

1 Evan R. Chesler (Bar No. N/A)  
 echesler@cravath.com  
 2 Keith R. Hummel (*pro hac vice forthcoming*)  
 khummel@cravath.com  
 3 Yonatan Even (*pro hac vice forthcoming*)  
 yeven@cravath.com  
 4 Lauren Rosenberg (*pro hac vice forthcoming*)  
 lrosenberg@cravath.com  
 5 **CRAVATH, SWAINE & MOORE LLP**  
 825 Eighth Avenue  
 6 New York, New York 10019  
 Telephone: (212) 474-1000  
 7 Facsimile: (212) 474-3700

8 *Attorneys for Plaintiff Unlockd Media, Inc. Liquidation Trust*

9  
 10 **UNITED STATES DISTRICT COURT**  
 11 **NORTHERN DISTRICT OF CALIFORNIA**

12  
 13 UNLOCKD MEDIA, INC.  
 14 LIQUIDATION TRUST, by and  
 through its duly appointed trustee,  
 15 Peter S. Kaufman,

16 Plaintiff,

17 v.

18 GOOGLE LLC; GOOGLE IRELAND  
 19 LIMITED; GOOGLE COMMERCE  
 20 LIMITED; GOOGLE ASIA PACIFIC  
 21 PTE. LIMITED; and ALPHABET  
 INC.,

22 Defendants.

Case No. 21-cv-07250

23  
 24  
 25  
 26  
 27  
 28 **COMPLAINT**  
**WITH JURY TRIAL DEMAND**

**TABLE OF CONTENTS**

1

2 INTRODUCTION ..... 1

3 PARTIES..... 5

4 JURISDICTION AND VENUE..... 9

5 INTRADISTRICT ASSIGNMENT ..... 10

6 FACTUAL ALLEGATIONS..... 10

7 I. Background..... 10

8 A. Digital Advertising and the Importance of Consumer Data ..... 11

9 B. Direct Advertising, Indirect Advertising, and Ad Intermediation ..... 12

10 C. Smartphones and Mobile App Distribution ..... 14

11 II. The Unlockd Story..... 15

12 A. Unlockd Invents a New Mobile Advertising and Content Platform

13 That Benefits Consumers, Advertisers, and Partners ..... 15

14 B. Unlockd Launches Its First Major Commercial Partnerships with

15 Telecommunications Companies Sprint and Tesco Mobile, with

16 Google’s Approval..... 20

17 C. Unlockd Expands Its Business ..... 23

18 D. Google Confirms Unlockd’s Compliance with Google Policy ..... 25

19 E. Unlockd Further Grows Its Business, Increasingly Competes with

20 Google, and Plans Its IPO ..... 27

21 F. Google Abruptly Backtracks on Its Previous Validation of Unlockd’s

22 Policy Compliance..... 32

23 G. Unlockd Successfully Appeals Google’s Policy Violation Report ..... 36

24 H. Unlockd Nears an Initial Public Offering..... 37

25 I. Google Reverses Course Again and Wrongfully Eliminates Unlockd

26 as a Competitor..... 38

27 J. Unlockd Is Forced To Shutter Its Business and Enter Insolvency

28 Proceedings..... 43

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

K. Having Eliminated Unlocked as a Competitor, Google Invests in and Partners with Another Company with a Similar Business Model ..... 46

III. Google’s Market Power in the Digital Advertising Market ..... 48

A. Product Market ..... 48

B. Geographic Market ..... 50

C. Google’s Dangerous Probability of Achieving Monopoly Power in the Digital Advertising Market ..... 50

IV. Anticompetitive Conduct ..... 54

V. Anticompetitive Effects ..... 55

VI. Antitrust Injury ..... 56

VII. Effects on Domestic Commerce..... 58

COUNT 1: Sherman Act § 2..... 62

PRAYER FOR RELIEF..... 63

JURY TRIAL DEMAND ..... 63

GLOSSARY ..... 64

1 Plaintiff Unlockd Media, Inc. Liquidation Trust (“Plaintiff”, and together  
2 with non-parties Unlockd Limited, Unlockd Media, Inc., Unlockd Operations U.S., Inc.,  
3 and their subsidiaries, “Unlockd”), by its undersigned counsel, brings this action against  
4 Defendants Google LLC, Google Ireland Ltd, Google Commerce Ltd, Google Asia  
5 Pacific Pte Ltd, and Alphabet Inc. (collectively, “Defendants” or “Google”) and allege,  
6 with knowledge with respect to their own acts and on information and belief as to other  
7 matters, as follows:

### 8 **INTRODUCTION**

9 1. Twenty years ago, Google touted itself as an idealistic startup that  
10 wanted to revolutionize the way people connect with information. In Google’s telling, it  
11 was on a mission to organize the world’s online information to make it universally  
12 accessible and useful to anyone with an internet connection. To generate revenue,  
13 Google would deliver relevant, cost-effective digital advertising that could be targeted  
14 based on individualized consumer data. By leveraging data to connect the right ads with  
15 the right consumers at the right time, Google claimed, it could help advertisers to finely  
16 target their audiences in ways that were not available with traditional media. In  
17 conducting business, Google committed to “make the world a better place” and adopted  
18 “don’t be evil” as its official motto.

19 2. Decades later, Google has become a giant in digital advertising. Last  
20 year, its advertising revenue reached nearly \$147 billion, comprising about 80% of the  
21 company’s total revenue. No other company comes close. Google is no longer the  
22 idealistic startup it once claimed to be. It has acquired monopoly power in multiple  
23 digital markets, in areas ranging from online search engines to mobile application  
24 (“app”)<sup>1</sup> distribution, and it uses its monopoly power to strengthen its dominance and  
25 exclude its competitors, always keeping in mind its core profit driver: digital  
26 advertising. Google’s history affirms the adage that absolute power corrupts absolutely.  
27

28 

---

<sup>1</sup> A glossary is available at the end of this Complaint.

1           3.       This particular case is about Google’s abuse of its control over the  
2 Android smartphone ecosystem to drive an upstart competitor in the digital advertising  
3 market—Unlockd—out of business. Google’s plan worked perfectly. By first allowing  
4 Unlockd to build its business in reliance on two crucial Google platforms—Google Play  
5 Store and Google AdMob—and then banning Unlockd from those same platforms once  
6 it got big enough to challenge Google in the digital advertising market, Google  
7 successfully eliminated Unlockd. Unlockd was forced into bankruptcy as a direct result  
8 of Google’s anticompetitive acts.

9           4.       Until its bankruptcy, Unlockd was a global technology startup with  
10 an innovative vision. Unlockd identified an untapped “attention opportunity”  
11 immediately following the unlocking of a smartphone, a user’s most engaged moment,  
12 and created a proprietary technology to monetize that opportunity in a way that rewards  
13 users for their attention. Research showed that Android smartphone users unlock their  
14 devices 76 times per day on average, making monetization of the unlock screen an  
15 enormous opportunity. With Unlockd’s technology, users opted in to receive full-screen  
16 mobile ads or content upon unlocking their Android smartphones, and in exchange, they  
17 received virtual “points” that they could redeem for rewards such as mobile credit,  
18 subsidized streaming services, additional loyalty points, or in-app benefits like extra  
19 lives in mobile games. Unlike Google—which keeps its advertising revenue for itself—  
20 Unlockd’s business model included sharing its advertising revenue with its end-users.  
21 Unlockd expected to pay users over \$500 million in rewards by 2025.

22           5.       By identifying the unique attention opportunity presented when a  
23 phone is being unlocked, and by identifying users who explicitly agreed to accept  
24 advertisements when unlocking their phones, Unlockd was able to offer a valuable  
25 opportunity for advertisers, at the same time that it benefited users. *First*, advertisers  
26 received first access to consumers at their most engaged moment, leading to significant  
27 improvements in user engagement compared to similar forms of advertising. In effect,  
28 Unlockd had the best real estate in town. *Second*, Unlockd was able to hyper-target its

1 advertising based on the large amounts of data voluntarily provided by its users—about  
2 750 million daily data points, including the user’s location each time they unlocked their  
3 phone. This trove of data allowed Unlockd to match the right ads to the right consumers  
4 at the right time. Together, these two features gave Unlockd a major advantage over  
5 existing forms of advertising, such as Google’s search advertising.

6           6. To distribute its apps to users and source advertisements to display,  
7 Unlockd relied on two critical Google services: the Google Play Store and Google  
8 AdMob. Unlockd relied on the Google Play Store, which Google describes as the  
9 “official” Android app store and accounts for over 90% of app downloads through  
10 Android app stores, for app distribution and upgrades. Unlockd distributed all of its  
11 apps to users through the Google Play Store and could not realistically distribute its  
12 apps to users in any other way. Unlockd relied on Google AdMob, which is Google’s  
13 mobile advertising network, to connect Unlockd with advertisers who wanted to buy its  
14 ad space. AdMob is by far the most dominant ad network in the world, especially in the  
15 United States and other predominantly English-speaking countries. Google boasts that  
16 “81% of the Android top 1000 use AdMob” and that “97% of the AdAge 100 world’s  
17 largest advertisers buy ads on AdMob.” Unlockd depended on AdMob to source  
18 advertisements to display to users when they unlock their phones. Although Unlockd  
19 was building its own increasingly competitive advertising business that did not use an  
20 intermediary like AdMob—and intended to eventually build its own ad network that  
21 could replace AdMob—Unlockd had not yet achieved the scale necessary to completely  
22 cut out advertising intermediaries like Google. AdMob sales therefore accounted for  
23 approximately 80% of Unlockd’s revenue.

24           7. In addition to being Google’s customer, Unlockd also competed with  
25 Google in the digital advertising market. Unlockd’s innovative form of first-access,  
26 hyper-targeted advertising—which rewarded users and offered advertisers an impressive  
27 return on investment—was a threat to Google’s own digital advertising business. By  
28 rewarding users and delivering them ads only after they affirmatively opt in to receive

1 them, Unlockd posed a threat to Google’s unrewarded, opt-out business model. And by  
2 delivering ads to users right as they unlock their phones, Unlockd could reach users at  
3 their most engaged moment, before any other publisher, and therefore could offer  
4 advertisers highly attractive real estate compared to other publishers like Google.  
5 Combined with its powerful hyper-targeting capabilities, Unlockd’s premium real estate  
6 and engaged user base provided exceptional value to advertisers.

7           8. For most of its existence, Unlockd was small enough that Google did  
8 not perceive it as a threat. That changed in the fall of 2017, when rumors started  
9 circulating that Unlockd was planning an initial public offering (“IPO”) on the  
10 Australian Stock Exchange. Soon after the press started reporting on Unlockd’s  
11 upcoming IPO, Google informed Unlockd that Google would be terminating Unlockd’s  
12 apps from the Google Play Store and AdMob due to alleged violations of Google Play  
13 and AdMob policy, even though Google had previously confirmed Unlockd’s  
14 compliance with Google policy. Unlockd explained why its apps were compliant and  
15 benefited all stakeholders, but Google gave Unlockd the run-around, was steadfast in its  
16 position, and refused all attempts to arrive at a mutually acceptable solution. Google  
17 then unilaterally banned Unlockd from the Google Play Store and AdMob without just  
18 cause, cutting off these critical channels for Unlockd to distribute its apps to users and  
19 source advertisements to display to users when they unlock their phones.

20           9. Without access to these two critical platforms, Unlockd was doomed.  
21 Without the Google Play Store, Unlockd could not realistically distribute its apps to  
22 users or ensure that users have up-to-date versions. Without AdMob, Unlockd stood to  
23 lose its most important revenue source. Thus, rather than complete a successful IPO,  
24 Unlockd’s capital dried up, its partners severed their ties with the company, and the  
25 young company was ultimately forced into insolvency proceedings around the world,  
26 including in the United States.

27           10. Although Unlockd immediately suspected anticompetitive motives  
28 on the part of Google, the full import of Google’s anticompetitive conduct was only

1 recently revealed, after Google made a substantial strategic investment in another  
2 technology startup, “Glance”, that operates in the same manner and in the same ad tech  
3 space that Unlockd did, delivering advertisements and sponsored content to Android  
4 smartphone users before or upon unlocking their devices. Public reporting indicates that  
5 Google is now partnering with Glance to bring this business to the United States, where  
6 they will work with exactly the same types of companies that Unlockd had previously  
7 worked with, underscoring the pretextual nature of Google’s objections to Unlockd’s  
8 technology and business model. By eliminating Unlockd from the scene, Google had  
9 positioned itself to invest in and partner with a company that does nearly the exact same  
10 thing as Unlockd, without Unlockd standing in the way. So much for “don’t be evil.”

11 11. Google’s anticompetitive conduct violates federal antitrust law.  
12 Google has a dangerous probability of achieving monopoly power in the Digital  
13 Advertising Market, as defined herein, and excluded Unlockd from that market with the  
14 specific intent to destroy competition. In banning Unlockd from the Google Play Store  
15 and AdMob, Google unilaterally terminated a voluntary and profitable course of dealing  
16 that had benefited both parties. The only conceivable purpose for that sacrifice of short-  
17 term benefits was to obtain higher profits in the long run by excluding Unlockd as a  
18 competitor in the Digital Advertising Market. Meanwhile, Google has continued to do  
19 business with similarly situated companies that pose a lesser competitive threat.  
20 Unlockd seeks damages for the injuries it suffered at Google’s hand.

**PARTIES**

22 12. Plaintiff Unlockd Media, Inc. Liquidation Trust (the “Trust”) is a  
23 New York trust established pursuant to the liquidation trust agreement dated August 4,  
24 2021, entered into by and among Peter S. Kaufman and the bankruptcy estates of  
25 Unlockd Media, Inc. (“Unlockd Media”) and Unlockd Operations U.S., Inc. (“Unlockd  
26 Operations”), authorized by the United States Bankruptcy Court for the Southern  
27 District of New York’s Order Confirming the Fourth Amended Small Business Debtors’  
28 Combined Plan of Liquidation and Disclosure Statement (the “Plan”) in *In re Unlockd*



1 *Media, Inc.*, Case No. 18-13243 (JLG) (Bankr. S.D.N.Y.). Peter S. Kaufman is the  
2 trustee of the Trust, is the President of the investment bank Gordian Group LLC, and  
3 maintains his principal place of business in New York, New York.

4           13. Non-party Unlockd Media is a Delaware corporation with its  
5 principal place of business in New York, New York. Before filing for protection under  
6 Chapter 11 of the Bankruptcy Code, Unlockd Media was a wholly owned subsidiary of  
7 Unlockd Limited and carried out Unlockd’s U.S. business, for example as the  
8 counterparty to telecommunications company Sprint/United Management Company  
9 (“Sprint”) in Unlockd’s contract with Sprint. On October 26, 2018, Unlockd Media  
10 filed a petition for bankruptcy protection in the United States Bankruptcy Court for the  
11 Southern District of New York.

12           14. Non-party Unlockd Operations is a Delaware corporation with its  
13 principal place of business in New York, New York. Before filing for protection under  
14 Chapter 11 of the Bankruptcy Code, Unlockd Operations was a wholly owned  
15 subsidiary of Unlockd Limited and assisted in carrying out Unlockd’s U.S. business, for  
16 example as party to the lease agreement for Unlockd’s U.S. office space and to various  
17 other operations-related agreements. On October 26, 2018, Unlockd Operations filed a  
18 petition for bankruptcy protection in the United States Bankruptcy Court for the  
19 Southern District of New York.

20           15. On February 23, 2021, the United States Bankruptcy Court for the  
21 Southern District of New York confirmed the Plan and ordered that Unlockd Media and  
22 Unlockd Operations be substantively consolidated for all purposes. On August 5, 2021,  
23 pursuant to the Plan, Unlockd Media and Unlockd Operations irrevocably transferred,  
24 assigned, and delivered all the assets of their estates, including but not limited to any  
25 and all claims they have on behalf of themselves and/or their affiliates against Google  
26 LLC and any of its parents and/or affiliates, to the Trust.

27           16. Non-party Unlockd Limited is an Australian limited company with  
28 its principal place of business in Melbourne, Australia. Before filing for protection

1 under Chapter 11 of the Bankruptcy Code in the United States, Unlockd Media and  
2 Unlockd Operations were wholly owned subsidiaries of Unlockd Limited. Unlockd  
3 Limited was also the ultimate parent company to Unlockd’s non-U.S. subsidiaries. On  
4 June 12, 2018, Unlockd Limited entered “administration” in Australia, which is a  
5 reorganization-type insolvency proceeding similar to bankruptcy under Chapter 11 of  
6 the United States Bankruptcy Code. Unlockd Limited’s administration was  
7 subsequently converted into a liquidation, which is similar to bankruptcy under Chapter  
8 7 of the United States Bankruptcy Code. Unlockd Limited’s liquidators agreed to  
9 assign to the Trust all claims against Defendants arising under the laws of the United  
10 States, the District of Columbia, or any U.S. state or territory owned by Unlockd  
11 Limited and/or its estate on behalf of itself and/or its affiliates.

12           17. In this Complaint, Plaintiff uses the term “Unlockd” to include  
13 Unlockd Limited, Unlockd Media, Unlockd Operations, and/or Unlockd Limited’s non-  
14 U.S. subsidiaries if the context so requires. During all relevant times, Unlockd Limited  
15 and its subsidiaries acted as a single enterprise, with Unlockd Limited exercising  
16 continuing supervision, control, and intervention over and in its subsidiaries’ affairs.

17           18. Defendant Google LLC is a Delaware limited liability company with  
18 its principal place of business in Mountain View, California. Defendant Google LLC is  
19 a wholly owned and controlled subsidiary of XXVI Holding Inc., which is a wholly  
20 owned and controlled subsidiary of Defendant Alphabet. Google LLC is the alter ego  
21 and agent of Defendant Alphabet, and the companies regularly combine and comingle  
22 their operations. Google LLC was party to agreements governing distribution of the  
23 Boost Dealz app in the Google Play Store in the United States and governing Unlockd’s  
24 use of AdMob in the United States.

25           19. Defendant Google Ireland Ltd (“Google Ireland”) is an Ireland  
26 limited company with its principal place of business in Dublin, Ireland. Defendant  
27 Google Ireland is a wholly owned and controlled subsidiary of Defendant Google LLC.  
28 Google Ireland is the alter ego and agent of Defendants Google LLC and Alphabet, and

1 the companies regularly combine and comingle their operations. Google Ireland was  
2 party to an agreement governing Unlockd’s use of AdMob in the United Kingdom.

3 20. Google Commerce Ltd (“Google Commerce”) is an Ireland limited  
4 company with its principal place of business in Dublin, Ireland. Defendant Google  
5 Commerce is a wholly owned and controlled subsidiary of Defendant Google LLC.  
6 Google Commerce is the alter ego and agent of Defendants Google LLC and Alphabet,  
7 and the companies regularly combine and comingle their operations. Google  
8 Commerce was party to an agreement governing Unlockd’s use of the Google Play  
9 Store in the United Kingdom.

10 21. Defendant Google Asia Pacific Pte Ltd (“Google Asia Pacific”) is a  
11 Singapore private limited company with its principal place of business in Singapore.  
12 Defendant Google Asia Pacific is a wholly owned and controlled subsidiary of  
13 Defendant Google LLC. Google Asia Pacific is the alter ego and agent of Defendants  
14 Google LLC and Alphabet, and the companies regularly combine and comingle their  
15 operations. Google Asia Pacific was party to agreements governing Unlockd’s use of  
16 the Google Play Store and AdMob in Australia.

17 22. Defendant Alphabet Inc. (“Alphabet”) is a Delaware corporation  
18 with its principal place of business in Mountain View, California. Defendant Alphabet  
19 wholly owns and controls Defendant Google LLC. Defendant Alphabet is the alter ego  
20 of Defendant Google LLC. Google LLC directs all profit to, and reports revenue  
21 through, Alphabet. Defendant Alphabet is one of the top ten largest companies in the  
22 United States, with more than \$162 billion in annual revenue. Alphabet, ranking 15th in  
23 the list of Fortune 500 companies, is traded on the NASDAQ under the symbol  
24 “GOOGL”.

25 23. All Defendants are engaged in substantial interstate and/or foreign  
26 commerce. Each Defendant deals with and earns revenue from publishers, advertisers,  
27 and/or mobile app developers throughout the United States and/or foreign nations.  
28

**JURISDICTION AND VENUE**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

24. This Court has subject-matter jurisdiction over Unlockd’s federal antitrust claims pursuant to 28 U.S.C. §§ 1331 and 1337.

25. This Court has personal jurisdiction over each and every Defendant. Google LLC and Alphabet are headquartered in this District. All Defendants have engaged in sufficient minimum contacts with the United States and have purposefully availed themselves of the benefits and protections of United States and California law, such that the exercise of jurisdiction over them would comport with due process requirements. Moreover, Google LLC, Google Ireland, Google Commerce, and Google Asia Pacific have consented to the exercise of personal jurisdiction by this Court in the Google Play Developer Distribution Agreement (the “DDA”), the Google AdSense Online Terms of Service (the “AdSense TOS”), or both.

26. Google LLC, Google Ireland, Google Commerce, and Google Asia Pacific are parties to the DDA. Section 16.8 of the DDA provides that the parties “agree to submit to the exclusive jurisdiction of the federal or state courts located within the county of Santa Clara, California to resolve any legal matter arising from or relating to this Agreement or Your relationship with Google under this Agreement”. Section 16.8 further provides that “[a]ll claims arising out of or relating to this Agreement or Your relationship with Google under this Agreement will be governed by the laws of the State of California, excluding California’s conflict of laws provisions.” The claims addressed in this Complaint relate to the DDA or to Unlockd and its partners’ relationship with Google under the DDA, or in the alternative such claims arise out of the same nucleus of operative facts as other claims as to which the Court may exercise personal jurisdiction over each Defendant, so that the exercise of pendent personal jurisdiction would be proper.

27. Google LLC is party to the AdSense TOS. Section 15 of the AdSense TOS provides that “[a]ll claims arising out of or relating to this Agreement or the Services . . . will be litigated exclusively in the federal or state courts of Santa Clara

1 County, and you and Google consent to personal jurisdiction in those courts.” Section 1  
 2 defines “Services” as Google’s “search and advertising services”. Section 15 further  
 3 provides that “[a]ll claims arising out of or relating to this Agreement or the Services  
 4 will be governed by California law, excluding California’s conflict of laws rules.” The  
 5 claims addressed in this Complaint relate to the AdSense TOS or to the Services, or in  
 6 the alternative such claims arise out of the same nucleus of operative facts as other  
 7 claims as to which the Court may exercise personal jurisdiction over each Defendant, so  
 8 that the exercise of pendent personal jurisdiction would be proper.

9           28. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)  
 10 because Google LLC and Alphabet maintain their principal places of business in the  
 11 State of California and in this District, because a substantial part of the events or  
 12 omissions giving rise to Unlockd’s claims occurred in this District, and because,  
 13 pursuant to 28 U.S.C. § 1391(c)(3), any Defendants not resident in the United States  
 14 may be sued in any judicial district and their joinder with others shall be disregarded in  
 15 determining proper venue. In the alternative, personal jurisdiction and venue also may  
 16 be deemed proper under Section 12 of the Clayton Antitrust Act, 15 U.S.C. § 22,  
 17 because Defendants may be found in or transact business in this District.

18           29. Defendants’ acts were within the flow of, were intended to have, and  
 19 did, in fact, have a substantial effect on the interstate commerce of the United States.

### 20           **INTRADISTRICT ASSIGNMENT**

21           30. Pursuant to Civil Local Rule 3-2(c), this antitrust case shall not be  
 22 assigned to a particular Division of this District, but shall be assigned on a District-wide  
 23 basis.

### 24           **FACTUAL ALLEGATIONS**

#### 25           **I. Background**

26           31. Before being bankrupted by Google, Unlockd had operated in the  
 27 Digital Advertising Market, as defined herein, delivering digital advertisements to  
 28 Android smartphone users in exchange for payments from advertisers. To operate in

1 this market, Unlockd relied on Google as a supplier of distribution and intermediation  
2 services to distribute Unlockd's apps to users and source advertisements to serve to  
3 users when they unlocked their smartphones. Unlockd had a novel and exciting  
4 business model, was growing, and had a bright future. Then Google's anticompetitive  
5 behavior ended it all.

6 32. To explain the Unlockd story, some background on digital  
7 advertising and the distribution of mobile apps is necessary.

8 **A. Digital Advertising and the Importance of Consumer Data**

9 33. Before the internet, companies who wanted to advertise did so  
10 largely through print, radio, and television. Advertisers who used such traditional media  
11 could do relatively little to target their audiences based on their traits and interests,  
12 however, as every reader, listener, or viewer of a particular publication was treated the  
13 same. At best, an advertiser could target its audience by choosing to advertise in certain  
14 publications based on generalized expectations about the publication's likely audience.  
15 Advertisers could not identify the particular consumer viewing the advertisement and  
16 tailor its advertising to that particular consumer.

17 34. The internet changed all that. Today, billions of people around the  
18 world use the internet to do everything from shopping for clothes to watching movies to  
19 playing games to staying in touch with friends. Meanwhile, companies like Google can  
20 obtain data about specific consumers' behavior and use the information they collect to  
21 help advertisers target the right ads to the right consumers at the right time.

22 35. Digital advertising is advertising delivered to consumers via the  
23 internet through their computers, smartphones, or other digital devices. Digital  
24 advertising formats enable advertisers to target their audiences by using information  
25 from the search term entered, by using consumer data to identify the likely  
26 characteristics of a viewer, or both—a key factor that distinguishes digital advertising  
27 from print and other traditional media advertising. The ability to hyper-target  
28 consumers gives digital advertising a unique role in the broader advertising landscape.

1           36. In digital advertising markets, “publishers” (*e.g.*, website and mobile  
2 application owners) sell their advertising “inventory” (*e.g.*, space on websites or in  
3 apps) to advertisers. Advertisers pay publishers for performance, usually based on the  
4 number of times a user views or clicks on the ad.

5           37. For either performance metric, consumer data is critical to both the  
6 advertiser’s ability to target its audiences and the publisher’s ability to maximize its  
7 profits. For inventory sold on a per-view basis, a view is more valuable to the advertiser  
8 when the advertiser has more information about the consumer viewing the ad. The  
9 more data the advertiser has, the more the advertiser can target the consumers it wants  
10 to reach. As a result, publishers with more consumer data to offer advertisers can  
11 charge more for their inventory. Meanwhile, for inventory sold on a per-click basis, a  
12 publisher can sell more inventory when it can convert more user views into user clicks.  
13 Publishers have a finite amount of inventory to sell, so the more often a user clicks on  
14 an ad, the more the publisher gets paid. The value of the publisher’s inventory increases  
15 when the publisher has more consumer data to offer advertisers because more consumer  
16 data allows the publisher to increase the likelihood that the consumer clicks on the ad.

17           **B. Direct Advertising, Indirect Advertising, and Ad Intermediation**

18           38. Publishers and advertisers can deal with each other directly or  
19 indirectly.

20           39. In a “direct” deal, the publisher sells its inventory directly to the  
21 brand or advertising agency. For example, an advertiser might contract directly with an  
22 online newspaper to put a banner ad on the newspaper’s website, or an advertiser might  
23 contract directly with Google to place a search ad on Google’s search engine. In the  
24 early days of digital advertising, essentially all deals were direct.

25           40. In an “indirect” deal, the publisher sells its inventory to the  
26 advertiser indirectly through an intermediary. With the growth of the internet in the  
27 1990s, direct digital advertising deals became cost prohibitive for smaller publishers,  
28 and even for many larger publishers with leftover (or “remnant”) inventory. To provide

1 a cost-efficient means of matching publishers with advertisers, intermediaries popped up  
2 to intermediate publishers' sales of inventory to advertisers.

3 41. Important to this case is the intermediary who actually matches the  
4 publisher with the advertiser. In general, there are two types of intermediaries that  
5 perform this function: "ad networks" and "ad exchanges".

6 42. Ad networks, which are the older of the two types of intermediaries,  
7 are analogous to broker-dealers in financial markets; they buy inventory from publishers  
8 and sell it to advertisers just like a broker-dealer might buy stock from one customer and  
9 sell it to another. In intermediating these sales, the ad network takes a cut of the  
10 publisher's advertising revenue, similar to how a broker-dealer might take a commission  
11 or spread on an intermediated stock sale. Today, ad networks are often used by smaller  
12 publishers.

13 43. Ad exchanges perform a similar economic function to ad networks,  
14 but with somewhat different mechanics. While both ad networks and ad exchanges  
15 intermediate sales of advertising inventory, ad exchanges are auction-like platforms  
16 where advertisers bid to place advertisements with publishers, similar to stock  
17 exchanges in financial markets. Ad exchanges frequently cater to larger publishers.

18 44. In the mobile app world, a specialized set of ad networks and  
19 exchanges are available to help publishers to source demand for mobile app advertising  
20 inventory. Google is the dominant player in this space, especially in the United States,  
21 the United Kingdom, and Australia. The most dominant mobile ad network is Google's  
22 AdMob, while the most dominant mobile ad exchange is Google's Ad Exchange,  
23 formerly called "AdX". One public data source indicates that AdMob is installed in  
24 90% of Android apps that use ad network software development kits, making it the most  
25 popular installed ad network software development kit across Android apps worldwide,  
26 while another source indicates that AdMob is present in 54% of Android apps and 52%  
27 of installations on Android devices. Meanwhile, Google boasts that "81% of the  
28



1 Android top 1000 use AdMob” and that “97% of the AdAge 100 world’s largest  
2 advertisers buy ads on AdMob.”

### 3 **C. Smartphones and Mobile App Distribution**

4 45. The rise of smartphones created even more opportunities for targeted  
5 digital advertising. Smartphones are handheld, portable electronic devices that can  
6 connect wirelessly to the internet and are capable of multi-purpose computing functions,  
7 including, among other things, browsing the internet, using social media, streaming  
8 video, listening to music, or playing games. Users access these functions through  
9 mobile apps installed on their smartphones. Although some app developers charge  
10 users for buying the app or charge an ongoing subscription fee, many apps are free and  
11 instead generate money through sales of their ad space to advertisers, often indirectly  
12 via Google AdMob.

13 46. Like laptop and desktop personal computers, smartphones require an  
14 operating system or “OS” that enables multi-purpose computing functionality. Mobile  
15 apps are specific to a particular OS, such that an app that works with one OS will not  
16 work with another OS. For example, an app that works on smartphones using Apple’s  
17 iOS (*i.e.*, iPhones) will not work on smartphones that instead use the Android OS, and  
18 vice versa.

19 47. The Android OS, which Google develops and controls, is by far the  
20 most popular mobile OS in the world. As of December 2017, the Android OS was used  
21 on approximately 73.5% of smartphones globally, while Apple’s iOS was used on  
22 approximately 19.9% of devices and other OSs were used on approximately 6.6% of  
23 devices.

24 48. Although smartphone manufacturers sometimes pre-install apps,  
25 consumers usually want to obtain and install new mobile apps after purchasing their  
26 device. Currently, on Android devices, this is done most often through the Google Play  
27 Store, Google’s “app store”. The Google Play Store is a digital portal through which  
28 consumers can browse, search for, purchase (if necessary), and download apps. The

1 Google Play Store is by far the dominant app store, accounting for over 90% of app  
2 downloads through Android app stores. Indeed, Google advertises the Google Play  
3 Store as the “official” Android app store.

4 49. Although users can nominally download apps for their Android  
5 smartphones directly and through other app stores, Google has leveraged its control over  
6 the Android OS to make doing so unfeasible in practice. For example, Google ensures  
7 that the direct downloading process is technically complex, confusing, and threatening,  
8 filled with dire warnings that scare most consumers into abandoning the lengthy  
9 process. Moreover, as if this slog through warnings and threats were not enough to  
10 ensure the inferiority of direct downloading as a distribution method for Android apps,  
11 Google denies downloaded apps the permissions necessary to be seamlessly updated in  
12 the background—instead allowing such updates only for apps downloaded via the  
13 Google Play Store. The result is that consumers must manually approve every update of  
14 a directly downloaded app. Google has used its control of the Android OS to  
15 disadvantage other competing apps stores in similar and additional ways, such as by  
16 imposing similar security warnings, by similarly prohibiting automatic updating of apps  
17 downloaded through competing app stores, and by imposing contractual restrictions on  
18 smartphone manufacturers that give preferential treatment to the Google Play Store.

19 50. These Google-imposed restrictions help to ensure that app  
20 developers who make apps for the Android OS must as a practical matter rely on the  
21 Google Play Store to distribute their apps to Android users.

## 22 **II. The Unlockd Story**

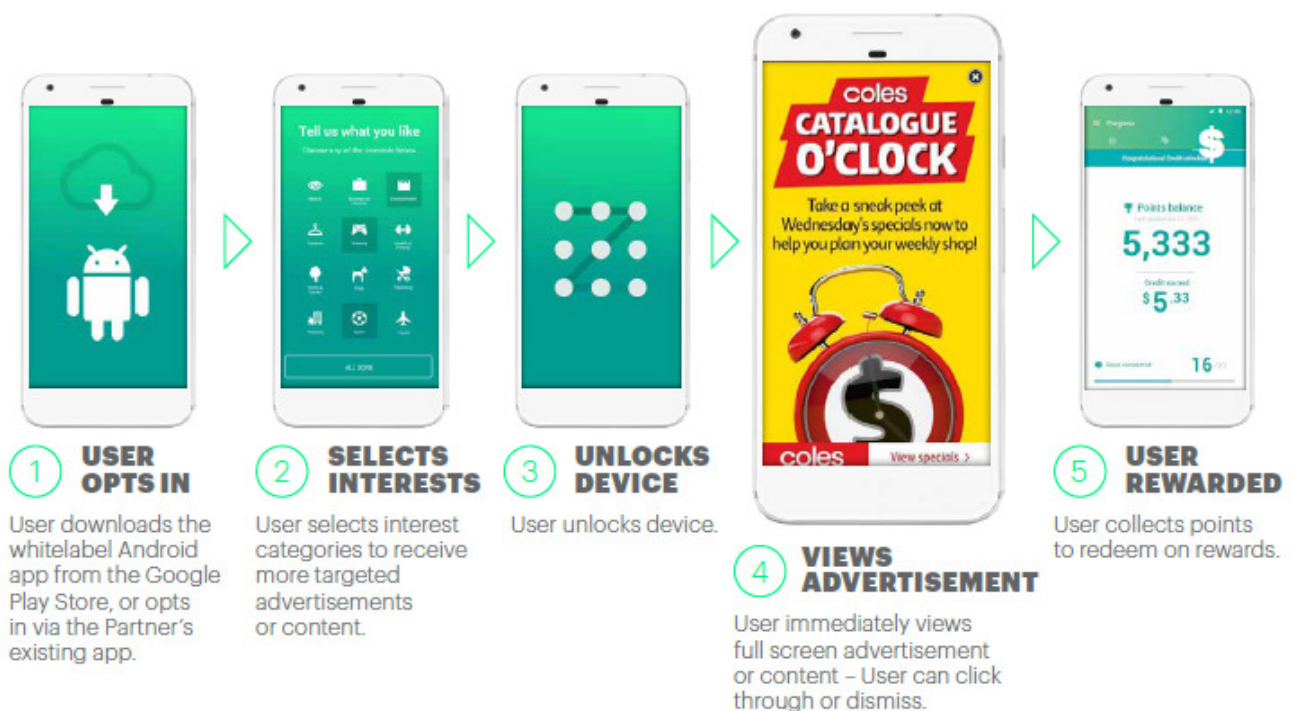
### 23 **A. Unlockd Invents a New Mobile Advertising and Content Platform 24 That Benefits Consumers, Advertisers, and Partners**

25 51. Matt Berriman, Craig Watt, and Chris Kerrisk cofounded Unlockd in  
26 Australia in June 2014. They saw an opportunity to create value for all stakeholders in  
27 the mobile advertising ecosystem, including consumers themselves.

28 52. Unlockd set out to create an attention-based mobile rewards platform  
centered around the “unlocking” of an Android smartphone. To keep their smartphones

1 secure, Android users often set up a security feature such as facial recognition or a  
 2 numeric passcode that must be entered before the user can access their device. Upon  
 3 “unlocking” their phones, users ordinarily go straight to the “home screen”, where they  
 4 can open any number of different apps, but Unlockd’s founders saw that as a missed  
 5 opportunity. Users are their most engaged with their devices when they first access  
 6 them, which was an opportunity to create value for both users and companies that want  
 7 to reach them.

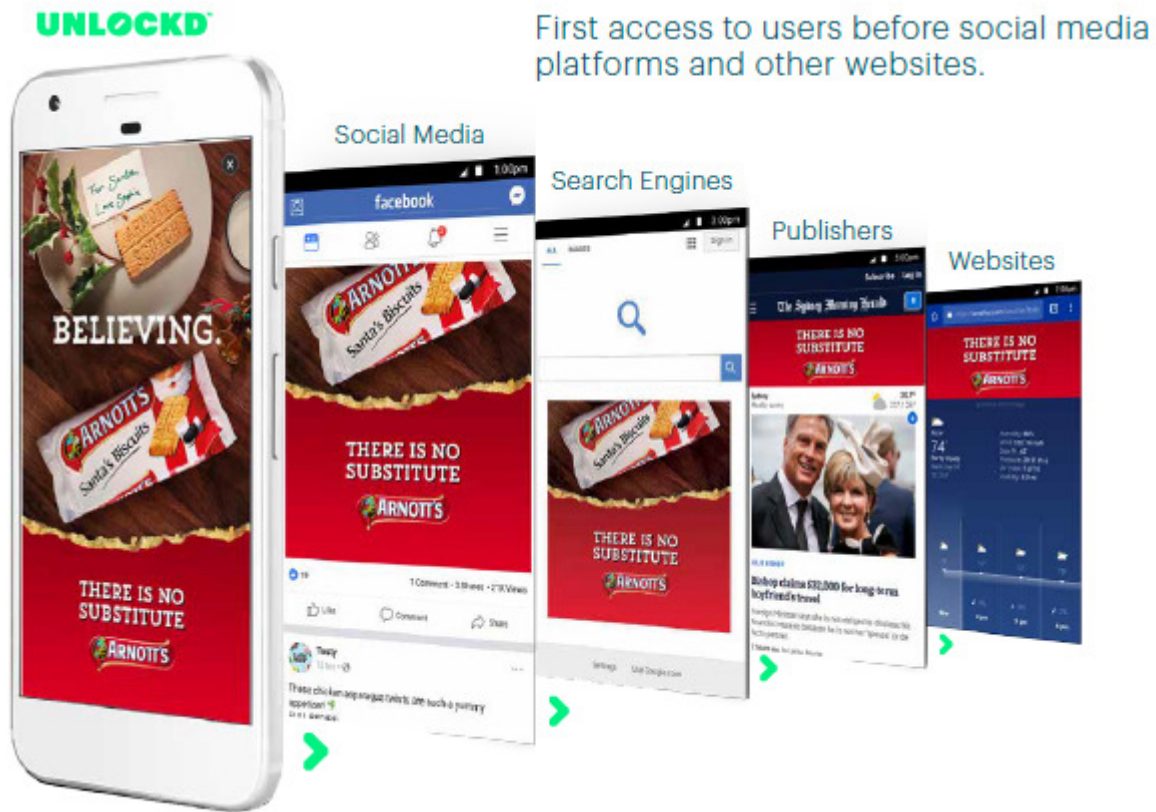
8 53. With that attention opportunity in mind, Unlockd developed a  
 9 technology platform that would be a “win-win-win” for users, advertisers, and partners  
 10 alike. Users would opt in to receive full-screen mobile ads or content when they unlock  
 11 their Android smartphones, and in exchange, they would receive a reward such as a  
 12 mobile credit, loyalty points, or subsidized streaming services. Advertisers would get  
 13 first access to users when they unlock their Android devices—a user’s most engaged  
 14 moment. Partners would get improved customer acquisition, retention, and  
 15 engagement, as well as a share of the advertising revenue. The following diagram, from  
 16 Unlockd’s draft IPO prospectus, explains the basic system:



1           54.    Unlockd developed its technology for use with Google’s Android  
2 OS, which had the biggest base of addressable users worldwide.

3           55.    Unlockd’s technology was innovative in several ways. To start,  
4 unlike most digital advertising, users had to affirmatively opt in to be served ads, and  
5 they received rewards in return for doing so. This user-first, opt-in model was a stark  
6 contrast to the more traditional business models of established players like Google, who  
7 make it difficult or impossible for users to opt-out of seeing ads and do not compensate  
8 users for agreeing to view ads. Unlockd shared the majority of its advertising revenue  
9 with users in the form of rewards, while Google generally does not pass along any  
10 advertising revenue to users. The possibility that Unlockd’s user-first, opt-in business  
11 model might become more popular created massive risks for Google, which could lose  
12 market share to publishers like Unlockd if consumers started expecting to be rewarded  
13 for agreeing to view ads.

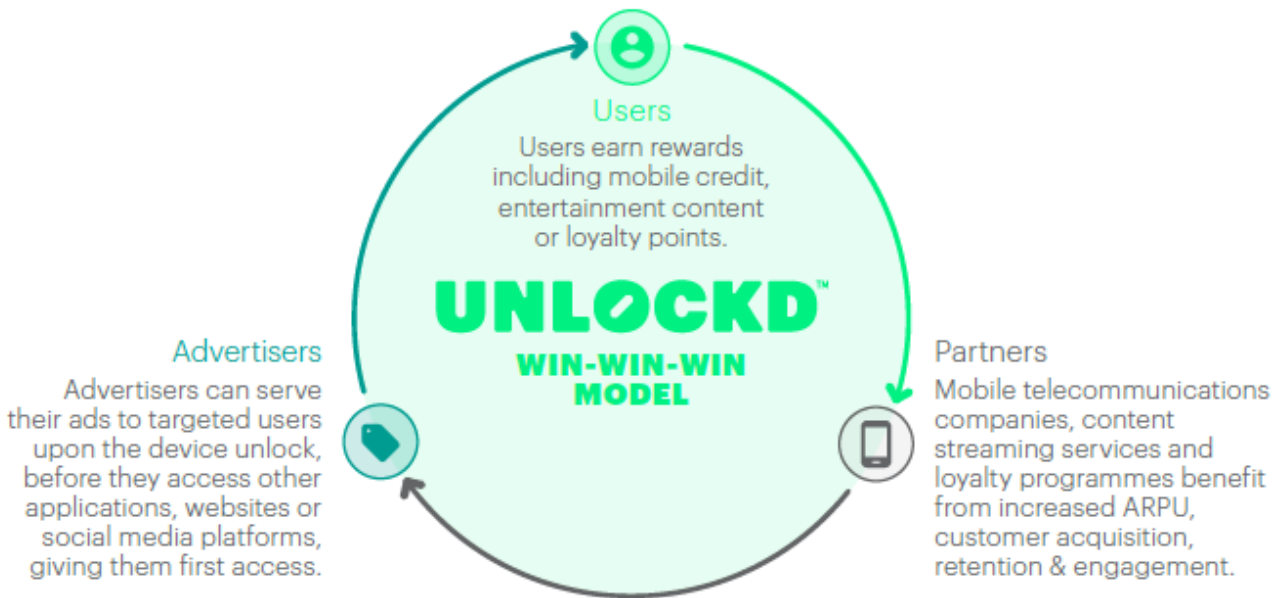
14           56.    Aside from its opt-in, rewarded nature, Unlockd’s platform was also  
15 unique because it reached users at the perfect time. Most mobile ads are delivered to  
16 users inside apps that users access from the home screen. Unlockd observed that users  
17 often find such ads annoying because the ads interrupt whatever the user is doing in the  
18 app, such as listening to music, watching a video, or playing a game. By delivering ads  
19 at the unlock event instead, Unlockd would catch users at a better time—before they  
20 become engaged in an app or other activity. This produced benefits not only for users,  
21 but also for advertisers. Because users are more engaged when they unlock their  
22 phones, advertisers would get more of the consumer attention they desire and therefore  
23 earn a better return on investment. The following diagram, also from Unlockd’s draft  
24 IPO prospectus, depicts the benefits of this first-access advertising model:



First access to users before social media platforms and other websites.

57. Finally, Unlockd provided a powerful customer acquisition and retention tool to Unlockd’s partners. Instead of marketing its products directly to consumers, Unlockd partnered with other companies that already have their own customer bases, starting with wireless carriers like Sprint. Although details would vary from deal to deal, the basic arrangement required Unlockd to provide the technology and run the ad operations, while the partner would recruit its customers to opt in to the Unlockd platform. In return for agreeing to view ads upon unlocking their smartphones, the customer would receive a discount on the partner’s product, such as mobile credit or data in the case of a wireless carrier. The ability to offer these discounts allowed partners to acquire and keep more customers by offering their products to consumers for less money.

58. The “win-win-win” nature of Unlockd’s business model is depicted in the following diagram from Unlockd’s draft IPO prospectus:



59. To turn this concept into reality, Unlockd started raising capital, developing software to implement its technology, and negotiating potential partnerships. Between June and November 2014, Unlockd raised approximately \$725,000 AUD in seed capital, which the company used to apply for patent protection of its proprietary technology. Between March and October 2015, Unlockd raised approximately \$8.25 million AUD in Series A capital, based on an implied pre-money valuation<sup>2</sup> of approximately \$35 million AUD, which the company used to further develop its technology and expand its business.

60. In October 2015, Unlockd launched its first beta test in Australia. This beta test, in partnership with telecommunications company Lebara Mobile, featured a “white-label” app,<sup>3</sup> developed by Unlockd and customized with Lebara’s branding, that Lebara’s customers could download from the Google Play Store. After downloading the app and agreeing to view ads upon unlocking their phones, users

<sup>2</sup> A pre-money valuation refers to a company’s valuation before an investment has been made. Unlockd’s Series A pre-money valuation is based on shares issued in October 2015.

<sup>3</sup>A white-label app is an app built by an app developer to be rebranded with another company’s branding.

1 would get discounts on their phone bills with Lebara. Google allowed the Lebara app to  
2 be distributed through the Google Play Store starting in October 2015.

3 61. This beta test was successful, and Unlockd’s first major commercial  
4 partnerships soon followed.

5 **B. Unlockd Launches Its First Major Commercial Partnerships with**  
6 **Telecommunications Companies Sprint and Tesco Mobile, with**  
7 **Google’s Approval**

8 62. In the fall of 2015, Unlockd inked a deal with U.S. telecom company  
9 Sprint to launch Unlockd’s first commercial product in the United States, the “Boost  
10 Dealz” app. Similar to the Lebara app, Unlockd would provide a white-label app,  
11 customized with Sprint’s branding, for customers of Sprint’s “Boost Mobile” brand. In  
12 its agreement with Sprint, Unlockd agreed to provide the app and run the ad operations,  
13 while Sprint would recruit its Boost Mobile customers to use the app. After  
14 downloading the app, users would agree to view ads upon unlocking their Android  
15 smartphones. In return, they would receive points that they could redeem for mobile  
16 credit or data with Boost Mobile. To earn the maximum points, users would simply  
17 have to view at least one ad per day—that is, unlock their phone just once in a single  
18 day—for 20 days out of a 30-day period. Given how frequently Android users normally  
19 unlock their phones—about 76 times per day on average—this would ensure that users  
20 could earn the maximum points just by using their phones as they normally would. The  
21 parties planned to launch the app in late January 2016.

22 63. Unlockd and Sprint both recognized that the Google Play Store  
23 would be a critical channel for distributing the app to users. Google unilaterally sets  
24 and maintains policies relating to the Google Play Store, which Google requires  
25 developers who distribute their apps through the Google Play Store to comply with, so it  
26 is important for developers to get Google’s approval of their apps. Unlockd was careful  
27 to submit the app to Google for review well ahead of the planned launch. On January 6,  
28 2016, Google reviewed and approved the Boost Dealz app, allowing Unlockd to  
proceed with the launch.

1           64. On January 26, 2016, the Boost Dealz app went live, and users loved  
2 it. Unlockd’s innovative form of advertising proved far less intrusive than other types  
3 of advertising, such as unwanted popups or full-screen ads that interrupt the user in the  
4 middle of a game, because users viewed ads only after giving permission to be served  
5 them and could easily exit out of them by tapping an obvious “X” on the screen. And,  
6 of course, they received significant rewards, with Boost Dealz users ultimately receiving  
7 ██████████. Appreciating this value proposition, users gave the app glowing  
8 reviews, with an average rating of 4.1 out of 5 stars in the Google Play Store. One user  
9 wrote: “I’ve been using it for two months and have received the \$5 credit each 30 days  
10 . . . . I’m getting unlimited talk/text and 2GB data for \$25 on the Sprint LTE network  
11 . . . I left T-Mobile for this and haven’t looked back.” In total, users downloaded the  
12 app from the Google Play Store more than 1 million times by early 2018.

13           65. The Boost Dealz app was also extremely effective for advertisers.  
14 One common metric used to evaluate the effectiveness of an advertisement is the ad’s  
15 click-through rate (“CTR”), which measures the percentage of times a user who views  
16 the ad clicks on it. High CTRs indicate that users are engaged with the ads they are  
17 viewing. Unlockd’s ads boasted CTRs that were substantially higher than the industry  
18 average, showing that users were engaging more with Unlockd’s ads than with other  
19 ads. Indeed, Unlockd’s CTRs even exceeded those of Google’s own search  
20 advertising.<sup>4</sup> And, importantly, users were clicking on ads out of genuine interest, not  
21 because of any sort of reward—users earned rewards regardless of whether they clicked  
22 on an ad. Nor could users game the system by repeatedly *viewing* ads. As previously  
23 noted, users would maximize their points by unlocking their phone just once per day for  
24 20 days out of a 30-day period. Given that Android smartphone users unlock their  
25 phones on average 76 times per day, this ensured that users were not incentivized to

26  
27 <sup>4</sup> For example, the direct and indirect CTRs for the Boost Dealz app were respectively  
28 approximately █% and █% for the fourth quarter of 2017, █% and █% for the first  
quarter of 2018, and █% and █% for the second quarter of 2018. By contrast, one  
online source reports that the average CTR across all publishers in Google Ads was  
approximately 1.9% for the search network and 0.4% for the display network.



1 unlock their phones just to get rewards. Advertisers recognized this value. For  
2 example, the [REDACTED]  
3 [REDACTED] commented: “Unlockd has been a great partner, collaborating with us to  
4 identify the best ways to reach our future customers. We’re seeing real value from the  
5 partnership and look forward to more success in the future.”

6 66. Finally, the Boost Dealz app was great for Sprint. Under the parties’  
7 arrangement, Unlockd was responsible for providing the app and running all the  
8 advertising operations, while Sprint was responsible for recruiting its customers to  
9 download the app. Unlockd shared a portion of the advertising revenue with Sprint.  
10 The key benefit to Sprint, however, was improved customer acquisition and retention—  
11 the app helped Sprint to acquire new Boost Mobile customers and retain existing ones.

12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]

17 [REDACTED]. In the words of Boost Mobile’s Director of Prepaid  
18 Product Marketing: “Boost Dealz, built on the Unlockd solution, is an industry first,  
19 completely optional opportunity for our customers to earn value . . . . [I]t delivers a new  
20 revenue stream to our business while providing an innovative avenue for advertisers and  
21 media publishers to reach a highly targeted audience.”

22 67. In June 2016, while raising another \$8.3 million AUD in capital,  
23 Unlockd expanded to the United Kingdom, launching the “Tesco Mobile Xtras” app in  
24 partnership with U.K. telecommunications company Tesco Mobile. The Tesco Mobile  
25 Xtras app worked similarly to the Boost Dealz app, providing Tesco Mobile customers  
26 who installed the app with the opportunity to earn mobile credit or data in exchange for  
27 viewing ads upon unlocking their phones. Like the Boost Dealz app, Google allowed  
28 the Tesco Mobile Xtras app to be distributed through the Google Play Store.

1           68. Like the Boost Dealz app, the Tesco Mobile Xtras app was highly  
2 successful. In the words of Tesco Mobile’s CEO: “Tesco Mobile Xtras, powered by  
3 Unlockd’s unique platform, provides our customers with even more choice and value.  
4 The opportunity for our customers to save money on their phone bill in exchange for  
5 learning about products and services relevant to them is a first in the UK market and  
6 we’re excited to exclusively offer this value to our customers.”

7           69. Meanwhile, Unlockd also started experimenting with delivering  
8 other types of content to users on the unlock screen. By expanding the content  
9 delivered to users beyond ads, Unlockd could both give users more variety and provide  
10 a new channel for content publishers to reach readers. For example, in late 2016,  
11 Unlockd worked with News Corp subsidiary News UK to deliver News UK content to  
12 users of the Tesco Mobile Xtras app in the United Kingdom. In addition to ads, Tesco  
13 Mobile Xtras users could see news articles from publications such as *The Sun* and *The*  
14 *Times* when they unlocked their phones.

15           70. During this period, Unlockd started using Google’s mobile ad  
16 network, AdMob. Unlockd integrated AdMob into the Boost Dealz and Tesco Mobile  
17 Xtras apps in November 2016, and it soon became a vital source of advertisements for  
18 Unlockd. In exchange for providing these intermediation services, Google took a cut of  
19 the advertising revenue. As with the Google Play Store, Google unilaterally sets and  
20 maintains policies relating to AdMob, which Google requires publishers who use  
21 AdMob to comply with. Google allowed Unlockd to use AdMob for the Boost Dealz  
22 and Tesco Mobile Xtras apps without raising policy issues for either app.

### 23           **C. Unlockd Expands Its Business**

24           71. Building on its success in the telecommunications space, Unlockd  
25 started expanding its business to bring its innovative technology to other market  
26 segments, such as content-streaming and gaming companies.

27           72. In March 2017, Unlockd partnered with global entertainment  
28 company MTV to launch its first streaming solution, providing users with free premium

1 access to MTV’s “MTV Trax” app in the United Kingdom. Before Unlockd, streaming  
2 companies had typically offered users either a premium, subscription-based payment  
3 model without ads or an ad-based model where users have to endure ads between songs  
4 or videos. In partnering with Unlockd, MTV was able to offer its users a premium,  
5 uninterrupted listening experience without any subscription fees. Using the Unlockd  
6 feature, users could get this uninterrupted listening experience for free by opting in to  
7 view ads upon unlocking their phones, similar to Unlockd’s other apps. To opt into this  
8 payment model, which was integrated directly into the MTV Trax app, users would  
9 simply select Unlockd as the “method of payment”.

10 73. Given the strength of the MTV brand—and in light of Unlockd’s  
11 success for MTV Trax—the MTV partnership helped Unlockd to validate the  
12 effectiveness of Unlockd’s technology for content-streaming companies. With the  
13 successful MTV partnership as part of its sales pitch, Unlockd began engaging other  
14 potential streaming partners in both audio and video, such as [REDACTED]  
15 [REDACTED], and others.

16 74. As Unlockd’s cofounder and CEO, Mr. Berriman, explained in a  
17 March 2017 presentation to stakeholders, the new partnership with MTV was only the  
18 beginning. While Unlockd had initially sought to offer consumers another way to pay  
19 *for* their phone service, Unlockd would now create new ways for consumers to pay *with*  
20 their devices. This would allow Unlockd to move into a wide range of new market  
21 segments, including content streaming, loyalty programs, gaming, gas, groceries,  
22 general retail, and more. Instead of paying for these products and services with cash,  
23 consumers could pay with points earned using the Unlockd platform. By offering an  
24 innovative, ad-funded payment model, Unlockd ultimately hoped to create the world’s  
25 largest ad- and content-driven virtual currency, returning \$500 million in rewards to the  
26 community by 2025. In Mr. Berriman’s words, Unlockd would seek to “forever change  
27 the way people use and pay with their digital devices.”  
28

1           75. To that end, Unlockd also started discussing potential partnerships  
2 with gaming companies, hoping to expand Unlockd’s business so that the Unlockd  
3 platform could fund digital games.

4           76. To support its further expansion, Unlockd again went to investors for  
5 additional funds, raising \$26.5 million AUD in Series B capital between May and  
6 August 2017, based on an implied pre-money valuation of approximately \$126 million  
7 AUD.<sup>5</sup>

8           **D. Google Confirms Unlockd’s Compliance with Google Policy**

9           77. As of April 2017, Unlockd had been using AdMob for  
10 approximately five months without any allegation by Google that Unlockd’s apps  
11 violated AdMob policy. Then, on April 18, 2017, a member of the AdMob team,  
12 Maryna Ilina, emailed Unlockd suggesting a 30-minute call or virtual meeting in which  
13 they “could brainstorm together [a] few ideas on future revenue growth strategies and ad  
14 units placement improvement in order to comply with Google policy”. The next day,  
15 Unlockd representatives met virtually with Ms. Ilina to discuss Unlockd’s apps and their  
16 functionality, and Ms. Ilina followed up by email with additional information regarding  
17 Google’s policies, including the policies that “ads can only be shown in the app  
18 environment” and that “the app doesn’t encourage users to click on ads”. Ms. Ilina also  
19 asked for Unlockd’s Android application package, which is the software package that  
20 contains the program’s code, so that Google’s policy team could install Unlockd’s apps  
21 and make sure they do not violate AdMob policy.

22           78. Unlockd sent Ms. Ilina the latest version of the Boost Dealz app so  
23 that Google could review the app for policy compliance. Ms. Ilina confirmed over  
24 email that Google “will review the app with our Policy team and product managers  
25 teams and I’ll get back to you with an update on both policy recommendations and  
26 [another unrelated issue].”

27  
28  

---

<sup>5</sup> Unlockd’s Series B pre-money valuation is based on shares issued in May 2017.

1           79.    Unlockd met with Google in person on June 21, 2017, at Google’s  
2 “App Summit” in Dublin, Ireland. In a meeting with Ms. Ilina and three other Google  
3 representatives, including Google’s Mobile Apps Business Leader for Europe, the  
4 Middle East, and Africa, Unlockd explained in detail how its apps worked. Unlockd  
5 emphasized that users would receive ads only if they opted in, and that users understand  
6 the value exchange that occurs on the platform. Google’s representatives were satisfied  
7 with Unlockd’s explanations and said they did not see any problems with Unlockd’s  
8 business model, representing to Unlockd that its apps did not violate Google policy. As  
9 Unlockd’s Global Head of Programmatic & Ad Operations explained in a subsequent  
10 email summarizing the meeting, Google “consistently reassured [Unlockd] that the way  
11 we run ads is not in violation of policy”. In another email summarizing the meeting, the  
12 same individual explained: “We are not in violation of Google’s policy as we stand.  
13 They class us as an ‘App Open Interstitial’ and there isn’t anything wrong with what we  
14 are doing – I had this validated by their product leads.” Apparently enthusiastic about  
15 Unlockd’s product offerings, Google also pitched Unlockd to use Google’s ad  
16 exchange, then called AdX (now called Google Ad Manager), which is a selective,  
17 invite-only intermediation service.

18           80.    On July 19, 2017, after receiving additional information from  
19 Unlockd, Ms. Ilina confirmed over email “that we have validated everything internally  
20 and a team of DFP/AdX apps specialists is assigned to work with you.” Ms. Ilina also  
21 enclosed draft terms and conditions for AdX and invited Unlockd to open an AdX  
22 account after signing them. In other words, Google not only confirmed Unlockd’s  
23 compliance with Google policy, but also actively sought to persuade and then approved  
24 Unlockd to use Google’s premium intermediation service, AdX, which (unlike AdMob)  
25 is not widely available to all app developers. The following month, Unlockd signed a  
26 deal with Google for use of AdX.

27           81.    Therefore, as of July 2017, Google had expressly approved Unlockd  
28 for both the Google Play Store and AdMob. Google allowed Unlockd’s apps to be

1 distributed through the Google Play Store starting in October 2015 and reviewed and  
2 approved the Boost Dealz app for the Google Play Store in January 2016. Meanwhile,  
3 Google allowed Unlockd to use AdMob starting in November 2016 and approved  
4 Unlockd’s apps for compliance with AdMob policy in June 2017.

5 **E. Unlockd Further Grows Its Business, Increasingly Competes with**  
6 **Google, and Plans Its IPO**

7 82. In reliance on Google’s repeated confirmations that Unlockd was  
8 operating in compliance with Google policy, Unlockd continued to grow its business  
9 and started planning for an IPO.

10 83. In August 2017, in partnership with the operator of the Australian  
11 loyalty program Flybuys, Unlockd launched its first loyalty rewards app, branded as  
12 “Unlock Rewards”, as part of the company’s entry into the loyalty market segment.  
13 Like Unlockd’s other partnerships, users agreed to view full-screen ads upon unlocking  
14 their Android devices. In exchange, users earned loyalty points, which they could then  
15 redeem for benefits. These loyalty points functioned as a type of virtual currency that  
16 consumers could use to buy other products or services. Google allowed the Unlock  
17 Rewards app to be distributed through the Google Play Store starting August 20, 2017.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

84. Unlockd also introduced a new product feature, the “Earn Wall”, and allowed users to obtain additional rewards through third-party offers. Implemented within the Boost Dealz app in November 2017, the Earn Wall allowed users to earn additional points by (i) viewing ads upon unlocking their phones or (ii) by completing tasks through the Earn Wall. They could then redeem these points to obtain benefits with Unlockd’s partners (such as mobile credit or data with Sprint) or special deals with third parties. The following diagram depicts the basic idea:

Earn up to  
\$20.00

**BOOST MOBILE CREDIT  
EVERY MONTH**

Users can now **earn up to \$20 credit** for viewing ads, videos and taking surveys + **redeem \$30 in brand offers**

BOOST Dealz Powered by UNLOCKD

85. The Earn Wall was another win-win-win for users, advertisers, and partners. Instead of scrolling through social media or playing a game while waiting in line or commuting to work, users could monetize their attention to receive additional benefits beyond what they could obtain purely by viewing unlock-screen ads. For example, Boost Dealz users could earn up to \$20 per month in mobile credit and redeem up to \$30 per month in third-party offers, for a total of up to \$50 per month in value. Meanwhile, advertisers and third parties received a unique channel through which to reach and receive insights about consumers, such as through surveys offered on the Earn Wall platform. Partners received additional advertising revenue and improved customer acquisition, retention, and engagement.

1           86. Building on the new feature's success for the Boost Dealz app,  
2 Unlockd implemented the Earn Wall in the Tesco Mobile Xtras and Unlock Rewards  
3 apps as well.

4           87. Reflecting the attractiveness of Unlockd's product, Unlockd  
5 continued to build its streaming and telecom businesses, signing deals and launching  
6 partnerships with several companies. In the streaming area, Unlockd made deals to  
7 launch music streaming partnerships with [REDACTED]  
8 [REDACTED] entered a  
9 letter of intent to launch a multi-territory video streaming deal with multinational  
10 streaming company [REDACTED]; and entered advanced discussions about video streaming deals  
11 with multinational entertainment companies including [REDACTED]  
12 [REDACTED]. In the telecommunications space, Unlockd launched partnerships with  
13 telecommunications companies Axiata, Aircel, and [REDACTED]; and signed deals  
14 for future launches with [REDACTED]  
15 [REDACTED].

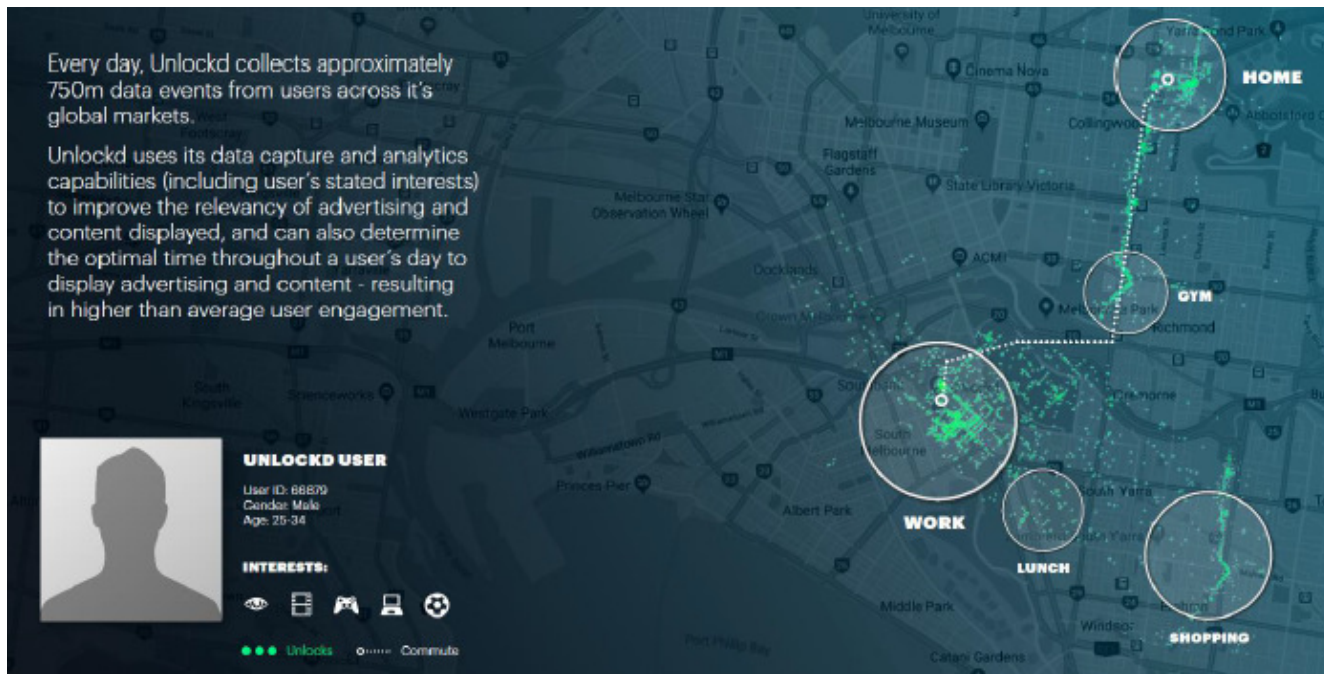
16           88. Unlockd also took concrete steps to enter the gaming space. By the  
17 fall of 2017, Unlockd had initiated discussions with a number of different gaming  
18 companies, such as American video game company [REDACTED], whose CEO was excited  
19 about the prospect of working with Unlockd. To jumpstart its gaming business,  
20 Unlockd hired two business development executives, respectively based in New York  
21 and California, who specialized in gaming. By the spring of 2018, Unlockd had deals to  
22 launch partnerships in the United States with gaming companies [REDACTED],  
23 [REDACTED], with target launch dates starting in mid-2018, and was  
24 close to striking a deal with several other gaming companies.

25           89. Unlockd's entry into the gaming business had the potential to disrupt  
26 the way people pay for games with their digital devices. Before Unlockd, game  
27 developers usually made money by offering subscriptions, selling in-game benefits like  
28 extra lives or better equipment, or in-app advertising. Unlockd recognized the



1 drawbacks of each of these monetization models—users tend to prefer not giving over  
2 their hard-earned cash for a subscription or in-game benefits if they can avoid it, and in-  
3 app advertising interrupts the user experience. Similar to its streaming business,  
4 Unlockd intended to provide gamers and developers with an alternative to these existing  
5 models: an uninterrupted gaming experience with no monthly subscription fees, funded  
6 by advertisements served on the unlock screen.

7           90. Unlockd also continued to expand its direct advertising business,  
8 building a sales presence in New York, London, Melbourne, and Delhi, and working  
9 with well-known brands such as [REDACTED]. Unlockd’s  
10 direct advertising business used innovative, hyper-targeted advertising to match the  
11 right users with the right ads at the right time. To optimize this targeting function,  
12 Unlockd, with the consent of users who opted into its apps, collected approximately 750  
13 million user data points per day, including users’ locations whenever they unlocked  
14 their phones. By gathering detailed data about its users, Unlockd was able to finely  
15 target the ads it served based on the user’s stated interests based on numerous different  
16 data points, including the user’s location, the appropriate time of day given the user’s  
17 typical day, and the types of ads and content the user is most likely to respond to based  
18 on previous experience. The following diagrams depict the data collection and analysis  
19 capability that Unlockd was building:



91. Unlockd’s direct advertising campaigns were highly effective for advertisers. Quarterly average direct CTRs for the Boost Dealz app ranged from [REDACTED], both of which significantly exceeded industry average CTRs for mobile display ads and average CTRs for Google’s own search ads—1.9%, according to an online source.

1           92. Moreover, these direct campaigns were highly effective in getting  
2 consumers to buy the advertiser's products. For example, a campaign with [REDACTED]  
3 [REDACTED] and Australian supermarket chain [REDACTED] achieved a [REDACTED] % CTR and  
4 a [REDACTED] % *conversion-to-customer* rate. That is, [REDACTED] % of all users who unlocked a  
5 [REDACTED] ad clicked the ad, and [REDACTED] % of all users who unlocked a [REDACTED] ad *bought* a  
6 [REDACTED] product. This highly successful campaign was possible because Unlockd could  
7 identify customers who were likely to buy [REDACTED] product and then serve them with  
8 an ad for it when they unlocked their phone near a [REDACTED] supermarket, taking advantage  
9 of finely tuned geotargeting.

10           93. Unlockd's hyper-targeted advertising capability was a direct  
11 challenge to Google's digital advertising business, which relies on troves of  
12 individualized consumer data to attract advertisers with the promise of hyper-targeted  
13 advertising. This threat was likely to grow significantly as Unlockd was gaining scale.

14           94. Unlockd's business model also challenged Google's digital  
15 advertising business because Unlockd relied on an *opt-in* model and compensated users  
16 for their attention, whereas Google relies on an *opt-out* model and does not pay users for  
17 agreeing to view ads or giving their personal data to Google.

18           95. In the fall of 2017, building on these early successes, Unlockd began  
19 planning for an IPO on the Australian Stock Exchange.

20           **F. Google Abruptly Backtracks on Its Previous Validation of Unlockd's**  
21           **Policy Compliance**

22           96. For nearly two years after Unlockd first started distributing its apps  
23 through the Google Play Store and nearly one year after Unlockd started using AdMob,  
24 Google allowed Unlockd to build its business without alleging that any of its apps  
25 violated Google policy. In fact, Google specifically approved Unlockd's apps for  
26 compliance with Google policy in January 2016 for the Google Play Store and June  
27 2017 for AdMob. Unlockd's apps continued to operate in the same manner in which  
28 they were approved.

1           97. That all changed on September 20, 2017. On that day, without any  
2 warning, Google unilaterally disabled AdMob ad serving for Unlockd’s Australian app  
3 (Unlock Rewards, in partnership with Flybuys). Despite having previously validated  
4 Unlockd’s compliance with AdMob policy, Google sent an email from a “no reply”  
5 email address informing Unlockd that Google had disabled ad serving for the Unlock  
6 Rewards app based on a purported violation of the “Incentivized Traffic” policy. The  
7 email stated that “AdMob publishers are not permitted to place AdMob ads on  
8 applications with content related to programs offering incentives to click links or ads,  
9 read emails, or visit other applications or websites. This would include, for instance,  
10 auto-surf apps, pay-to-read email networks, and apps comparing various pay-to-click  
11 programs.”

12           98. Google did not explain, and Unlockd did not understand, how the  
13 Unlock Rewards app could violate this policy. The policy purported to prohibit offering  
14 “incentives to click links or ads”, but Unlockd’s apps offered no such incentives. To the  
15 contrary, users received nothing in exchange for clicking on ads, and users could easily  
16 exit out of an ad by tapping an obvious “X” on the screen, thereby safeguarding against  
17 erroneous clicks.

18           99. Given that Google had represented just two months earlier that  
19 Unlockd’s apps complied with Google policy—including the same policy that Google  
20 was now alleging that Unlockd was violating—Unlockd assumed that the shutoff was a  
21 mistake and reached out to its AdMob account manager, Ms. Ilina, to get the app  
22 reenabled. Ms. Ilina told Unlockd that she would look into the issue with the policy  
23 team and get back to Unlockd.

24           100. The next day, however, Ms. Ilina wrote back informing Unlockd that  
25 “it won’t be possible to re-enable ad serving on your Australian account at this stage,  
26 but we will do our best to help you build a more compliant business model.”

27           101. Following these emails, Unlockd attempted to engage in a dialogue  
28 with Google, but on September 26, 2017, Google emailed Unlockd a formal “AdMob

1 Publisher Policy Violation Report” (the “September 2017 Email”) alleging violations of  
2 three policies: (i) “Pages That Offer Compensation Programs”; (ii) “Valuable  
3 Inventory”; and (iii) “Disallowed Interstitial Implementation”.

4 102. The “Pages That Offer Compensation Programs” policy was  
5 essentially a variant of the Incentivized Traffic policy. Google offered a two-sentence  
6 explanation for its conclusion that Unlockd’s apps violated this policy: “Users are  
7 currently incentivized to view ads each time they unlock their phones. Placing Google  
8 ads on these pages may result in invalid impressions or clicks and is therefore  
9 prohibited.”

10 103. The alleged violations of the “Valuable Inventory” and “Disallowed  
11 Interstitial Implementation” policies were new. Again, Google offered two-sentence  
12 explanations for its conclusions that Unlockd’s apps violated these policies. As to the  
13 Valuable Inventory policy, Google claimed: “At present there is no content for the user  
14 other than viewing ads and receiving rewards. Our policies require that apps have more  
15 original content than ads in order to monetize.” As to the Disallowed Interstitial  
16 Implementation policy, Google claimed: “Ads can’t be placed in applications that are  
17 running outside of the app environment. Every time the user unlocks their screen it  
18 triggers an ad outside the app.”

19 104. The September 2017 Email also informed Unlockd that, starting  
20 October 20, 2017, AdMob ad serving would be disabled for the Boost Dealz and Tesco  
21 Mobile Xtras apps as well.

22 105. Unlockd attempted to explain to Google that its apps did not violate  
23 the letter or the spirit of Google’s policies. As to the Pages That Offer Compensation  
24 Programs policy, Unlockd tried to explain that its apps did not violate this policy  
25 because they did not incentivize users to click or view ads. Users did not receive any  
26 compensation for clicking ads, and the way users earned points for viewing ads ensured  
27 that users were not incentivized to view ads in order to earn points. Users reached the  
28 maximum amount of rewards by unlocking their phone just *once per day*, which

1 prevented users from gaming the system by repeatedly unlocking their phones. Given  
2 how frequently Android smartphone users already unlocked their phones—on average  
3 76 times per day—users would reach the maximum rewards level simply by interacting  
4 with their smartphones in the ordinary course, as they otherwise would. Unlockd  
5 therefore rewarded users for *opting in*, not for viewing individual ads. If anything,  
6 Unlockd’s apps *reduced* the incidence of accidental clicks compared to other ads  
7 because, unlike unexpected pop-up ads that users did not sign up to receive, Unlockd’s  
8 users affirmatively opted into receiving ads on the unlock screen and therefore knew  
9 what was coming.

10           106. Unlockd also tried to explain that its apps did not violate the spirit of  
11 the Valuable Inventory policy, which Google has stated is designed to protect  
12 advertisers by ensuring high-quality (“valuable”) inventory. Unlockd’s inventory was  
13 highly valuable to advertisers because ads delivered through the Unlockd platform  
14 reached consumers at their most engaged moment—when they unlock their phones.  
15 This value is evident from Unlockd’s high CTRs, which were substantially higher than  
16 industry standards. The rationale cited by Google—that Unlockd’s advertising  
17 purportedly exceeds its other content—is inapplicable to an app like Unlockd’s, whose  
18 value proposition for advertisers has nothing to do with providing “content” to users and  
19 instead is based on reaching users at their most engaged moment. Moreover, in pitching  
20 “rewarded ads” available through AdMob, Google has admitted that advertisers value  
21 rewarding users for their engagement. Describing rewarded ads as “[a] win for  
22 advertisers”, Google has claimed that “rewarded ads create valuable impressions.”  
23 Google explains that “[a]dvertisers love rewarded ads because they receive higher user  
24 engagement than other ad formats, resulting in higher return on ad spend”.

25           107. Finally, Unlockd attempted to explain that its apps did not violate the  
26 Disallowed Interstitial Implementation policy by serving ads “outside of the app  
27 environment”. For Unlockd, the unlock screen *was* the app environment. In any event,  
28 the rationale for this policy—protection of users and advertisers—does not apply in this

1 context, as users affirmatively opted into receiving ads, and the effectiveness of  
2 advertising on Unlockd's platform from the advertiser's perspective was proven.

3 108. Unlockd tried to engage with Google on these issues, requesting an  
4 in-person meeting with a member of the policy team to discuss them. But Google  
5 refused to discuss the issues, even over the phone. In response to Unlockd's requests  
6 for further dialogue, Ms. Ilina stated that "[t]he Policy team cannot reinstate the  
7 Australian app as stated in the sent email", and "[i]n the email they shared in detail why  
8 your apps weren't compliant with policies and unfortunately there's nothing more they  
9 could add here."

10 109. Meanwhile, the shutoff of AdMob for the Unlock Rewards app was  
11 gutting Unlockd's advertising revenue. Between September 1, 2017 and September 19,  
12 2017, before the shutoff, the Unlock Rewards app had an average gross average revenue  
13 per user ("ARPU") of \$■■■■, with a daily average of \$■■■■. Shortly after AdMob cut off  
14 the services, the average gross ARPU plummeted to \$■■■■, with a daily average of  
15 \$■■■■. That is, the daily average gross ARPU dropped ■■■% as a result of the AdMob  
16 shutoff.

### 17 **G. Unlockd Successfully Appeals Google's Policy Violation Report**

18 110. With Google refusing to engage in dialogue with Unlockd about the  
19 alleged policy violations, Unlockd was left with no choice but to file a formal appeal  
20 through Google's online appeal portal.

21 111. On October 20, 2017, Unlockd filed a formal appeal on the Google  
22 website (the "October 2017 Appeal"). In its submission to Google, Unlockd explained  
23 in detail its business model, how its apps worked and benefited all stakeholders, and  
24 how its apps did not violate the AdMob policies identified by Google.

25 112. The October 2017 Appeal was successful. That same day, a member  
26 of the Google policy team reviewed the appeal, and Google reenabled ad serving for the  
27 Unlock Rewards app in Australia. Google also allowed ad serving for the Boost Dealz  
28

1 and Tesco Mobile Xtras apps to continue. Google thus acknowledged, again, that  
2 Unlockd’s technology and business model complied with Google’s rules.

### 3 **H. Unlockd Nears an Initial Public Offering**

4 113. After prevailing in its appeal, and in reliance on it, Unlockd moved  
5 forward with its plans for an IPO, aiming to raise between \$35 million and \$50 million  
6 AUD with an April 2018 listing on the Australian Stock Exchange.

7 114. In October 2017, Unlockd announced to its shareholders a “pre-IPO”  
8 private funding round. This funding would ensure that the company had sufficient  
9 capital to continue growing the business through the IPO, which was planned for April  
10 2018. Between December 2017 and February 2018, Unlockd raised approximately  
11 \$7 million AUD in this funding round based on an implied pre-money valuation of  
12 approximately \$153 million AUD.

13 115. Having secured the necessary private capital to proceed with the  
14 IPO, Unlockd engaged financial and legal advisers, worked with its advisers to value the  
15 company and draft a prospectus, and started pitching the offering to potential IPO  
16 investors. Based on a comparable company analysis, Unlockd’s financial adviser  
17 estimated the company’s pre-money enterprise valuation at approximately \$200 million  
18 AUD, and investors responded positively during the company’s non-deal roadshows,  
19 leading Unlockd to anticipate an IPO valuation in that general range.

20 116. Articles about the IPO also began appearing in the press in  
21 November 2017. These articles generally described Unlockd in glowing terms, calling  
22 the company a “technology success story”, “promising”, and “among Australia’s hottest  
23 start-ups”. One investor was quoted as calling Unlockd’s performance “extraordinary”.

24 117. Meanwhile, Unlockd continued to expand its business, signing new  
25 deals and building out its partner pipeline. Unlockd’s draft IPO prospectus disclosed 26  
26 partners in the pipeline—meaning an expected near-term launch, a signed memorandum  
27 of understanding, a memorandum of understanding sent, or advanced discussions about  
28



1 a deal—reflecting over 165 million addressable users.<sup>6</sup> And that was only the tip of the  
2 iceberg. Unlockd’s draft IPO prospectus disclosed a total addressable user base of over  
3 a *billion* users in the telecom, content-streaming, and loyalty market segments, with  
4 even more addressable users in other market segments such as gaming.

5 118. Unlockd also continued to increase its ARPU (average revenue per  
6 user), a key metric for evaluating tech companies like Unlockd. The first quarter  
7 following the launch of the Boost Dealz app, Unlockd’s average monthly ARPU was  
8 \$[REDACTED] AUD. By the end of 2017, Unlockd’s average monthly ARPU had grown over  
9 [REDACTED] % to \$[REDACTED] AUD, which was significantly higher than average monthly ARPU for  
10 comparable companies like Facebook (\$2.60 AUD), Twitter (\$0.83 AUD), or Snap  
11 (\$0.65 AUD). If each addressable user in Unlockd’s partner pipeline were to become an  
12 active user, that would translate into over \$[REDACTED] AUD in annual revenue for  
13 Unlockd.

14 **I. Google Reverses Course Again and Wrongfully Eliminates Unlockd as**  
15 **a Competitor**

16 119. Unfortunately for Unlockd, Google soon reversed course again and  
17 used its control over the Google Play Store and AdMob to definitively eliminate  
18 Unlockd as a competitor.

19 120. On January 23, 2018, Google unexpectedly sent another email to  
20 Unlockd (the “January 2018 Email”) alleging the same three violations of AdMob  
21 policy that Google had previously alleged in the September 2017 Email, and had  
22 subsequently overturned under its own internal review procedures. The email was sent  
23 by Google’s Mobile Apps Business Leader for Europe, the Middle East, and Africa,

24 \_\_\_\_\_  
25 <sup>6</sup>The potential partners in Unlockd’s pipeline included telecommunications  
26 companies [REDACTED] entertainment and streaming  
27 companies [REDACTED]; gaming companies [REDACTED]; and [REDACTED]  
28 [REDACTED]. Unlockd was engaged at a high level with other  
potential partners as well, such as [REDACTED].

1 Emmanuel Monnoyeur, who had attended the July 2017 meeting in Dublin and who had  
2 confirmed that Unlockd’s apps complied with Google policy. Google gave Unlockd a  
3 “hard deadline” of March 31, 2018 to “fix[]” the alleged violations and threatened to  
4 discontinue ad serving through AdMob if Unlockd did not do so.

5           121. Following the January 2018 Email, Unlockd attempted to meet with  
6 Google to discuss Google’s purported concerns. On February 14, 2018, Unlockd was  
7 able to connect with Google’s Managing Director for Australia & New Zealand, Jason  
8 Pellegrino, over email. After a mutual contact introduced them, Unlockd’s CEO at the  
9 time, Jane Martino, emailed Mr. Pellegrino offering to meet in Sydney the following  
10 week, where Google’s Australian headquarters were located. Mr. Pellegrino replied that  
11 he would be on vacation, but offered to “get the right person for you”.

12           122. Unlockd also tried to reach Google in the United States. On or about  
13 February 16, 2018, Unlockd’s Chairman, Richard Kimber, sent a letter to Google’s Vice  
14 President for Trust & Safety, Tom Siegel, explaining Unlockd’s app, business model,  
15 and prior interactions with Google regarding AdMob policy. Mr. Kimber also informed  
16 Google that Unlockd was preparing for an IPO on the Australian Stock Exchange in  
17 April 2018 and that the AdMob issues and threats raised by Google were “business  
18 critical to Unlockd with potentially far reaching, very damaging consequences”. For  
19 those reasons, Mr. Kimber requested an extension of the March 31, 2018 deadline and a  
20 meeting with Mr. Siegel or other senior decisionmakers to discuss the AdMob policy  
21 issues before the deadline. Mr. Siegel did not respond to this letter.

22           123. Following Mr. Kimber’s letter, Ms. Martino continued to try to reach  
23 a resolution with Mr. Pellegrino in Australia. On February 17, 2018, Ms. Martino  
24 provided to Mr. Pellegrino a copy of Mr. Kimber’s letter and requested a brief call to  
25 work through the best approach. In response, Mr. Pellegrino promised to “figure out  
26 who the best person for you to talk to” would be and then “set[] up a session where you  
27 can meet with someone senior on our T&S safety team to get into details”. On February  
28 19, 2018, Mr. Pellegrino sent an email introducing Ms. Martino to the head of Google’s

1 Trust & Safety team in the Asia Pacific region, Arjun Narayan, and Ms. Martino and  
2 Mr. Narayan arranged to meet in person in Sydney on February 22, 2018. Ms. Martino  
3 also repeated Mr. Kimber’s request for an extension, but Mr. Pellegrino did not respond  
4 to this request.

5           124. The day before the planned meeting in Sydney, Mr. Narayan of  
6 Google unexpectedly canceled, citing “a few pressing commitments”. In an apparent  
7 attempt to avoid meeting with Unlockd at all, Mr. Narayan copied Google’s Mr.  
8 Monnoyeur—the same person who met with Unlockd in July 2017 and sent the January  
9 2018 Email alleging that Unlockd had violated AdMob policy—to pass off Unlockd to  
10 Mr. Monnoyeur.

11           125. Following the cancelation of the planned Sydney meeting, Google  
12 continued to give Unlockd the run-around. On February 22, 2018, Ms. Martino’s  
13 executive assistant emailed Mr. Narayan and his executive assistant to set up a  
14 teleconference with Mr. Narayan, offering various times on February 26, 27, or 28.  
15 Google did not respond to this email. On February 25, 2018, Ms. Martino again reached  
16 out to Mr. Pellegrino following his return from vacation, expressing her hope to meet  
17 with Mr. Narayan that week and repeating her earlier request for an extension. Mr.  
18 Pellegrino did not respond to this email. On February 26, 2018, Ms. Martino’s  
19 executive assistant followed up on her request for a teleconference with Mr. Narayan.  
20 Google did not respond to this email either.

21           126. On March 2, 2018, ignoring Unlockd’s requests to meet in person  
22 and its prior approval of Unlockd’s apps, Google sent a formal letter to Unlockd (the  
23 “March 2018 Letter”) alleging that Unlockd’s apps violated three AdMob policies  
24 and—for the first time—one Google Play policy. Specifically, Google alleged that  
25 Unlockd’s apps violated the following policies: (i) “Encouraging Clicks”;  
26 (ii) “Valuable Inventory”; (iii) “Disallowed Interstitial Implementation”; and  
27 (iv) “Interfering with Apps, Third-party Ads, or Device Functionality”. The first three  
28 of these policies were AdMob policies, and the fourth was a Google Play policy. This

1 was the first time in over two years of distributing Unlockd’s apps through the Google  
2 Play Store that Google claimed that Unlockd’s apps might violate Google Play policy.

3           127. As to the three AdMob policies—“Encouraging Clicks”, “Valuable  
4 Inventory”, and “Disallowed Interstitial Implementation”—Google did not provide a  
5 meaningful explanation in the March 2018 Letter for how Unlockd’s apps allegedly  
6 violated these policies.

7           128. As to the Google Play policy—“Interfering with Apps, Third-party  
8 Ads, or Device Functionality”—Google offered a single-sentence explanation that  
9 appeared to mirror Google’s rationale for finding a violation of the Disallowed  
10 Interstitial Implementation policy: “Ads must be served only within the app  
11 environment.” Google also stated that “[w]e understand that the Google Play team will  
12 reach out to you separately.” The Google Play team never reached out to Unlockd.

13           129. In the March 2018 Letter, Google also refused Unlockd’s earlier  
14 requests for an extension of the March 31, 2018 deadline and expressly stated that  
15 Google would “not be engaging in further discussion” about whether the current  
16 versions of Unlockd’s apps comply with Google policy. True to that statement, Google  
17 continued to refuse to substantively engage with Unlockd on these issues.

18           130. Google’s allegations that Unlockd’s apps violated AdMob and  
19 Google Play policy were pretextual and did not provide a legitimate business  
20 justification for banning Unlockd from the Google Play Store and AdMob. As  
21 explained above, Unlockd’s apps did not violate the Encouraging Clicks or Disallowed  
22 Interstitial Implementation policies (or, by extension, the Interfering with Apps, Third-  
23 party Ads, or Device Functionality policy). Unlockd carefully designed its apps so as to  
24 ensure users would not be improperly incentivized to click or view ads, and the app  
25 environment for Unlockd *was* the unlock screen. As to the Valuable Inventory policy,  
26 Unlockd’s apps did not violate the purposes underlying this policy—protecting  
27 advertisers by ensuring that they receive a good return on investment on the inventory  
28 they purchase—because Unlockd’s apps offered advertisers an excellent return on

1 investment. Advertisers received valuable first access to consumers at their most  
2 engaged moment—when they unlock their phones—as reflected by Unlockd’s high  
3 CTRs, which significantly exceeded industry standards.

4 131. Moreover, Unlockd had already been through these issues with  
5 Google. After Google raised potential policy issues in April 2017 and requested a copy  
6 of the app to ensure it complied with Google policy, Unlockd provided Google with the  
7 requested copy of the app and explained how it worked in an in-person meeting.  
8 Google then approved the app and assured Unlockd that its apps complied with Google  
9 policy, even going so far as to approve Unlockd for use of Google’s premium, invite-  
10 only intermediation service, AdX.

11 132. The pretextual nature of Google’s application of these policies to  
12 Unlockd is also evident from the fact that Google has allowed other apps with similar  
13 features to be distributed through the Google Play Store and source ads through AdMob.

14 133. To take one example, when Google sent the March 2018 Letter,  
15 Google was doing business with a New Zealand technology startup, Postr, that made an  
16 app called “Optus Xtra” for customers of the Australian telecom company Optus. The  
17 Optus Xtra app served ads to Android smartphone users on the “lock screen”—that is,  
18 the screen that users view before they unlock their phones—in exchange for mobile data  
19 or credit, similar to Unlockd’s Boost Dealz and Tesco Mobile Xtras apps. Optus  
20 customers who downloaded the app were served ads automatically on the device’s lock  
21 screen. Users could then either tap the advertisement to “find out more”, or swipe right  
22 to unlock the device and the ad would disappear. In return for viewing ads, users were  
23 rewarded with either 1 GB of extra data or \$2 of phone credit per month. Until Optus  
24 voluntarily shut down the app in May 2018, the app was available for download in the  
25 Google Play Store. On information and belief, the Optus Xtra app also served ads  
26 sourced through the AdMob network.<sup>7</sup>

27  
28 <sup>7</sup> A blog post indicated that Postr’s software development kit “plugs into some of the  
worlds largest ad exchanges including Google’s AdMob”.

1           134. Google thus allowed smaller upstarts like Postr to proceed (for the  
2 time being) on a highly similar business model, while treating Unlockd—which posed a  
3 significant competitive threat due to its growth, success in raising capital, and more  
4 effective technology—very differently. Postr had raised only \$4.6 million USD in  
5 capital (about \$6 million AUD using today’s exchange rates) before being acquired in  
6 January 2021. By contrast, Unlockd had raised approximately \$50 million AUD in  
7 private capital before the Google Play and AdMob bans and was poised to raise  
8 approximately another \$40 million AUD through its IPO. Unlockd’s capitalization put  
9 it in a much better position to achieve scale, expand its business, and ultimately cut out  
10 Google as an intermediary by shifting to direct advertising business and developing its  
11 own ad network. Meanwhile, Unlockd’s technology—which delivered ads to users  
12 when they affirmatively decide to *unlock* their phones—was more effective than Postr’s  
13 technology—which delivered ads to users on the *lock screen*. Users are much more  
14 likely to pay attention to content displayed when they unlock their phones than content  
15 displayed on the lock screen, as reflected by Unlockd’s superior CTRs. This made  
16 Unlockd’s advertising inventory more valuable to advertisers and therefore a greater  
17 competitive threat to Google.

18           **J. Unlockd Is Forced To Shutter Its Business and Enter Insolvency**  
19           **Proceedings**

20           135. Following the March 2018 Letter, Unlockd continued to try to  
21 engage with Google to come to a mutually acceptable solution. One Unlockd  
22 shareholder who had a direct relationship with Google’s CEO, Sundar Pichai, spoke  
23 directly with Mr. Pichai to press Unlockd’s case. Unlockd associates and staff  
24 contacted members of Google parent company Alphabet’s Board of Directors, including  
25 its Chairman. But Google was steadfast and refused to budge.

26           136. Once stakeholders learned of Google’s actions, everything started to  
27 unravel for Unlockd. To start, Unlockd’s existing partners made clear that they would  
28 not continue their partnerships without access to the Google Play Store and AdMob.  
Unlockd tried to save the company’s partnership with Sprint, suggesting that they could

1 create a webpage where users would directly download the app to their Android  
2 smartphones, but Sprint declined. Although understanding and sympathetic regarding  
3 Unlockd's troubles, Sprint told Unlockd's CEO, Ms. Martino, that without the Google  
4 Play Store, it just wouldn't be feasible to continue doing business. Ultimately, all three  
5 of Unlockd's major existing partners—Sprint, Tesco, and Flybuys—terminated their  
6 partnerships with Unlockd.

7           137. Once Google's actions became public, Unlockd was also unable to  
8 move forward with the other partnerships the company had been negotiating. For  
9 example, by late April 2018, Unlockd had negotiated a significant multi-territory  
10 expansion of the company's partnership with multinational telecommunications  
11 company Axiata, with the agreement drafted and ready for the parties to sign. After  
12 Google's actions became public, however, Axiata declined to move forward,  
13 specifically citing the Google dispute as the reason.

14           138. Likewise, Google's actions prevented Unlockd from attracting new  
15 partners. Just as existing partners refused to continue doing business with Unlockd  
16 without access to the Google Play Store and AdMob, new partners would not sign up  
17 without such access either.

18           139. Google's actions also made raising capital virtually impossible.  
19 Investors had expressed strong interest in the IPO during the company's roadshows, but  
20 once Google's threats were disclosed, both public and private investors backed away.  
21 This starved Unlockd of critical funds needed to sustain the company's operations and  
22 growth.

23           140. In attempt to save itself, Unlockd filed antitrust lawsuits against  
24 Google in the United Kingdom and Australia and succeeded in obtaining interim  
25 injunctions against Google. These interim injunctions barred Google from removing  
26 Unlockd's Tesco Mobile Xtras and Unlock Rewards apps from the Google Play Store or  
27 AdMob in the United Kingdom and Australia, respectively. But this relief was only  
28 preliminary, leaving uncertainty about whether Unlockd could continue operating in

1 those countries. To obtain permanent relief, Unlockd would need to take the cases to  
2 trial—and spend substantial sums of money (that it did not have and could not raise) on  
3 legal expenses.

4           141. Moreover, these interim injunctions only covered the United  
5 Kingdom and Australia, leaving Google free to move forward with its plan in the United  
6 States. The United States was Unlockd’s most commercially important territory,  
7 accounting for a majority of Unlockd’s revenue, so the loss of access to the Google Play  
8 Store and AdMob there would be devastating for the entire company. On June 8, 2018,  
9 despite two courts having ruled against it in the United Kingdom and Australia, Google  
10 removed the Boost Dealz app from the Google Play Store and disabled the app’s access  
11 to AdMob. This was disastrous for Unlockd both in the United States and abroad.

12           142. Ultimately, Google succeeded in eliminating Unlockd as a  
13 competitor. With existing partners backing out, new partners unwilling to commit, and  
14 investors reluctant to supply more capital—all due to Google’s actions—Unlockd was  
15 forced to file for bankruptcy and cease operations. On June 12, 2018—four days after  
16 Google terminated the Boost Dealz app’s access to the Google Play Store and AdMob—  
17 Unlockd Limited initiated insolvency proceedings in Australia. In August 2018,  
18 Unlockd’s two U.K. subsidiaries, Unlockd Media Technology Limited and Unlockd  
19 Media Operations Limited, initiated insolvency proceedings in the United Kingdom.  
20 On October 26, 2018, Unlockd Media and Unlockd Operations filed for protection  
21 under Chapter 11 of the United States Bankruptcy Code.

22           143. Google’s ban of Unlockd from the Google Play Store and AdMob  
23 was the direct cause of Unlockd’s demise. As one article observed after the company’s  
24 bankruptcy filing, Unlockd “seemed to have everything going for it at one point”. But  
25 without the ability to distribute and update its apps through the Google Play Store and  
26 source advertisements through AdMob, Unlockd simply could not do business. As  
27 Unlockd’s partners made clear when terminating their partnerships with Unlockd, the  
28 Google Play Store was the only feasible channel through which Unlockd could



1 distribute its apps to users, as the Google Play Store is the “official” Android app store  
2 and accounts for over 90% of app downloads through Android app stores. As Flybuys  
3 notified its customers: “We regret to inform flybuyers that the Unlock Rewards app will  
4 be discontinued from 12pm, 22 June [2018] and you’ll no longer be able to collect  
5 points using the app. The technology partner that powers Unlock Rewards, exclusive to  
6 flybuys, has gone into voluntary administration following unanticipated action from  
7 Google to remove their apps from Google Play Store, including Unlock Rewards.” And  
8 AdMob accounted for approximately 80% of Unlockd’s revenues at the time; its loss  
9 was devastating. Together, the Google Play Store and AdMob bans dealt a fatal blow to  
10 Unlockd.

11 **K. Having Eliminated Unlockd as a Competitor, Google Invests in and**  
12 **Partners with Another Company with a Similar Business Model**

13 144. Google banned Unlockd from the Google Play Store and AdMob to  
14 eliminate Unlockd as a competitor. Google abandoned a voluntary and profitable  
15 business relationship with Unlockd—Google had earned millions of dollars through its  
16 cut of the advertising revenue generated by Unlockd, and the rewards that Unlockd  
17 made available to users made the Android OS more attractive to consumers—suggesting  
18 a willingness to forsake short-term benefits to achieve anticompetitive ends. Unlockd  
19 immediately suspected anticompetitive motives, but the full import of Google’s  
20 anticompetitive conduct only became apparent when Google made a substantial  
21 investment in and partnered with a company essentially employing Unlockd’s business  
22 model.

23 145. After eliminating Unlockd from the scene, Google kept watch over  
24 the “prestitial” (*i.e.*, pre-home screen) mobile space, recognizing the value of a mobile  
25 platform centered around the lock or unlock screen. In December 2020, Google made a  
26 major investment in Glance: a startup self-described as “the world’s leading lock screen  
27 platform”. Google led a \$145 million funding round and is, according to Glance’s CEO,  
28 one of Glance’s two “key investors”.

1           146. Glance operates in the same prestitial mobile space that Unlockd  
2 operated in. Just like Unlockd delivered content to users on the unlock screen, Glance  
3 delivers content to users on the lock screen. The difference between the lock and  
4 unlock screen is minor, with Unlockd’s draft IPO prospectus acknowledging lock-  
5 screen apps as Unlockd’s most significant competitors. The main difference is that  
6 unlock-screen advertising is much more effective. Moreover, Glance’s terms of service  
7 provide that Glance may deliver content to users on the *unlock* screen as well.

8           147. Glance has been secretive about its monetization strategy, but the  
9 company’s terms of use and other information in the fine print on its website show that  
10 it’s all about targeted advertising, sponsored content, and user surveys, both on the lock  
11 and the unlock screen—just like Unlockd. Glance’s End User License Agreement  
12 (“EULA”) states that the company’s “proprietary platform” “enables end-users to  
13 explore and discover content or services through lock-screen including interesting  
14 stories, news, events, games, *advertisements*, etc.” Importantly, the EULA provides:  
15 “*As they unlock their phone, the platform also enables Glance’s partners to display*  
16 *advertisements, promotional offers and/or games . . .*” Glance’s privacy policy  
17 describes in detail how Glance may collect user information to deliver “interest-based  
18 advertising” and “targeted advertising”, which was one of Unlockd’s main pitches to  
19 advertisers. Glance even has “Survey or Marketing Terms” that set forth how Glance  
20 will conduct user surveys for its business partners, similar to Unlockd’s Earn Wall  
21 feature. And in case there was any doubt about the company’s focus specifically on  
22 advertising, Glance’s website sets forth “Advertiser Terms” that detail the company’s  
23 relationship with advertisers.

24           148. Google appears to be not just a passive investor in Glance, but an  
25 active partner. Glance’s CEO has described Google as a “strategic investor”, which  
26 means that Google invested primarily for strategic rather than financial reasons (*e.g.*, to  
27 gain access to a new technology or product). Moreover, Glance’s CEO has said that  
28 Glance plans to use its partnership with Google to launch in the United States, where

1 they will team up with telecommunications carriers. Of course, that is exactly what  
2 Unlockd did in the United States with the Boost Dealz app, which was a partnership  
3 with U.S. telecommunications company Sprint.

4 149. Fortunately for Google and Glance, Unlockd was no longer standing  
5 in the way to compete in the prestitial mobile advertising space—because Google had  
6 put Unlockd out of business.

### 7 **III. Google’s Market Power in the Digital Advertising Market**

#### 8 **A. Product Market**

9 150. There is a relevant antitrust market for the sale of digital advertising  
10 inventory to advertisers (the “Digital Advertising Market”). “Digital advertising” refers  
11 to advertising delivered to consumers personally through the internet on their  
12 computers, smartphones, or other digital devices, excluding classified advertisements.  
13 “Inventory” refers to ad space that publishers sell to advertisers.

14 151. Digital advertising inventory is not reasonably interchangeable with  
15 offline advertising inventory because advertisers do not view these two types of  
16 advertising as reasonable substitutes for each other. As a result, a small but significant  
17 and non-transitory increase in price for digital advertising inventory would not lead a  
18 significant number of advertisers to switch to offline advertising. In economic terms, a  
19 hypothetical monopolist of the Digital Advertising Market could profitably impose a  
20 small but significant and non-transitory increase in price above competitive levels.

21 152. One reason for the limited substitutability between digital and offline  
22 advertising is that digital advertising allows for much more finely tuned targeting of  
23 consumers. Offline advertising such as newspaper, billboard, TV, and radio ads cannot  
24 be targeted at a specific consumer based on individualized consumer data, leaving  
25 advertisers with fairly blunt tools to reach the right audience. By contrast, digital  
26 advertising allows advertisers to target consumers based on specific consumer data  
27 points such as demographic characteristics, search queries, and web browsing history.  
28 Because digital advertising allows advertisers to use individualized consumer data to

1 target specific audiences, the U.K. Competition & Markets Authority concluded in a  
2 July 2020 report that “[t]here is limited substitutability between digital advertising and  
3 traditional advertising media.” The Authority based this conclusion on extensive  
4 interviews with advertisers and media agencies and other qualitative research.

5 153. Advertisers typically allocate different budgets for digital and offline  
6 advertising before they even set up a campaign, further evidencing limited  
7 substitutability between digital and offline advertising.

8 154. Moreover, market participants and the public generally regard the  
9 Digital Advertising Market as economically distinct from the offline advertising market.  
10 For example, industry data aggregators frequently separate digital advertising from  
11 offline advertising in providing market share estimates.

12 155. Classified advertising inventory is not reasonably interchangeable  
13 with digital advertising inventory because advertisers do not view these two types of  
14 advertising as reasonable substitutes for each other. Classified advertising and digital  
15 advertising serve entirely different purposes. Advertisers usually place classified ads to  
16 sell a unique asset or hire an employee for a specific job. For example, a tenant might  
17 place a classified ad on Craigslist to find a roommate, or an employer might place a  
18 classified ad on a job board to fill an assistant manager position. By contrast,  
19 advertisers who wish to sell largely fungible products and services do not find classified  
20 ads to be useful for selling those products or services. For example, Procter and Gamble  
21 would not try to sell laundry detergent with a classified ad on Craigslist. As a result, a  
22 small but significant and non-transitory increase in price for digital advertising  
23 inventory would not lead a significant number of advertisers to switch to classified  
24 advertising. In economic terms, a hypothetical monopolist of the Digital Advertising  
25 Market could profitably impose a small but significant and non-transitory increase in  
26 price above competitive levels.

**B. Geographic Market**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

156. The geographic scope of the Digital Advertising Market covers advertising delivered to consumers located in the predominantly English-speaking countries of the United States, Canada, the United Kingdom, Ireland, Australia, and New Zealand. Advertising delivered to consumers located in these countries is not reasonably interchangeable with advertising delivered to consumers located in other countries because advertisers do not view reaching consumers in the United States, Canada, the United Kingdom, Ireland, Australia, and New Zealand as a substitute for reaching consumers in other countries due to language, cultural, and socioeconomic differences. Indeed, other countries often have completely different advertisers, and the advertisers that do operate in both sets of countries often set up entirely different campaigns to target consumers in other countries and use entirely different branding for their products.

157. In the alternative only, the geographic scope of the Digital Advertising Market is the United States.

**C. Google's Dangerous Probability of Achieving Monopoly Power in the Digital Advertising Market**

158. Google has a dangerous probability of achieving monopoly power in the Digital Advertising Market.

159. Google's dangerous probability of achieving monopoly power can be demonstrated by, among other things, Google's substantial market share as measured by revenue. One market data source indicates that at the time Google decided to ban Unlockd from the Google Play Store and AdMob, Google's had about a 44% share of the net revenue in the Digital Advertising Market in the United States, far more than any competitor. Other market data sources indicate that Google had similarly high market shares as measured by revenue in the other countries comprising the Digital Advertising Market around the same time, with approximately 48% in Canada, 40% in the United Kingdom, and 49% in Australia. Google's market share in Ireland and New Zealand—which are much smaller countries than the other countries within the Digital Advertising

1 Market and are responsible for a tiny fraction of the Market’s revenue—is likely similar  
2 or higher.

3           160. Despite their substantial size, however, these revenue-based market  
4 share estimates underestimate Google’s market power in the Digital Advertising  
5 Market. Google earns revenue both in its capacity as a publisher through its Search and  
6 YouTube platforms and in its capacity as an intermediary through services like AdMob.  
7 When it acts as a publisher, Google captures all or nearly all the advertiser’s  
8 expenditure. When it acts as an intermediary, however, Google takes only a cut of the  
9 advertiser’s expenditure (*e.g.*, 30%), while still exercising control over pricing and  
10 competition. Revenue-based market share estimates, which are based on net rather than  
11 gross revenue, therefore underestimate Google’s market power.

12           161. In addition to its high market share, Google benefits from barriers to  
13 entry and expansion that increase its probability of achieving monopoly power in the  
14 Digital Advertising Market.

15           162. One significant barrier to entry and expansion results from Google’s  
16 vast collection of consumer data, which advertisers need to properly target their ads.  
17 Google has enormous amounts of consumer data, obtained by Google by tracking  
18 consumers while they use Google’s various products. Google keeps tabs on consumers  
19 every time they enter a search query, watch a video on YouTube, read or compose an  
20 email using Gmail, or browse the web through Google Chrome—to cite just a few  
21 examples. Google also has extensive data on user location. Google collects location  
22 data for Android smartphone users who have location services activated (which half to  
23 two thirds of users do) and even iPhone users who have Google Maps installed. Google  
24 uses this vast trove of consumer data to help advertisers optimize their targeting of  
25 consumers, creating a barrier that would-be rivals find tremendously difficult to  
26 overcome.

27           163. Google is poised to further fortify this barrier by phasing out the use  
28 of third-party cookies in its Google Chrome web browser. To target the right

1 consumers, advertisers often rely on “cookies”, which are small pieces of data stored on  
2 users’ computers that help to track user activity on the internet. Citing consumer  
3 privacy concerns, Google has started phasing out the use of third-party cookies from its  
4 Google Chrome web browser, which is the dominant web browser with about half the  
5 U.S. market. However noble Google’s privacy explanation may sound, the effect of this  
6 action will be to deepen Google’s data advantage and strengthen barriers to entry in the  
7 Digital Advertising Market. Although Google will be phasing out third-party cookies  
8 from Chrome, Google will not stop tracking its users’ activity through other means,  
9 forcing advertisers to come to Google for that data to effectively target consumers.

10           164. Google also strengthens its market power in the Digital Advertising  
11 Market by leveraging its market power in adjacent markets, such as online search  
12 engine services and licensable mobile OSs, to foreclose competition in the Digital  
13 Advertising Market. These actions create additional barriers to entry and expansion in  
14 the Digital Advertising Market, thereby further increasing the probability that Google  
15 will achieve monopoly power in the Digital Advertising Market.

16           165. For example, Google has used its control over the Android OS to  
17 foreclose competition in the Digital Advertising Market by making Google the default  
18 search engine for virtually all Android devices. As of December 2017, the Android OS  
19 was used on approximately 73.5% of smartphones globally.

20           166. Google effectively forces Android smartphone original equipment  
21 manufacturers into interlocking, anticompetitive agreements that make Google the  
22 default search engine on Android devices; manufacturers who do not make Google the  
23 default search engine risk discipline by Google and losing access to essential apps such  
24 as the Google Play Store. These agreements ultimately compel advertisers to go  
25 through Google to purchase search advertising inventory if they want to reach the many  
26 users who enter search queries on their Android devices. Very few consumers change  
27 the default on their device from Google to some other search engine—as one Google  
28 executive put it, “most users just use what comes on the device”. Highlighting these

1 agreements' exclusionary nature, in a draft 2014 Google strategy deck, Google  
2 described certain of these agreements as "provid[ing] exclusivity of Search" or  
3 "protect[ing] Search exclusivity". Similarly, a Google executive described certain of  
4 these agreements as providing "exclusivity".

5           167. Google has engaged in similar anticompetitive behavior in its  
6 dealings with Apple through contracts under which Apple agrees to make Google the  
7 default search engine on Apple's Safari web browser, which is the default web browser  
8 for iOS devices, in exchange for substantial payments from Google. Because  
9 approximately 99% of smartphones use either Android OS or iOS, this makes Google's  
10 search engine the default for nearly all smartphones and makes Google a necessary  
11 counterparty for advertisers who wish to purchase mobile search advertising inventory.  
12 With mobile advertising having recently eclipsed desktop advertising as a share of the  
13 overall Digital Advertising Market—and this trend being expected to continue—  
14 Google's dominance in mobile search advertising further increases the probability that  
15 Google will achieve monopoly power in the broader Digital Advertising Market.

16           168. Google has also entered revenue-sharing agreements with other web  
17 browsers, which together with Google's own Chrome browser cover 85% of all browser  
18 usage in the United States, that require Google to be the default search engine.

19           169. Google is also positioning itself to control emerging channels for  
20 search distribution, and by extension increase its dominance in the Digital Advertising  
21 Market, by excluding new and established rivals from search on next-generation devices  
22 such as smart watches, smart speakers, smart TVs, and connected automobiles. For  
23 example, Google has interpreted certain of its existing exclusionary agreements with  
24 Android mobile partners to cover next-generation devices, and Google has insisted on  
25 similar exclusionary terms with connected-device manufacturers that do not sell  
26 Android smartphones. This results in users of next-generation devices using Google for  
27 the searches they perform on those devices, further driving Google's dominance in  
28 search advertising and by extension the Digital Advertising Market.



1           170. Ultimately, Google’s dominant share and exclusionary practices in  
2 the online search engine market also create barriers to entry and expansion in the Digital  
3 Advertising Market, of which search advertising is a major component, thereby  
4 increasing Google’s probability of achieving monopoly power in the Digital Advertising  
5 Market.

6 **IV. Anticompetitive Conduct**

7           171. Through the actions alleged above, Google engaged in  
8 anticompetitive conduct by unlawfully excluding Unlockd from the Digital Advertising  
9 Market.

10           172. By banning Unlockd from the Google Play Store and AdMob  
11 without any legitimate justification, Google unlawfully excluded Unlockd from the  
12 Digital Advertising Market. Unlockd competed with Google in this Market by  
13 delivering first-access, hyper-targeted advertising that, unlike Google’s advertising, was  
14 a “win-win-win” with benefits for users, advertisers, and partners alike. As a result of  
15 Google’s anticompetitive conduct, Unlockd was no longer a competitive threat to  
16 Google in the Digital Advertising Market.

17           173. In banning Unlockd from the Google Play Store and AdMob, Google  
18 unilaterally terminated a voluntary and profitable course of dealing with Unlockd.  
19 Google had been distributing Unlockd’s apps through the Google Play Store for over  
20 *two years* before Google suddenly and unexpectedly accused Unlockd’s apps of  
21 violating Google Play policy. Likewise, Google had been intermediating sales of Boost  
22 Dealz and Tesco Mobile Xtras inventory for Unlockd through AdMob for over 10  
23 months before first alleging AdMob policy violations and 14 months before overturning  
24 its prior determination under its internal review procedures that Unlockd’s apps  
25 complied with Google policy. This voluntary course of dealing between Unlockd and  
26 Google yielded millions of dollars of revenue for Google, as well as other benefits to the  
27 Android ecosystem generated by Unlockd’s apps.

1           174. As explained earlier in this Complaint, Google had no valid business  
2 justification for its actions in cutting off Unlockd's access to the Google Play Store and  
3 Google's AdMob service, and its claimed justifications for taking such actions were  
4 pretextual. In banning Unlockd from the Google Play Store and AdMob, Google  
5 sacrificed short-term benefits to obtain higher profits in the long run by excluding  
6 Unlockd, a significant and growing competitor, from the Digital Advertising Market.  
7 Google sole's reason for taking these actions was to eliminate Unlockd as a competitor  
8 and thereby foreclose competition in the Market.

9           175. Meanwhile, Google has continued to distribute similarly situated  
10 customers' apps through the Google Play Store and to intermediate sales of similarly  
11 situated customers' mobile app advertising inventory through AdMob. For example,  
12 Google continued to allow the Optus Xtra app to access the Google Play Store and  
13 AdMob following the March 2018 Letter.

#### 14 **V. Anticompetitive Effects**

15           176. Google's anticompetitive conduct has foreclosed competition in the  
16 Digital Advertising Market, affected a substantial volume of commerce in the Market,  
17 and caused anticompetitive harms to advertisers, consumers, and competing publishers.

18           177. Google's conduct foreclosed competition in the Digital Advertising  
19 Market by forcing Unlockd to exit the Market as a competitor to Google. As explained  
20 above, but for Google's conduct, Unlockd would have continued to compete with  
21 Google in the Market and would have expanded even further. Google's conduct forced  
22 Unlockd to cease operating entirely.

23           178. Google's exclusion of Unlockd from the Digital Advertising Market  
24 has harmed both advertisers and consumers. To start, had Google allowed it to continue  
25 doing business, Unlockd would have increased the total supply of digital advertising  
26 inventory, leading to lower prices for advertisers. Moreover, advertisers lost an  
27 innovative, hyper-targeted form of advertising that provided them with a high return on  
28 investment. Consumers lost a source of relevant ads and other content, not to mention a

1 valuable rewards opportunity that allowed them to share in the advertising revenue  
2 received by publishers. Meanwhile, the well-publicized story of Unlockd's demise<sup>8</sup>  
3 disincentivized other would-be rivals from attempting to provide similar innovative  
4 advertising solutions, thereby creating spillovers beyond the effect of the loss of  
5 Unlockd alone. In the language of economists, excluding Unlockd increased prices,  
6 reduced innovation and quality of service, and lowered output.

7 179. Google's exclusion of Unlockd from the Digital Advertising Market  
8 also harmed Unlockd as a competing publisher, which otherwise would have had the  
9 ability to offer users, advertisers, and partners its innovative form of advertising that  
10 benefits all stakeholders.

11 180. Moreover, Google's elimination of Unlockd gave Google the  
12 opportunity to replace Unlockd with Glance, over which Google exercises control, and  
13 use Glance to help Google achieve monopoly power in the Digital Advertising Market,  
14 thereby creating additional anticompetitive effects. Google did not simply eliminate a  
15 competitor; it eliminated a competitor and moved in on the same space.

## 16 **VI. Antitrust Injury**

17 181. Plaintiff has suffered antitrust injury as a direct result of Google's  
18 unlawful conduct. As a direct and proximate result of Google's anticompetitive  
19 conduct, as alleged herein, Plaintiff suffered substantial losses to its business or property  
20 including the loss of substantial profits and future profits from selling mobile  
21 advertising inventory and other services to advertisers and other third parties.

22 182. As a direct consequence of Google's anticompetitive conduct,  
23 Unlockd Media and Unlockd Operations could no longer operate and expand Unlockd's  
24 business in the United States, causing them to lose substantial profits and future profits  
25 from the active Boost Dealz partnership and expected future partnerships with

---

26 <sup>8</sup> Numerous media outlets reported on Unlockd's insolvency and prominently  
27 highlighted Google's actions in their reporting. *See, e.g.,* Jonathan Randles, *Australian*  
28 *Startup Unlockd Files for Bankruptcy, Blaming Google*, Wall St. J. (Oct. 29, 2018),  
<https://www.wsj.com/articles/australian-startup-unlockd-files-for-bankruptcy-blaming-google-1540850298>.

1 companies such as [REDACTED], and more.  
2 Unlockd Media and Unlockd Operations would have profited from these partnerships by  
3 selling digital advertising inventory and other services to advertisers and other third  
4 parties, thereby challenging Google's market power in the Digital Advertising Market.  
5 In challenging Google in this Market, Unlockd Media and Unlockd Operations would  
6 have decreased prices and costs and increased innovation, quality of service, and output.  
7 For example, Unlockd would have continued to provide its innovative form of first-  
8 access, hyper-targeted advertising to advertisers—while sharing the resulting revenue  
9 with consumers and providing important customer acquisition and retention benefits to  
10 its partners—and it would have expanded that business even further in the United  
11 States, with multiple deals signed and potential partnerships in the works in areas  
12 ranging from telecommunications to content streaming to gaming to retail.  
13 Accordingly, Unlockd Media and Unlockd Operations were injured in a manner that the  
14 antitrust laws were intended to prevent.

15           183. As a direct consequence of Google's anticompetitive conduct,  
16 Unlockd Limited lost the opportunity provide continued financing support for its  
17 subsidiaries' operations and lost substantial profits and future profits that would have  
18 been earned through those subsidiaries. Google's anticompetitive conduct directly  
19 caused Unlockd Limited to suspend its imminent IPO because investors would not  
20 participate in it once they learned of Google's decisions to remove Unlockd's apps from  
21 the Google Play Store and disable access to AdMob. In addition, Unlockd Limited lost  
22 all meaningful opportunities to raise capital from private investors, who would not  
23 supply capital to Unlockd in light of Google's actions. As a result, Unlockd Limited  
24 was unable to secure capital to support its subsidiaries' continued operation and  
25 expansion of Unlockd's business.

26           184. Unlockd Limited's injuries were foreseeable. Google was aware, or  
27 should have been aware, that the scuttling of Unlockd's IPO and its inability to find  
28 alternative funding would be the likely effect of its anticompetitive conduct. Google

1 became aware of Unlockd's IPO as early as the fall of 2017 and no later than February  
2 2018, and as a routine provider of venture capital funding to growth-stage tech startups,  
3 Google thoroughly understood the critical importance of raising capital to a company in  
4 Unlockd's position. Absent Google's anticompetitive conduct, Unlockd Limited could  
5 have continued to support its subsidiaries in operating and expanding Unlockd's  
6 innovative business in the United States and abroad, resulting in substantial profits  
7 through the sale of mobile advertising inventory and other services to advertisers and  
8 other third parties. These activities would have challenged Google's market power in  
9 the Digital Advertising Market and, as a result, decreased prices and costs and increased  
10 innovation, quality of service, and output in the Market. Accordingly, Unlockd Limited  
11 was injured in a manner that the antitrust laws were intended to prevent.

12           185. Additionally, Google's anticompetitive conduct directly caused  
13 Unlockd Limited to lose profits and future profits earned by revenue generated by its  
14 non-U.S. operating subsidiaries. Unlockd Limited and its non-U.S. subsidiaries acted as  
15 a single enterprise, with Unlockd Limited exercising continuing supervision and control  
16 over, and intervention in, its subsidiaries' affairs. As a direct consequence of Google's  
17 anticompetitive conduct, Unlockd Limited's non-U.S. subsidiaries lost the opportunity  
18 to profit from selling digital advertising inventory and other services to advertisers and  
19 other third parties, thereby challenging Google's market power in the Digital  
20 Advertising Market. This competition would have decreased prices and costs and  
21 increased innovation, quality of service, and output in the Market. For this reason too,  
22 Unlockd Limited was injured in a manner that the antitrust laws were intended to  
23 prevent.

## 24 **VII. Effects on Domestic Commerce**

25           186. The anticompetitive conduct that caused Plaintiff's injuries, as  
26 alleged herein, has had a direct, substantial, and reasonably foreseeable effect on  
27 domestic commerce in the United States. This domestic effect gives rise to Plaintiff's  
28 Sherman Act claims.

1           187. The primary effects of Google’s anticompetitive conduct have been  
2 on domestic commerce. Google made a global decision to terminate access to the  
3 Google Play Store and AdMob for *all* of Unlockd’s apps, both in the United States and  
4 abroad. Given the commercial importance of the United States to both Unlockd and  
5 Google, however, it is clear that the geographic target of Google’s actions was the  
6 United States. The United States was the most significant source of revenue for  
7 Unlockd, with the Boost Dealz app generating a majority of the company’s revenue on a  
8 consolidated basis. The primary stakeholders who benefited from use of the Boost  
9 Dealz app were located in the United States: Unlockd Media and Unlockd Operations  
10 were Delaware corporations headquartered in New York; Sprint was a Kansas  
11 corporation headquartered in Kansas; Boost Dealz’s users lived and used the app in the  
12 United States; and the advertisers who bought Boost Dealz inventory included  
13 numerous U.S. advertisers. Likewise, Google has publicly reported that, in the year  
14 preceding Google’s exclusion of Unlockd from the Digital Advertising Market, nearly  
15 half of Google’s revenues came from the United States.

16           188. The United States was expected to continue to be the most important  
17 source of revenue for Unlockd, with additional partnerships expected to launch soon.  
18 For example, Unlockd had signed deals to launch partnerships in the United States with  
19 telecom company [REDACTED] and gaming companies [REDACTED]  
20 [REDACTED]. Unlockd was negotiating additional partnerships that would  
21 cover the United States as well, with advanced discussions about a potential deal with  
22 well-known U.S. companies such as [REDACTED]; quick-service  
23 restaurant chain [REDACTED]; and entertainment companies [REDACTED]  
24 [REDACTED]. Unlockd Media, Unlockd Operations, and Unlockd Limited would have  
25 earned substantial revenue from these partnerships.

26           189. Accordingly, the anticompetitive effects of Google’s actions have  
27 manifested primarily in commerce in the United States, where advertisers, consumers,  
28

1 and other third parties were deprived of an innovative technology, thereby increasing  
2 prices, reducing innovation and quality of service, and lowering output.

3           190. Additionally, the anticompetitive effects of the loss of Unlockd's  
4 apps in foreign countries are not independent from the domestic harm and include  
5 substantial effects on domestic commerce in the United States. Unlockd's second and  
6 third most commercially significant active apps were the Tesco Mobile Xtras and  
7 Unlock Rewards apps. These two apps were available to Android smartphone users in  
8 the United Kingdom and Australia, respectively, both of which are included in the  
9 geographic scope of the Digital Advertising Market. The United States, however, is the  
10 source of the majority of revenue in the Digital Advertising Market—approximately  
11 three quarters in 2020. Accordingly, because the relevant antitrust market includes both  
12 the United States as well as the United Kingdom and Australia, the anticompetitive  
13 effects resulting from Google's decision to ban the Tesco Mobile Xtras and Unlock  
14 Rewards apps have had spillover effects in the United States, including increased prices,  
15 reduced innovation and quality of service, and lowered output.

16           191. Moreover, a number of the advertisers who purchased inventory  
17 from Unlockd to deliver ads to foreign consumers, including to users of the Tesco  
18 Mobile Xtras and Unlock Rewards apps, were based in the United States. The impact of  
19 the loss of those advertisers to reach foreign consumers through Unlockd's platform  
20 created additional domestic effects, and these sales of foreign advertising inventory to  
21 U.S. advertisers qualifies as import commerce. In the Digital Advertising Market,  
22 advertisers are the buyers and publishers are the sellers. Advertisers who purchased  
23 advertising inventory from Unlockd to display advertisements to Tesco Mobile Xtras  
24 and Unlock Rewards users included advertisers based in the United States. Those  
25 transactions between U.S. buyers and foreign sellers constitute import commerce, and  
26 their loss has a direct, substantial, and reasonably foreseeable effect on domestic  
27 commerce in the United States.

1           192. The effects of Google’s anticompetitive conduct on domestic  
2 commerce give rise to Plaintiff’s Sherman Act claims. As detailed above, the primary  
3 cause of Unlockd Media, Unlockd Operations, and Unlockd Limited’s injuries was the  
4 loss of trading opportunities in the United States, which generated a majority of  
5 Unlockd’s revenues and were understood as such by prospective investors. The loss of  
6 those opportunities was devastating for the entire company and was directly responsible  
7 for Unlockd Limited’s inability to continue supporting its U.S. and foreign subsidiaries  
8 alike. Accordingly, the anticompetitive effects of Unlockd’s losses in the United States  
9 give rise to Plaintiff’s claims, including any claims relating to the loss of trading  
10 opportunities outside of the United States. And to the extent that Unlockd Limited and  
11 injuries resulted from the loss of trading opportunities outside the United States, those  
12 injuries are not independent from the domestic harm and also have direct, substantial,  
13 and reasonably foreseeable effects on commerce in the United States.

14           193. Moreover, even where Google acted to stifle competition in a way  
15 that had effects abroad, Google’s anticompetitive conduct emanated from the United  
16 States. Google LLC employees located in California made the determinations that  
17 Unlockd’s apps violated Google Play and AdMob policy, and Google LLC’s California-  
18 based CEO, Sundar Pichai, made the final, global determination to remove Unlockd’s  
19 apps from the Google Play Store and disable access to AdMob. California-based  
20 Google LLC was thus the final decisionmaker and driving force behind Google’s global  
21 decision to ban Unlockd’s apps from the Google Play Store and AdMob as part of its  
22 scheme to monopolize the Digital Advertising Market, including in the United States.  
23 Any foreign conduct by Google’s foreign subsidiaries to execute that scheme is  
24 attributable to Google LLC. Indeed, Google admitted in the U.K. litigation that  
25 Unlockd brought against Google that “all non-US entities act as agents of Google LLC  
26 in California.”



**COUNT 1: Sherman Act § 2**  
**(Attempted Monopolization in the Digital Advertising Market)**  
**(against all Defendants)**

194. Plaintiff restates, re-alleges, and incorporates by reference each of the allegations set forth in the paragraphs 1 through \_\_\_ of this Complaint as if fully set forth herein.

195. Google’s conduct violates Section 2 of the Sherman Act, which prohibits the “attempt[ed]” “monopoliz[ation of] any part of the trade or commerce among the several States, or with foreign nations”. 15 U.S.C. § 2.

196. The Digital Advertising Market is a valid antitrust market.

197. Google has unlawfully attempted to monopolize the Digital Advertising Market through the anticompetitive acts described herein, including by eliminating Unlockd as a competitor with the sole purpose of foreclosing competition in the Market.

198. At the time Google eliminated Unlockd as a competitor, Google had a dangerous probability of achieving monopoly power in the Digital Advertising Market.

199. In eliminating Unlockd as a competitor in the Digital Advertising Market, Google had a specific intent to monopolize that Market.

200. Google’s conduct has affected a substantial volume of interstate commerce.

201. Google’s conduct has had substantial anticompetitive effects, including increased prices and costs, reduced innovation and quality of service, and lowered output.

202. As a competitor of Google, Plaintiff has been harmed by Google’s anticompetitive conduct in a manner that the antitrust laws were intended to prevent. But for Google’s anticompetitive ban of Unlockd from the Google Play Store and AdMob, Unlockd would have continued to challenge Google as a competitor in the Digital Advertising Market.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment in favor of Plaintiff and against Defendants:

- A. Awarding Plaintiff damages (including, without limitation, lost profits and future profits), trebled pursuant to 15 U.S.C. § 15(a), in an amount to be determined at trial;
- B. Awarding Plaintiff pre- and post-judgment interest;
- C. Awarding Plaintiff its costs of suit, including reasonable attorneys’ fees and expenses; and
- D. Awarding any and all other such relief as the Court may deem proper.

**JURY TRIAL DEMAND**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff demands a jury trial of all issues so triable.

**GLOSSARY**

1  
2       **Ad Exchange:** Publisher-facing digital advertising intermediary that functions as  
3 an auction-like platform where advertisers bid to place advertisements with publishers,  
4 similar to a stock exchange in a financial market.

5       **Ad Network:** Publisher-facing digital advertising intermediary that buys ad  
6 inventory from a publisher and sells it to an advertiser, similar to a broker-dealer in a  
7 financial market.

8       **AdMob:** The most dominant mobile ad network; owned by Google.

9       **AdX:** The most dominant mobile ad exchange; owned by Google. Now  
10 vertically integrated with Google’s publisher ad server and branded as Google Ad  
11 Manager.

12       **Android OS:** The Android operating system; owned by Google and the most  
13 dominant mobile operating system worldwide.

14       **App:** Mobile application used on a smartphone.

15       **ARPU:** Average revenue per user.

16       **AUD:** Australian dollars.

17       **Boost Dealz:** Attention-based mobile rewards application developed by Unlockd  
18 and made available to Boost Mobile customers.

19       **CTR:** Click-through rate.

20       **DDA:** The Google Play Developer Distribution Agreement.

21       **Direct Advertising:** Digital advertising where the advertiser and the publisher  
22 deal with each other directly, without an ad network or ad exchange intermediating the  
23 sale of inventory.

24       **Display Advertising:** Digital advertising in which the consumer is shown an  
25 image-based advertisement.

26       **Earn Wall:** A product feature introduced by Unlockd to give users the  
27 opportunity to earn rewards by viewing videos, downloading apps, participating in  
28 surveys, or completing other in-app tasks.

1           **Glance:** Google-backed startup that has developed a platform to deliver  
2 advertisements and content to smartphone users on the lock or unlock screen.

3           **Google Play Store:** The official Android app store; owned by Google and the  
4 most dominant Android app store.

5           **Indirect Advertising:** Digital advertising where the advertiser and the publisher  
6 deal with each other indirectly, with an ad network or ad exchange intermediating the  
7 sale of inventory.

8           **Inventory:** Space where an advertisement can be displayed, such as on websites  
9 or in apps, that can be sold to advertisers.

10          **Lock Screen:** The screen on a smartphone visible to users before the user  
11 unlocks his or her device.

12          **OS:** Operating system.

13          **Publisher:** Entity or individual who sells advertising inventory to advertisers,  
14 such as the operator of a website or mobile application.

15          **Search Advertising:** Form of digital advertising in which the consumer is shown  
16 an advertisement alongside internet search results.

17          **Tesco Mobile Xtras:** Attention-based mobile rewards application developed by  
18 Unlockd and made available to Tesco Mobile customers.

19          **Unlock Rewards:** Attention-based mobile rewards application developed by  
20 Unlockd and made available to participants in the Flybuys loyalty program.

21          **Unlock Screen:** The screen on an Android smartphone created by Unlockd and  
22 visible to Android users after they unlock their devices but before they visit the home  
23 screen.

24          **White-Label App:** A mobile application built by an app developer to be  
25 rebranded with another company's branding.

1  
2 Dated: September 17, 2021

3  
4 Respectfully submitted,

5  
6 By: /s/ Evan R. Chesler

7 **CRAVATH, SWAINE & MOORE LLP**

8 Evan R. Chesler (Bar No. N/A)

9 echesler@cravath.com

10 Keith R. Hummel (*pro hac vice forthcoming*)

11 khummel@cravath.com

12 Yonatan Even (*pro hac vice forthcoming*)

13 yeven@cravath.com

14 Lauren Rosenberg (*pro hac vice forthcoming*)

15 lrosenberg@cravath.com

16 825 Eighth Avenue

17 New York, New York 10019

18 Telephone: (212) 474-1000

19 Facsimile: (212) 474-3700