































# United States & Co-Plaintiff States v. Google LLC

## Plaintiffs' Remedies Closing Argument

Distribution Remedies, Chrome Divestiture, Remaining Remedies, & Term of Judgement May 30, 2025

REDACTED PUBLIC VERSION

# **Distribution Remedies**



## **Plaintiffs Distribution Remedies**

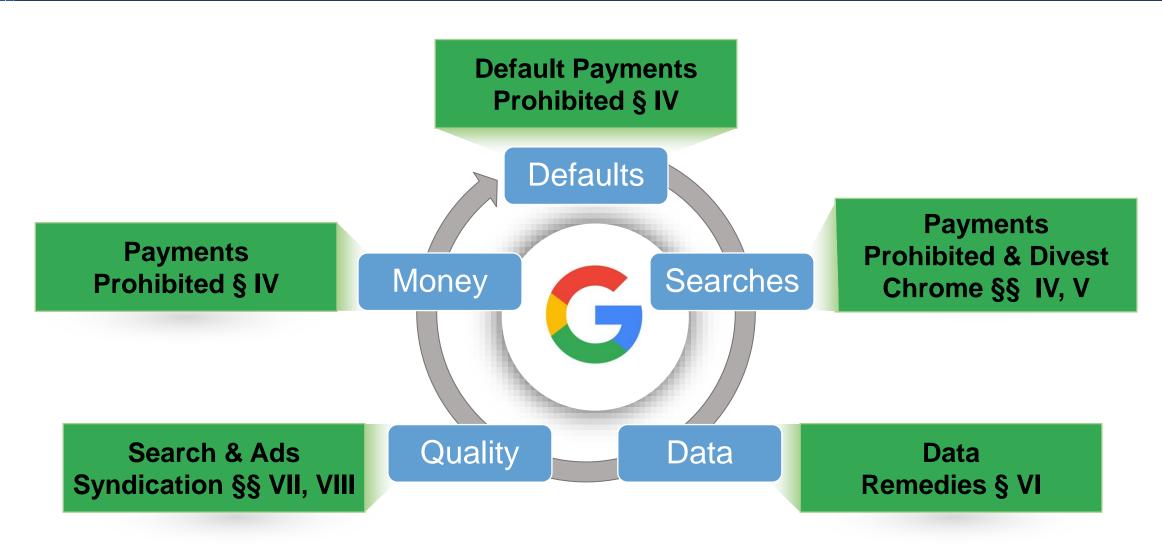
1 Default Payments

2 Generative Al

3 Choice Screens



# Plaintiffs' Remedies Enable Competition





# Google's Distribution Payments Froze The Ecosystem

"And so that's the net effect of the - of the payments. They basically freeze the ecosystem in place effectively."

- Sridhar Ramaswamy



### Distribution Partners Don't Have A Choice Today



Eddy Cue
Senior Vice President of Services
Apple

"The other problem with it is, we don't really have a choice today."



### **Apple Agrees: Payments Are A "Disincentive"**



Eddy Cue
Senior Vice President of Services
Apple

"I did read Your Honor's statement when you mentioned that it was a disincentive for us to do a search engine based on the payments that we were receiving from Google. And I can't say I would disagree with that statement. I understand the statement. It's a significant amount of money."



## Google Can Pay More Than Anyone



**Eric Muhlheim** 

Chief Financial Officer

Mozilla

"Even under the contract that we have right now, based on the characteristics of Bing as a search engine, it would **not monetize that traffic as effectively as Google monetizes that traffic.**"



### **Revenue Share Limits "True Freedom"**



**Dmitry Shevelenko** 

Co-Founder **Perplexity** 

"... [T]rue freedom means, you know, not fearing lost revenue or threats of loss revenue or lower rev-share rates .... It's not just, you know, Google's proposed remedy of saying they will not enter exclusive agreements. That does not at all satisfy what we think is important to unlock user choice."



### **Distribution Is "Existential"**

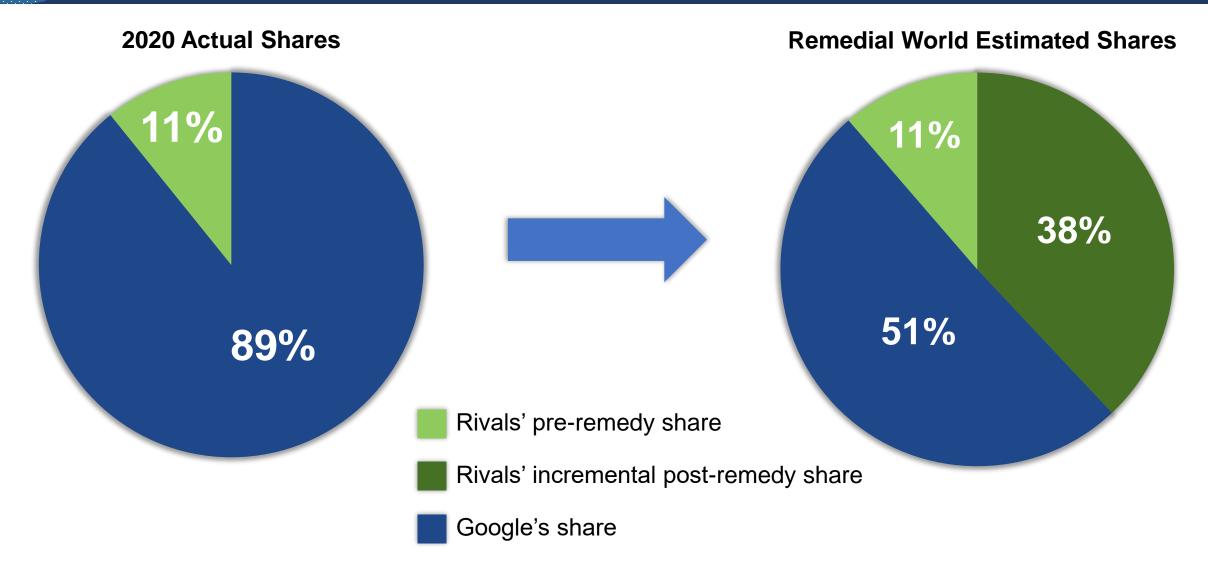


Nick Turley
Head of Product, ChatGPT
OpenAl

"If we don't have **distribution** or if other products have distribution and not us, they may -- consumers may perceive that that is the only product available to them. So this **is very critical**, and I think I've argued to our teams internally on numerous times that **it is, in fact, existential**."



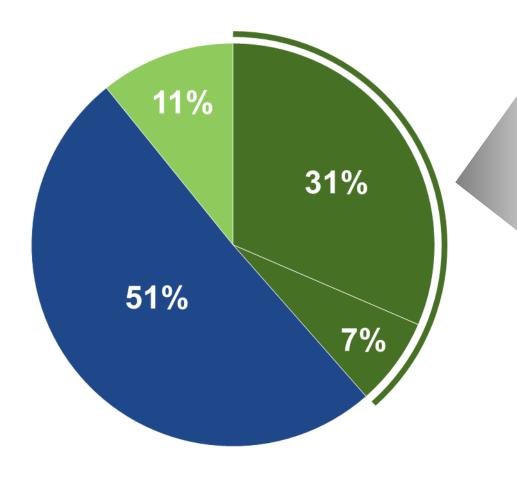
# **Potential Share Shift in the Remedial World**





### Payment Bans Expected to Shift Share to Rivals

### **Remedial World Estimated Shares**



### 38% potential share shift

- > 18% Apple
- > 13% Android
- > 7% User-downloaded Chrome
- 0.6% Third-party browsers

- Rivals' pre-remedy share
- Rivals' incremental post-remedy share
- Google's post-remedy share



## Google Can And Will Still Compete



Tasneem Chipty, Ph.D.

Plaintiffs' Expert
Founder and Managing Principal
Chipty Economics, LLC

"But the point is, in the remedial world, if -well, first of all, **Google will still be able to compete**, so it's not like Microsoft would be
undisciplined by competition. Second of all,
if the Court adopts some version of the data
and syndication remedies, that will **give other firms a chance to actually be in the game**, and so I think it's a timing issue."



### **Prohibiting Defaults Is Not Enough**



Gabriel Weinberg
CEO
DuckDuckGo

"[J]ust a ban on default would leave the potential for other payments, be it rev share or other preferential payments, any such payments just have a strong financial incentive to have, you know -- steer users towards Google and away from alternatives. And so I think of them as essentially the functional equivalent as a default, as an exclusive default. And so, no, I don't think that would be enough."



### **Unconditional Revenue Share Preserves The Status Quo**



# **Prof. Kevin Murphy**

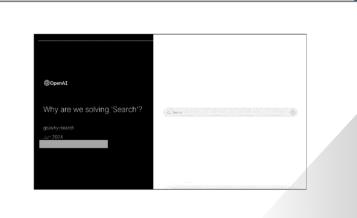
Google's Expert
Professor of Economics
University of Chicago

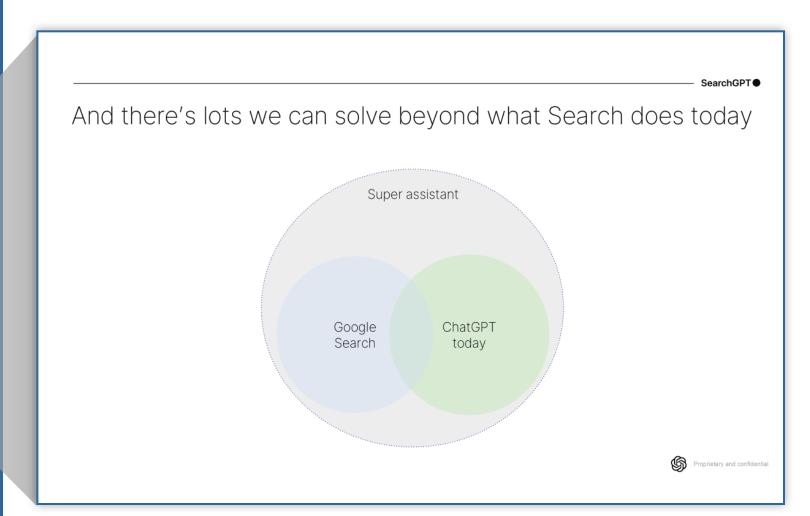
- Q. And am I right that in liability you argued that if Google were permitted to pay distributors revenue share with . . . no promotional requirements, the distributors would make Google the default, which replicates the outcome we have today; is that right?
- A. I don't remember saying that's for sure what would happen. I think that's a likely outcome.

# **Generative Al**



### **Search and GenAl Overlap**





PXR0176 at -126.



### **GenAl Will Not Replace Search**



# **Elizabeth Reid**

Vice President of Search

Google

Q. And you also believe that the advent of Al and LLMs has not eliminated the need for Search. Right?

A. Correct.

. . . .

Q. .... You do not believe that the use of LLMs in Search can replace the functionality of Search itself. Correct?

A. I do not think LLMs by themselves will replace all of Search functionality.



### **GenAl Expands Use of Search**

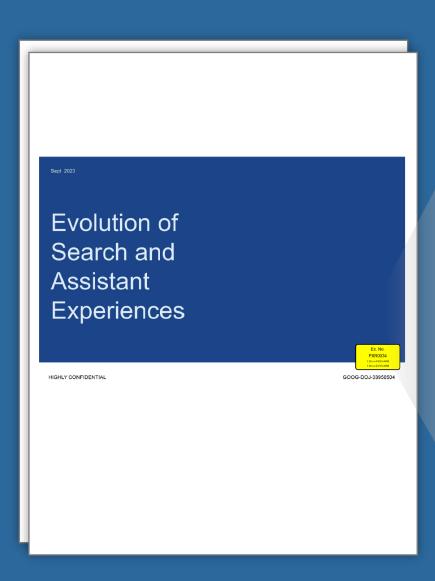


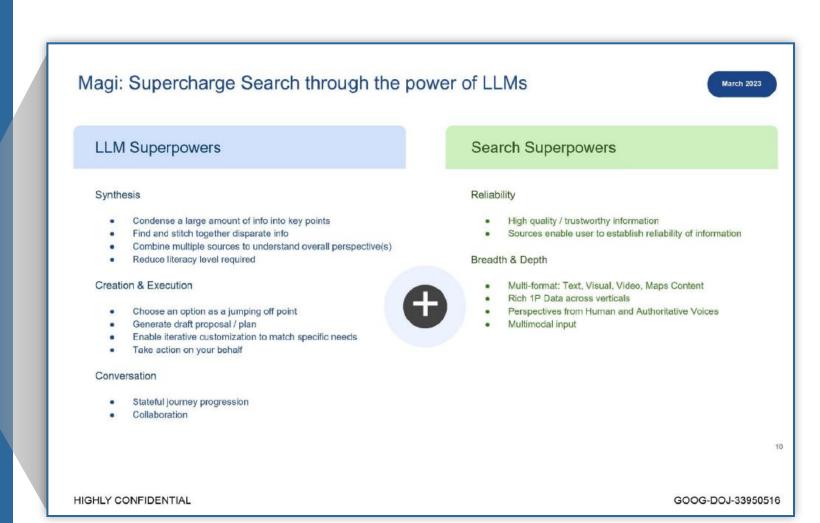
Sundar Pichai
Chief Executive Officer
Google

"To be very clear, I think the Gemini app will overall expand our ability to serve users' information needs. There will be some overlap with Search, there will be some things which won't have anything to do with what we call as -- or think of as Search today; but overall, I think it will expand in a user's information needs."



### "Supercharge Search" Combined with LLMs





PXR0034 at -516.



### Al Overviews Integrate Google Search Ranking And Quality

Reviewer Type	Reviewer	LGTM / Date
Product	Elizabeth Hamon Reid Robby Stein Srinivasan (Cheenu) Venkatachary Hema Budaraju Phiroze Parakh Matthew Gray	ER: LGTM but see comments RS: LTGM CV: LGTM with comments HB: PP: MG:
Comms Team	Crystal Dahlen Lara Levin Ashley Thompson Ned Adriance Meghann Farnsworth	CD: LL: LGTM AT: NA: LGTM MF
T&S / RAI	Beth Tsai Michelle Chang	BT MC
Mktg	Approvers: Rossa Hsieh Melissa Winter Notify: Rebecca Michael Heaven Kim	RH: LGTM MW: LGTM with comments
GAPP	Ben Petrosky Christian Wagner	BP CW: LGTM
Legal	Rich Lee	RL: LGTM 6/13

[Majority of content adapted from SGE explainer and approved statements and background we've provided to press]

#### How Al Overviews in Search Work

Recently, we launched Al Overviews on Search. In this document, we'll explain how Al Overviews work, how they can be helpful, and the work we've done to prioritize quality and safety in this experience.

#### The fundamentals

Al Overviews use generative Al to provide key information about a topic or question, with links to dig deeper and learn more on the web.

This application of generative AI has been specifically designed to be helpful for information journeys in Search, meaning it's a different experience than interacting with an LLM-based chatbot. Al Overviews use a customized Gemini model, which works in tandem with our existing Search systems – like our quality and ranking systems and the Google Knowledge Graph. AI Overviews are designed to carry out traditional "search" tasks, like identifying relevant, high-quality results from our index to support the information presented in the overview.

To ensure that Al Overviews are high quality, we've integrated our core web ranking systems into this experience, which are fundamentally designed to surface reliable and relevant information. Al Overviews are built to only surface information that is backed up by top web results, and include links to web content that supports the information presented in the overview. People can use these links to dig deeper on a topic, because we know people come to Search to find a range of perspectives and to explore the open web.

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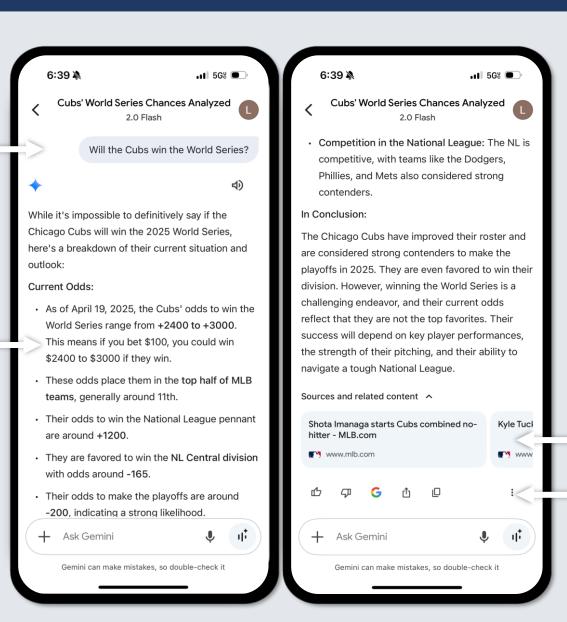
GOOG-DOJ-33964302



### **Gemini App Is A New Search Access Point**

Query: "Will the Cubs win the World Series?"

**Gemini Response** 



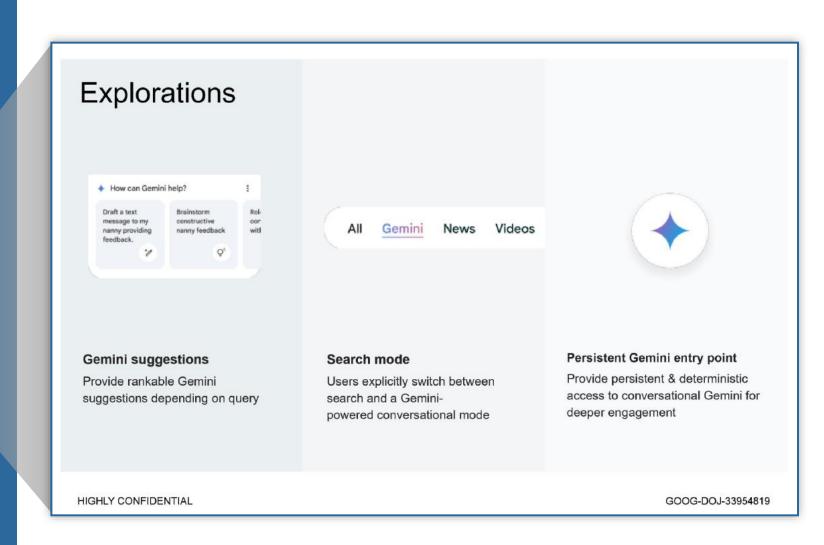
**Search Results** 

**Search Link** 



### Google "Exploring" Gemini In Search





PXR0109 at -819.



## Google Concerned About "Ceding" GenAl Ecosystem

ATTORNEY CLIENT PRIVILEGED AND CONFIDENTIAL Google Search entry points May 2023 For xSRB Confidential HIGHLY CONFIDENTIAL GOOG-DOJ-34233845

Confidential / Need-To-Know

### **Executive summary**

TI;dr: The introduction of AI is creating new access points, allowing other providers to reach users rapidly; Google should meet users where they are or risk ceding a new ecosystem

#### Context: A changing Search landscape

- New Al access points are rapidly expanding (e.g. chatbots LLM)
- Search intent continues to shift off the web and into mobile apps (>90% of user time)
- iOS continues to introduce 1P search experiences on device

Response: Explore new Google access points (in AI, in apps), by testing an <u>embedded Search experience</u> for 2 partner segments: <u>Browsers/Search Engines (AI) and Mobile Apps (AI/non-AI)</u>

Opportunity: Significantly advance our global strategy to...

- Integrate with new GenAl experiences from LLM-based conversational Al providers
- Address shifting search intent (particularly within GloYo and APAC); TAM = 180B+ annual queries
- Diversify Google Search pathways on iOS + boost iGA engagement

Ask: Approval to pilot embedded Google Search with up to 15 partners in 2023 to validate hypotheses and refine offering

Google

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### Google Paying Enormous Sums For Gemini Default

#### Google Confidential GEMINI COMMERCIAL AGREEMENT Sopple LLC Mobile Partnerships: Google Asia Pacific Pte. Ltd. Christopher Li, Jinyoung Baik, Google Ireland Limited Google Google Legal: Kate Lee, Larry Address for Legal Notices: 600 Amphilheetre Parkway Mountain View, CA 94043 COMPANY CONTACT DETAILS Company Contact Information: Company Legal Notices to: Attention: Jay Kim, Seung Song Ju-Hyun Yon, Jayun Chung Legal Support & Compliance Strategic Partnership Yearn (Mobile) 129 Samsung-ro, Yeongtong-gu. Address, City, State, Lwon-si, Gyeonggi-do, Korea Postal Code, Country: Suwon-si, Gyeonggi-do, Koraa 16677 sung.com (Zsamsung.com meung.com g@samuung.com Term: Starting on the Effective Date and continuing through December 31, 2027 (inclusive) ("Term") Renewal Term: The Term will sutomatically be extended through December 31, 2026 (inclusive) miless either party provides written notice to the other party in accordance with Section 8.1. For clarity the Term will include the Renewal Term, if extended. PXR0571 HIGHLY CONFIDENTIAL GOOG-DOJ-33743363

### **GEMINI COMMERCIAL AGREEMENT**

This Gemini Commercial Agreement, including all attachments (collectively referred to as this "Agreement"), effective as of the date noted above (the "Effective Date"), is made between:

GOOGLE LLC, organized in the state of Delaware, GOOGLE ASIA PACIFIC PTE. LTD., organized in Singapore, and GOOGLE IRELAND LIMITED, organized in Ireland (in this Agreement, "Google" will mean Google LLC, Google Asia Pacific Pte. Ltd., and/or Google Ireland Limited, as the context requires), on the one hand; and

SAMSUNG ELECTRONICS CO., LTD., a company existing under the laws of the Republic of Korea ("Company"), on the other hand.

#### Fixed Monthly Payment.

(i) Google will pay Company dollars (\$ ) per calendar month during the Term (each, a "Fixed Monthly Payment").

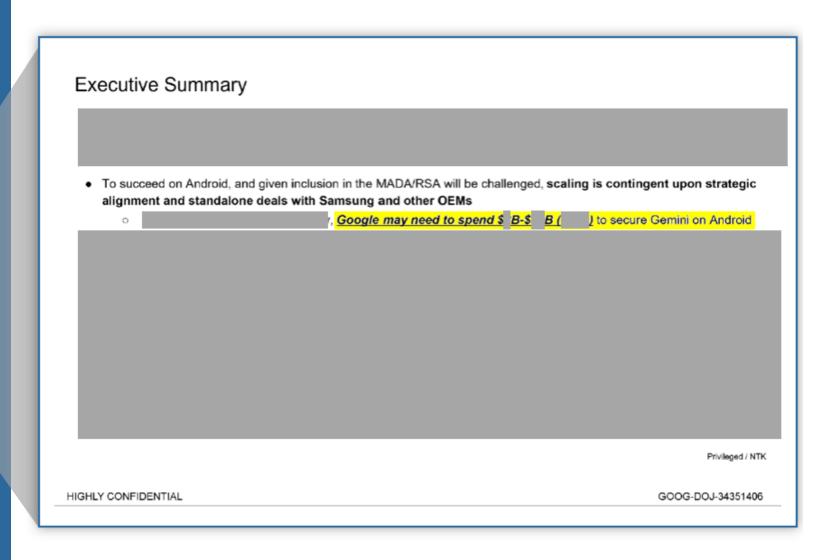
Activation Bonus. For each calendar month during the Term, Google will pay Company a bonus for each Gemini Qualified Device that is Activated by an End User in a Territory during such calendar month (collectively, the "Activation Bonus"). The Activation Bonus amount for each Activated Gemini Qualified Device that is a New Device or Installed Base Device (as applicable) in a given Territory will be based on the pricing described in Attachment A-2. Company may only receive an Activation Bonus once for each Gemini Qualified Device.

Shared Net Gemini Ad Revenue. For each calendar month during the Term, Google will pay Company of Net Gemini Ad Revenue ("Shared Net Gemini Ad Revenue") generated during such calendar month.



### Google Plans To Spend Billions To "Secure Gemini On Android"

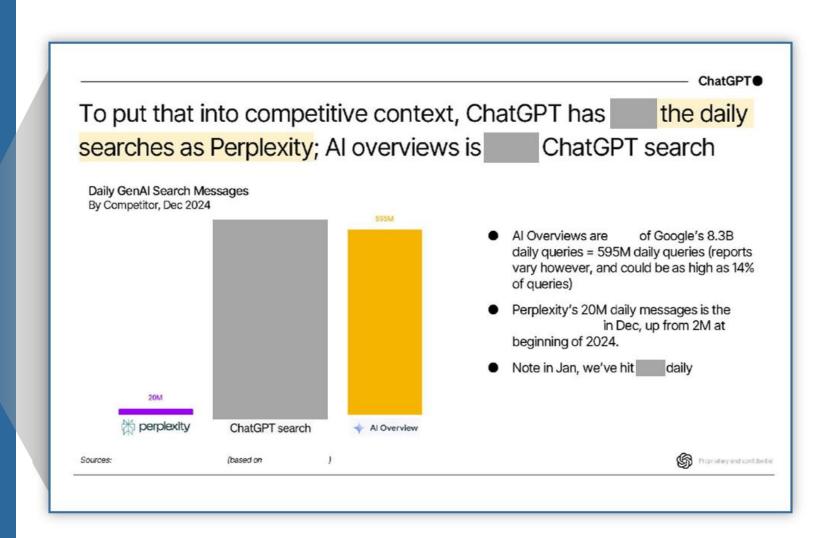






### **Google Dominates All Searches**





PXR0182 at -762.

# **Choice Screens**



### **Choice Screens Alone Are Not Enough**

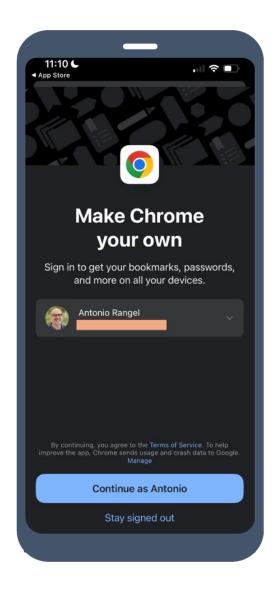


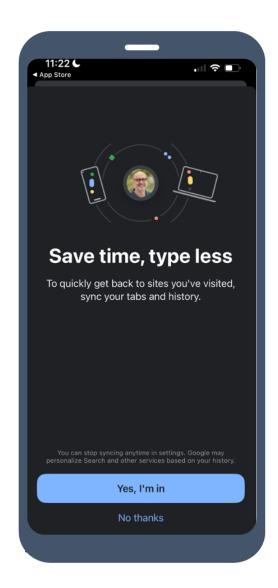
Eddy Cue
Senior Vice President of Services
Apple

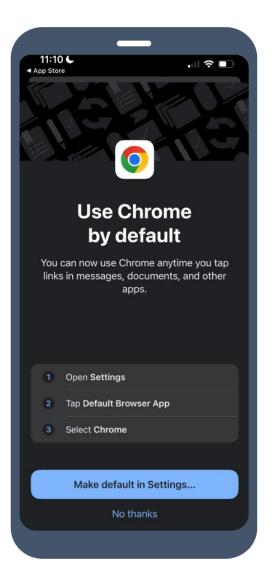
"You know, we do a choice screen, but it's not going to matter. It's not going to matter until one of the choices is actually really valuable that provides new capabilities."



### **Google Uses Choice Screens In Chrome**







# **Chrome Divestiture**



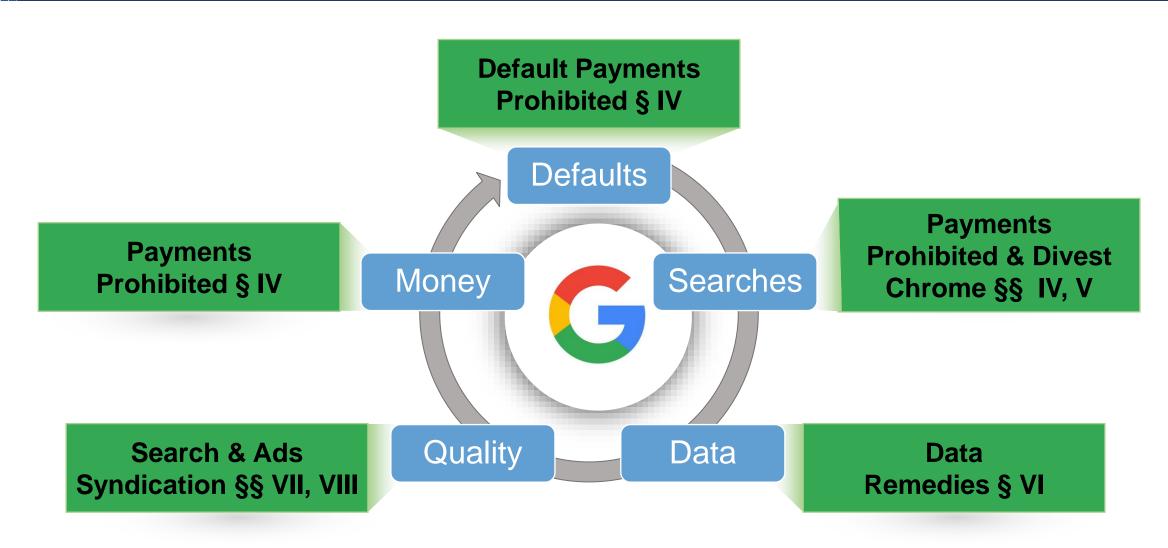
### **Divestiture Is An Important Antitrust Remedy**

"And divestiture is a **common form** of relief in successful antitrust prosecutions: it is indeed 'the most important of antitrust remedies."

Microsoft III, 253 F.3d at 105 (quoting United States v. E.I. du Pont de Nemours & Co., 366 U.S. 316, 331 (1961)) (emphasis added).



# Plaintiffs' Remedies Enable Competition





### The "Main Use Case" For Browsers Is Search

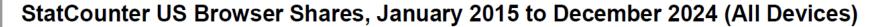


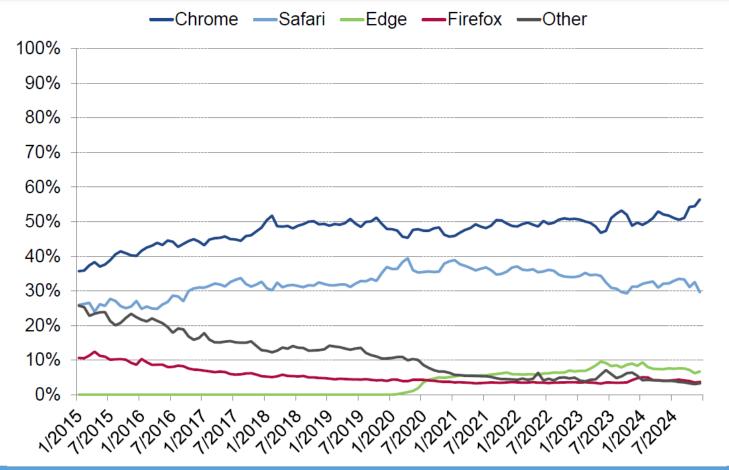
Eric Muhlheim
Chief Financial Officer
Mozilla

"[T]he principal use of a browser is for people to travel or surf the Internet. And one of the main use cases of that is to search for things on the Internet, so we need Firefox to be able to enable that search behavior in the most efficient and effective way possible."



### **Chrome Is Most Widely Used Browser In The United States**





Chipty Report, Figure 8; StatCounter, https://gs.statcounter.com/browser-market-share/desktop-mobile-tablet/united-states-of-america/#monthly-201501-202412.

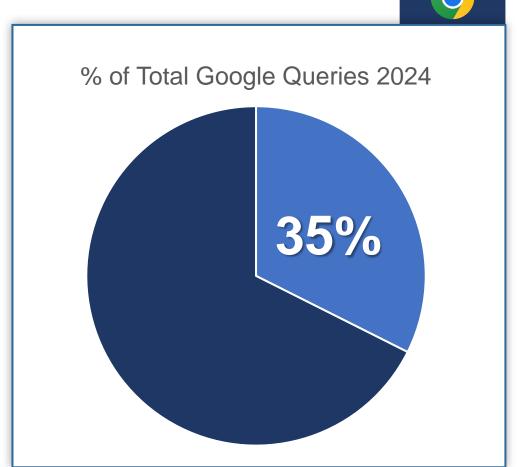
PXRD012 at 22. 35



### **Chrome Is Search Access Point For 35% Of Queries**

# Google Queries Through Chrome





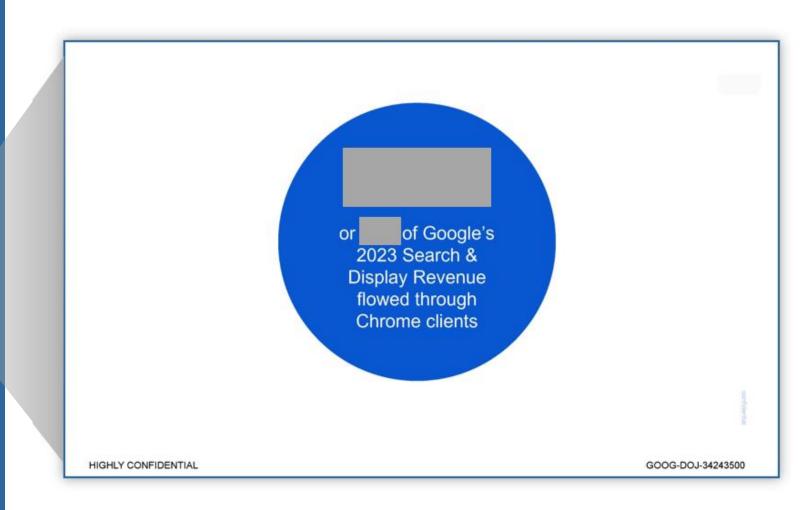
- 78% of Google's US queries came from a browser
- 35% from Chrome
- 20% of Google's US queries came from the default on user-downloaded Chrome

PXRD012 at 21. 36



# **Chrome Drives Significant Search Revenue**





PXR0206 at -476, -500.



# **Many Likely Bidders For Chrome**



Nick Turley
OpenAl

- Q. Mr. Turley, if the Court were to order Chrome to be divested, would OpenAl be interested in purchasing Chrome?
- **A.** Yes, we would as would many other parties, I'm sure.



Dmitry
Shevelenko
Perplexity

- Q. Mr. Shevelenko, do I understand your testimony today to say that Perplexity would be interested in acquiring Chrome?
- A. Yes.



Gabriel
Weinberg

DuckDuckGo

A. ... It's essentially the gateway to the Internet for most people. I would think that pretty much all the big tech companies would be interested, and there would be some kind of bidding war for it.

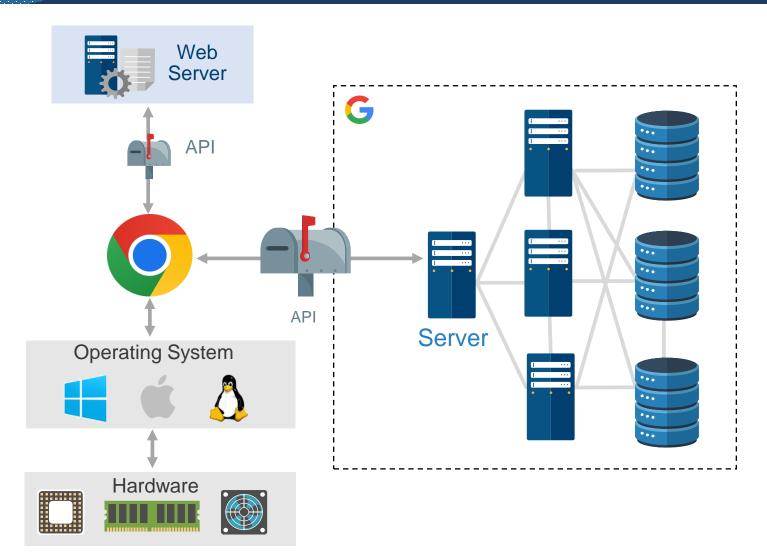


Brian Provost

- Q. If the Court ordered Google to divest the Chrome browser, would Yahoo be interested in bidding for it?
- A. Yes.... It's arguably the most important strategic player on the web search. It's something we've considered, not only just for search but its ability to represent -- render and distribute all of the Yahoo products.



# **Chrome Divestiture Is Technically Feasible**

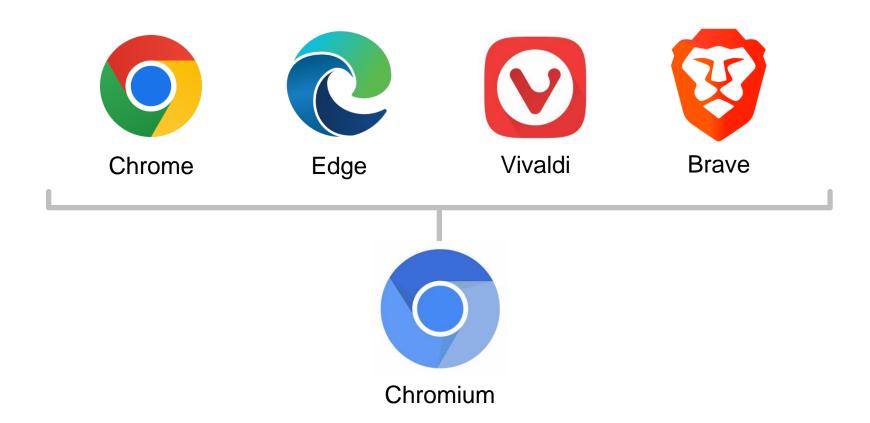


- Chrome is a piece of client software
- Chrome connects to Google through APIs
- A new owner of Chrome could connect to Google

PXRD010 at 27. 39



# **Chromium Ecosystem Supported By Many**



PXRD010 at 26. 40



# Other U.S. Companies Can Provide Data Security



# **Sundar Pichai**

Chief Executive Officer

Google

- **Q.** Now, you would agree, Mr. Pichai, that Google is not the only U.S. company capable of providing **data security** to its users, correct?
- A. That's correct.
- Q. You similarly are not taking the position that Google is the only U.S. company capable of preventing data breaches, correct?
- A. That's correct.



# National Security Is Purview Of The United States

"It is . . . well-established that the judiciary owes some measure of deference to the executive in cases implicating national security, a uniquely executive purview."

Ctr. for Nat. Sec. Stud. v. U.S. Dep't of Just., 331 F.3d 918, 926–27 (D.C. Cir. 2003).

# **Conditional Divestitures**



## **Conditional Android Divestiture**

- Contingent structural relief
- If monopolized markets have not experienced substantial increase in competition in 5 years
- Incentivizes Google to adhere to Court's final remedy



# Duration



## "Longer Than We Would All Like"



Eddy Cue
Senior Vice President of Services
Apple

"Time is the question and how long does it take them, and that's the only variable that I don't know the answer to.... If the question is, how long is it going to take them to have an equal-size index, the answer is probably longer than we would all like."



# Will Take Time For Rivals To Gain Brand Recognition



# Antonio Rangel, Ph.D.

**Plaintiffs' Expert** 

Professor of Neuroscience, Behavioral Biology, and Economics

Caltech

- Q. Does it matter how long a default has been in place?
- A. I think it will affect -- yes, the behavior. . . . Google has been there for a long time, there will be . . . a much higher likelihood that individuals are familiar with that search engine, brand familiarity. . . . [D]efault effects are higher for -- more familiar, and options with a higher brand, and that the history of exposure to the other default will affect also that likelihood of switch.



## **10-Year Remedy Is Appropriate**



**Gabriel Weinberg** 

Founder & CEO **DuckDuckGo** 

"You have to build out these indexes we've been talking about at scale and have them work as effectively as -- relative to Google. I think just building them is **going to take years** and then tuning them some years after that. . . . So I think a **ten-year time horizon is appropriate**."



## "Consistently Underestimated How Hard This Problem Is"



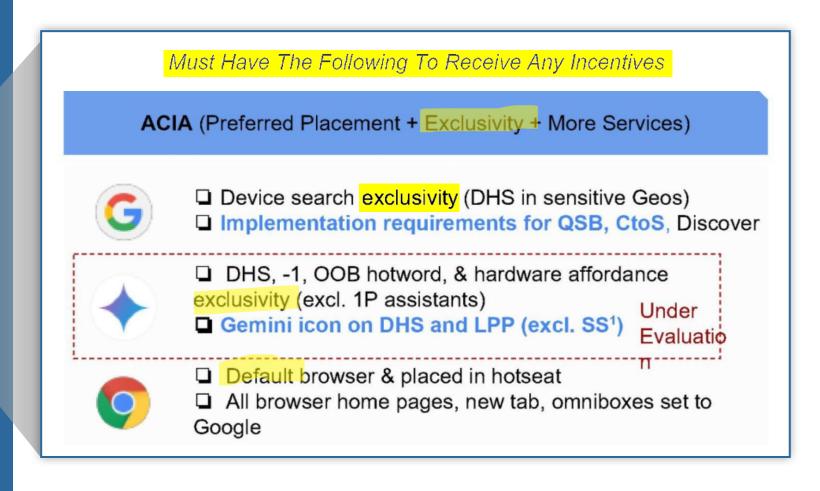
Nick Turley
Head of Product, ChatGPT
OpenAl

"I've consistently underestimated how hard this problem is. . . . But I think, you know, five years from now, we would have extreme clarity on whether or not that goal is achievable or not."



## Google Considered New Exclusive Contract (ACIA)





PXR0280 at -935, -942. 50

# **Ads Transparency Remedies**



# **Advertising Remedies Will Improve Competition**



**Paul Vallez** 

EVP Strategic Business Development & Product Partnerships

Skai

"It would allow us to make more informed decisions and ultimately drive better performance."

\* \* \*

"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."



## **Advertising Remedies Give Advertisers More Control**



**Prof. Jerath** 

Plaintiffs' Expert

Arthur F. Burns Professor of Free and Competitive Enterprise;
Chair of the Marketing Division

**Columbia Business School** 

"And basically they will help advertisers get more control – more information and control about the auctions; and on the auctions, get more and better information about what's happening with their own ad spend. And all of this will help them make better decisions, including decisions about where to take that ad spend."



# **Advertising Remedies Will Help Advertisers**

C3

#### Search Ads Click Data in Ads Data Hub

last update: 2018-06-01, first proposed: 2017-10-11 by: Monica McArthur pogoogle.com) status: Approved canonical link: go/adh-search-clicks

#### Objective

This document lays out the design for an initial prototype of importing search ads click events into Ads Data Hub BigQuery for one selected client. This includes the overall design, the changes that will be required for various parts of Ads Data Hub, how issues of specific concern such as privacy and data leakage will be addressed, and what the success criteria of the prototype will be.

#### Background

Ads Data Hub (ADH) is a project that allows customers to join their data with Google ads data derived from multiple sources (currently Doubleclick, AdWords GDN, YouTube Viral, and XFP/YouTube reserve logs, and match tables between external customer IDs and Biscotti IDs, external customer IDs and GAIA IDs, and device IDs). This functionality is intended to be a replacement for third party reporting and attribution use cases that utilize pixels (e.g. DMPs, ad servers, research vendors), as well as providing information on mobile app impressions that is not currently available.

The data is imported into BigQuery and made available for advertisers, agencies, and ad tech vendors to query using SQL, with aggregation and other privacy checks imposed on the final results (see <a href="mailto:google-bhase-1">google-bhase-1</a> for an outline). These checks protect the end user's privacy, leakage of Google's business data, and leakage of the customers' business data.

An overarching objective of ADH is to provide access to all ads data available within Google that can be done so while maintaining the privacy and business protection requirements. One source of data that has been requested by many customers is search ads data. However, as search ads data has additional sensitivity both for privacy and Google business data leakage, we did not add it along with the other, less-sensitive data sources.

In 2017 Q3, ADH received executive permission from the search team to create a pilot that would import search ads clicks for a single customer into ADH; if the pilot could prove usable while maintaining privacy and data leakage protections, we could then proceed with the project of making search ads data more generally available in ADH.

Ex. No. PXR0230 1:20-cs-03010-APM 1:20-cs-03715-APM

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GOOG-DOJ-33847929

# Search Ads Click Data in Ads Data Hub

last update: 2018-06-01, first proposed: 2017-10-11 by: Monica McArthur ( @google.com)

status: Approved

canonical link: go/adh-search-clicks

yes, this seems to be providing more data than we usually do. for example, we currently don't report position data to advertisers (we only report slot and avg. position). we also don't provide query\_id, os, device height or width, user\_id. i don't understand what advertisers would do with this data that would be beneficial for our users or Google, nor do I think that it is necessary for them to run their business.

I agree that with a lot more granularity of data, we run the risk of advertisers cherry picking or attempting to game our auction in other ways. It also makes it harder for us to pursue our pricing work, since advertisers can use this precise data to better understand the distribution and actively work against it.

However, I am not an expert on data sharing issues. + @google.com is the expert on what kind of data we can share, so it will be important for him to sign off on the fields and aggregation levels.

Chris Monkman, 11/13/2017 05:40 PM

PXR0230 at -929. -932.

# **Publisher Remedies**



# Google's Existing Opt-Out Options Are Inadequate



#### **NEW:** Aligned product recommendation

At the minimum, we should have our current product holding position be Option 2 - do what we say, say what we do, but carefully

- 1. Silently update, no public announcement
- Make it clear that no-snippet enables pubs to opt out of more than just display.
- 3. Do not say this opts them out of training, as we don't want to get into the details of distinction between Gemini training and SGE training, and KITE/MUM, etc.
- Recommend not saying this opts them out of grounding, as this is evolving into a space for monetization. Note:
  Post meeting, there might be flexibility here.
- Instead lean into something closer to saying it opts them out display that includes corroboration, and will also opt them out of having snippets shown for blue links.

If aligned, as a next step, we will work on actual language and get this out before I/O

HIGHLY CONFIDENTIAL GOOG-DOJ-33825290

PXR0026 at -290. 56



## **Publishers Want Control Over Their Content**



HIGHLY CONF

#### 4. Large publisher concerns are:

- "I don't want you to train on my valuable content w/out my permission and/or offering me \$"
- "I don't like that SGE will summarise my content and impact my traffic"
- "I want control over how Search displays my content"

<u>NYT letter</u>: "We understand [...] that if a publisher wants to opt-out of SGEs they would have to opt-out of all rich results or snippets. This presents an impossible choice for publishers, as opting out of snippets and rich results would have a detrimental impact on overall search visibility.

Ad Week article: "Google's Gen Al Search Threatens Publishers With \$2B Annual Ad Revenue Loss"

4. Publishers are not happy, with the current state of opt-outs for SGE, and impacting snippets and ranking is considered a forced choice

PXR0026 at -303–304. 57

# Self-Preferencing



# Self-Preferencing: Section V.B.

"Google must not use its ownership and control of Android, or any other Google product or service to:"

Play Store

Circle to Search

Search Access Points

On Device Al

Grounding

Pls. RPFJ § V.B.

# **Investment Notification**

# Anticircumvention



## **Remedies Must Prevent Circumvention**



Tasneem Chipty, Ph.D.

Plaintiffs' Expert
Founder & Managing Principal
Chipty Economics, LLC

"And I would expect that in the future when the remedies are adopted, whatever they might be, I would expect that Google look for alternative ways to protect its lucrative general search monopoly."



# Google Has Incentive To "Work Around The Remedy"



Gabriel Weinberg

Founder & CEO **DuckDuckGo** 

"Because as soon as you have the remedies, now Google has so much incentive and, for all practical purposes, **infinite resources to try to work around the remedy** and that's what we have been seeing in Europe."

# Conclusion



## **Doing Too Little Preserves The Status Quo**



# Tasneem Chipty, Ph.D.

Plaintiffs' Expert
Founder & Managing Principal
Chipty Economics, LLC

- Q. You were asked about the risks of doing too much in a remedy. Can you opine for a moment about what the risks of doing too little might be?
- **A.** I think that's obvious. Risks of doing too little would **preserve the status quo** and allow a dominant firm to continue to benefit from its past conduct and potentially further that into the future.

# "Google is a monopolist, and it has acted as one to maintain its monopoly."

August 5, 2024 Memorandum Opinion at 4.