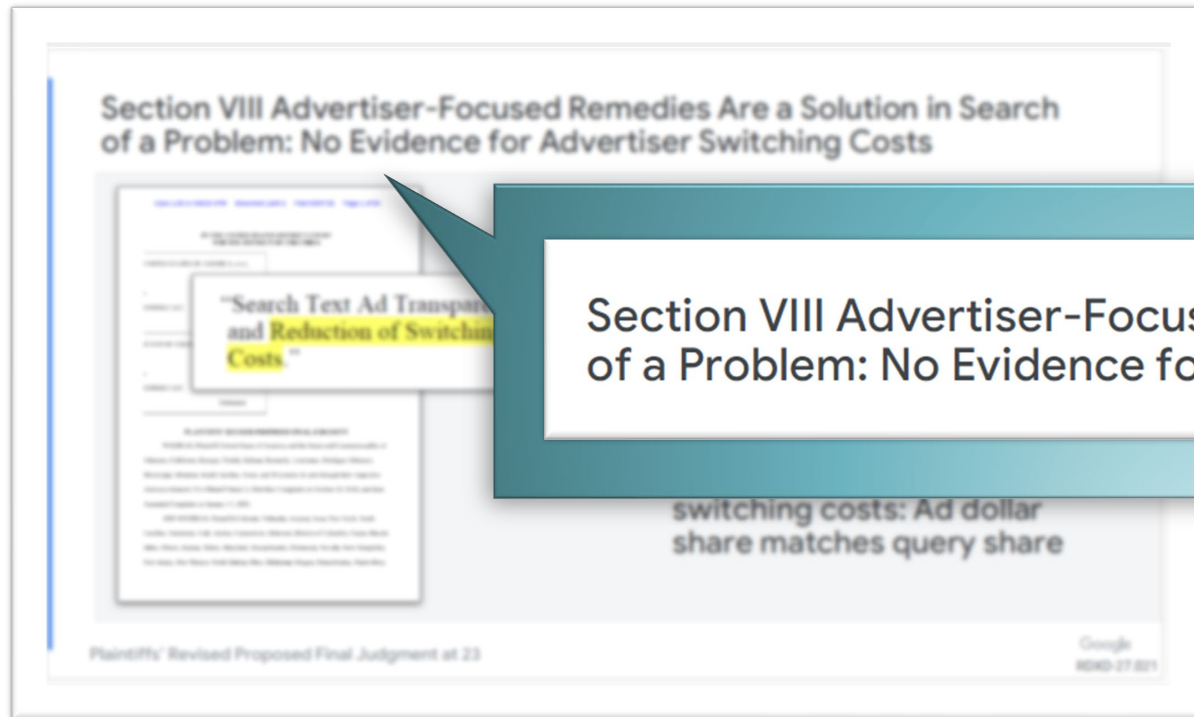
CONFIDENTIAL – SUBJECT TO PROTECTIVE ORDER

Ex. No.
PXR0029
1:25-cv-03010-APM
1:25-cv-03715-APM

Assignment

Respond to the analysis and opinions offered by Google's expert, Dr. Mark Israel, regarding advertisers and Section VIII(A)-(D) of Plaintiffs' Proposed Final Judgement

Dr. Israel's Opinions Are Contrary To Industry Realities



Section VIII Advertiser-Focused Remedies Are a Solution in Search of a Problem: No Evidence for Advertiser Switching Costs



Source: Israel Demonstrative RDND-27.021

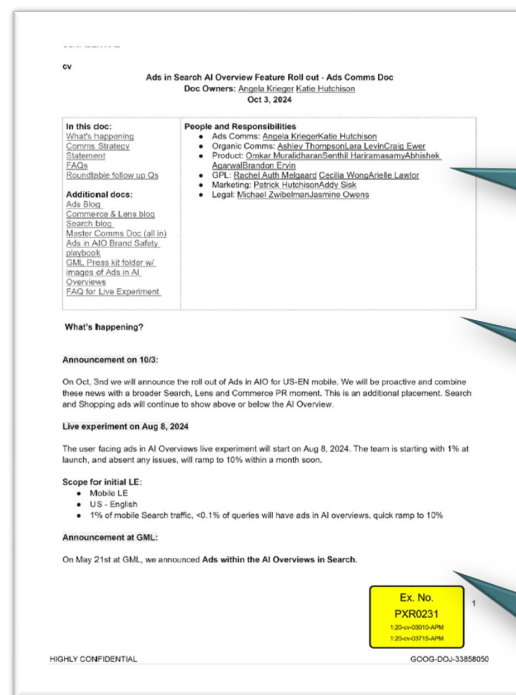
Sec. VIII(A) – Response To Dr. Israel On SQRs

“It says it includes any other metric necessary. So it seems to me it imposes costly ongoing negotiation about what metrics are even included.”

- Rem. Tr. 3269:4-3270:25 (Israel (Def. Expert))

- Unlikely to be costly
- Google’s behavior emphasizes the need to future-proof remedy

Google's Actions Show Need To Future-Proof Remedy



Source: Internal Google document,
“Ads in Search AI Overview Feature
Roll out - Ads Comms Doc”
(Oct. 3, 2024)
(PRX0231, at -055-056)

Ads in Search AI Overview Feature Roll out - Ads Comms Doc
Doc Owners: Angela Krieger Katie Hutchison
Oct 3, 2024

Q: Can advertisers opt out of serving ads in AI Overviews?
• No.

[Updated] Q: Will advertisers get segmented reporting when their ads serve above, below or within AI powered answers?

- We are currently not offering segmented reporting when ads show above, below or within Search AI Overviews.
 - [if pressed on what's actually in STR] We will report what triggered the ad based on our understanding of user intent from both the user query and the information in the AI Overview in the Search Terms Report (STR).



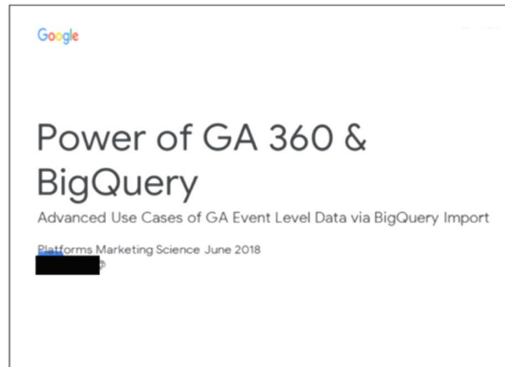
Sec. VIII(C) - Response To Dr. Israel On Data Portability

*“Google already allows a lot of data to be downloaded by API.
There is tons of data that can be taken out”*

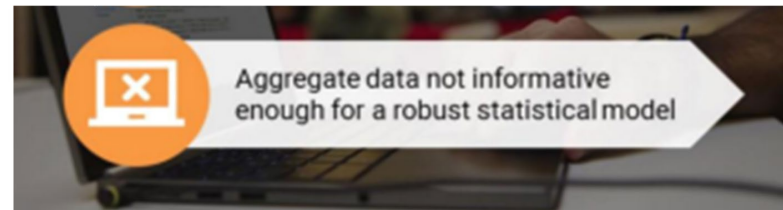
- Rem. Tr. 3272:3-3274:2 (Israel (Def. Expert))

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- Data at issue is from advertiser’s own ad spend and outcomes
 - Google only permits exporting aggregated data which are insufficient for independent analysis

Aggregated Data Not Sufficient



Ex. No.
PXR0243
1:20-cv-03010-APM
1:20-cv-03715-APM



Source: Internal Google Document,
"Power of GA 360 & BigQuery" (June 2018)
(PXR0243, at -910)

Sec. VIII(B) – Response To Dr. Israel On Keyword Matching

“[A]s people more and more use these auto bidders or AI-based smart bidders that's becoming less and less common”

- Rem. Tr. 3274:17-3275:22 (Israel (Def. Expert))

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- Keyword matching and autobidding play different roles
 - keyword matching is focused on selection
 - autobidding is focused on bid/payment
 - More precise control over matching enables advertisers to use their own bids instead of using Google's

Sec. VIII(D) - Response To Dr. Israel On Auction Disclosures

“The way they figure out how to bid is to experiment or to use smart bidder. . . . [T]he bottom line, I don't see how this would change bidding behavior in a changing environment given how complicated these things are.”

- Rem. Tr. 3276:19-3278:8 (Israel (Def. Expert))

- Advertisers base bidding choices on auction rules
- Experimentation does not remove the need for disclosures
- Autobidding does not remove the need for disclosures

Auction Disclosures Not Burdensome

“So basically it's saying – it's a mandate that they have to disclose every change they make to the auction.”

- Rem. Tr. 3275:23-3276:17 (Israel (Def. Expert))



Jerry Dischler
Google

“[W]e do roughly a thousand experiments per year in search ads quality. I would say 20 percent of them are related to the auction in some way, and then **only a fraction of those are actually launches.**”

- Tr. 1206:10-15

Remedies Will Enhance Ability To Optimize Across Platforms



Mark Israel, Ph.D.
Google Expert
Econic Partners

Q . . . So you would agree, simply, that in general, giving customers more information can help them evaluate better options. Right?

A. I think that's fair, in general

Remedies Will Enhance Ability To Optimize Across Platforms



Paul Vallez

Executive VP Strategic Business
Development & Product Partnerships
Skai

Q. So, **increasing the granularity of the impression, click-and-query data** that you receive through your advertisers from Google, would that help you help advertisers save money?

A. Yes.

Q. And would it **help advertisers shift spend more easily between search advertising platforms?**

A. It would give us the ability to make more informed recommendations, and some of those could lead to budget shifting, but it's not necessarily geared just for that.