

Sent: Fri, 21 Aug 2020 10:11:55 +0000
Subject: Redacted 2020/08/21
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Patrick Chang

08/21/2020 10:11:55 AM

Meeting with Jay Kim unfortunately did not go well. It looks like we will need all the help we can get as they are sticking to the Google terms pretty hard. _ Google Original stance: the results of search or finding contents will be the same as those when the user activate "Airplane" mode. No connection to the internet or servers. No connected search, not just web search. _ Google is afraid of Samsung creating an Apple Spotlight type of search, Vertical Search will cannibalize Google's main business. According to Jay and his team, Netflix/Spotify, Galaxy Store and Branch will be impacted by this Google RSA amendment. Jay's team said they had tried to carve it out but Google has a strong stance on this. Google wants this to be retroactive meaning that it will also impact devices already shipped with services and solutions already launched Jay's team pointed out details which will be risky items to negotiate with Google are all the features Branch will enable in this enhanced App Search. This is probably Google being aware of Branch as you mentioned on their call and attempting to kill all of Branch's attempts. 1. Zero state Enhancement (to-be, Page 16) 2. App ShortCut (to-be) including personalized app short cuts 3. Sponsored Results (page 19) including app install suggestions In conclusion, Google is trying to cut all of Samsung's search efforts and Jay Kim and team's conclusion is that they are going to accept these terms. We've hit a brick wall in terms of how we can nudge Jay Kim. Dipesh in India also spoke to Jay Kim a couple weeks ago and stressed the importance of Branch for India We have been working on the presentation with Dave McDowell's team that he is going to present to Wonjin next Wednesday. We are hoping Wonjin will also fight this. But besides that we have no more bullets to use.

David Eun

08/21/2020 12:19:33 PM

Like Apple Spotlight? So how does Apple get billions in search rev share and can create this experience for their users, but we can't? Clearly this is a case where our side can't risk not taking the money. We can't really blame Jay and team. Why would they turn down Redacted a year today with Google for Redacted with branch? They aren't thinking about longer term strategy and insuring that we have some functionality outside of Google, in addition to optimizing the user experience. Let's see what Won-Jin and team have to say, but Google is clearly buying it's way to squelch competitors.

David Eun

08/21/2020 12:21:02 PM

Sorry to hear this. Outside of a potential antitrust action, I don't see Samsung being able to refuse the money...

David Eun

08/21/2020 12:21:50 PM

Branch will have better luck with other OEMs who don't receive rev share from Google.

David Eun

08/21/2020 12:23:59 PM

Anything else for us to do here? I don't think this is a decision that Patrick is making. This is the Mobile leadership taking the money in a time where every other service is a costand HW sales are increasingly challenged.

David Eun

08/21/2020 12:25:38 PM

As a result, I don't think this is something that you or we could have changed, given Google's ultimate stance...

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David Eun

08/21/2020 12:26:00 PM

Plmk if you want to discuss.

Patrick Chang

08/21/2020 02:22:25 PM

Re apple spotlight - I believe they can do it solely because they're apple and they have more leverage than Samsung. Branch's enhance search brings us on par with spotlight. Spotlight is an amazing functionality. I use it probably 10x or more a day vs finder no more than once a day. Understood that Samsung can not risk Redacted a year from Google. However, the argument here is Samsung to kill all search functionalities and product, from Bixby search, all partners in finder to Samsung ad products. I believe our current next steps is to complete this presentation for Dave to present to wonjin. Wonjin has Soon (former vd partnerships guy) handling his asks for the Google agreement. It would be helpful if Patrick Chomet has a clear understanding of the situation or who in mobile leadership is deciding to allow Google to buy their way into control and position Samsung as solely a hardware manufacturer. This agreement dramatically impacts software services. Other next steps for me is to see what kind of loopholes on the product wise can we do to circumvent such as asynchronous download results. Branch sdk technically does not need to ping servers every time a search is made. However, Googles agreement is clearly stating that no connected search. Branch is integrated in almost every other oems (c brands and Motorola) but at the end of the day, in the US and most markets it's really a two way battle between Apple and Samsung.

David Eun

08/21/2020 02:31:28 PM

I'm sure Patrick "gets it", but I'm happy to send him email summarizing our pov...

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