

Google Opening Statement

September 12, 2023

United States, et al. v. Google LLC
State of Colorado, et al. v. Google LLC

Case Nos. 1:20-cv-03010 (APM) & 1:20-cv-03715 (APM)

DOJ Press Release



The screenshot shows the DOJ Office of Public Affairs website. At the top, there is a navigation bar with the DOJ logo, the text "Office of Public Affairs U.S. Department of Justice", and links for "Our Offices", "Find Help", and "Contact Us". Below this is a search bar. The main heading reads "PRESS RELEASE" followed by "Justice Department Sues Monopolist Google For Violating Antitrust Laws". The date is "Tuesday, October 20, 2020". There is a "Share" button and a "For Immediate Release" label. The sub-heading is "Department Files Complaint Against Google to Restore Competition in Search and Search Advertising Markets". A note directs users to click for "Attorney General Barr's statement" and "Deputy Attorney General Rosen's remarks". The main text begins with "Today, the Department of Justice — along with eleven state Attorneys General — filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia to stop Google from unlawfully maintaining monopolies through anticompetitive and exclusionary practices in the search and search advertising markets and to remedy the competitive harms. The participating state Attorneys General offices represent Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, Missouri, Montana, South Carolina, and Texas." It then includes a quote from Attorney General William Barr: "Today, millions of Americans rely on the Internet and online platforms for their daily lives. Competition in this industry is vitally important, which is why today's challenge against Google — the gatekeeper of the Internet — for violating antitrust laws is a monumental case both for the Department of Justice and for the American people," said Attorney General William Barr. "Since my confirmation, I have prioritized the Department's review of online market-leading platforms to ensure that our technology industries remain competitive. This lawsuit strikes at the heart of Google's grip over the internet for millions of American consumers, advertisers, small businesses and entrepreneurs beholden to an unlawful monopolist." A final quote from Deputy Attorney General Jeffrey A. Rosen follows: "As with its historic antitrust actions against AT&T in 1974 and Microsoft in 1998, the Department is again enforcing the Sherman Act to restore the role of competition and open the door to the next wave of innovation — this time in vital digital markets," said Deputy Attorney General Jeffrey A. Rosen.

“Today, millions of Americans rely on the Internet and online platforms for their daily lives. Competition in this industry is vitally important, which is why today’s challenge against Google — the gatekeeper of the Internet — for violating antitrust laws is a monumental case both for the Department of Justice and for the American people,” said Attorney General William Barr.

As alleged in the Complaint, Google has entered into a series of exclusionary agreements that collectively lock up the primary avenues through which users access search engines, and thus the internet, by requiring that Google be set as the preset default general search engine on billions of mobile devices and computers worldwide and, in many cases, prohibiting preinstallation of a competitor. In particular, the Complaint alleges that Google has unlawfully

<https://www.justice.gov/opa/pr/justice-department-sues-monopolist-google-violating-antitrust-laws>

Google

DOJ Press Release

Office of Public Affairs
U.S. Department of Justice

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PRESS RELEASE

Justice Department Sues Monopolist Google For Violating Antitrust Laws

Tuesday, October 20, 2020

Share >

For Immediate Release
Office of Public Affairs

Department Files Complaint Against Google to Restore Competition in Search and Search Advertising Markets

Note: Click for [Attorney General Barr's statement](#) and [Deputy Attorney General Rosen's remarks](#).

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"Today, millions of Americans rely on the Internet and online platforms for their daily lives. Competition in this industry is vitally important, which is why today's challenge against Google — the gatekeeper of the Internet — for violating antitrust laws is a monumental case both for the Department of Justice and for the American people," said Attorney General William Barr. "Since my confirmation, I have prioritized the Department's review of online market-leading platforms to ensure that our technology industries remain competitive. This lawsuit strikes at the heart of Google's grip over the internet for millions of American consumers, advertisers, small businesses and entrepreneurs beholden to an unlawful monopolist."

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like Standard Oil and the AT&T telephone monopoly. Decades ago the Department's case against Microsoft recognized that the antitrust laws forbid anticompetitive agreements by high-technology monopolists to require preinstalled default status, to shut off distribution channels to rivals, and to make software undeletable. The Complaint alleges that Google is using similar

<https://www.justice.gov/opa/pr/justice-department-sues-monopolist-google-violating-antitrust-laws>

Google

Colorado Attorney General Press Release

CORONAVIRUS ALERTS

Phil Weiser
COLORADO ATTORNEY GENERAL

FILE A COMPLAINT

Colorado Attorney General Phil Weiser leads multistate lawsuit seeking to end Google's illegal monopoly in search market

Bipartisan coalition of 38 Attorneys General allege Google illegally maintained a monopoly, created insurmountable barriers to entry for competitors

Dec. 17, 2020 (DENVER, Colo.) – Colorado Attorney General Phil Weiser led a bipartisan coalition of 38 attorneys general in [filing a lawsuit](#) today against Google LLC for anticompetitive conduct in violation of Section 2 of the Sherman Act.

The states allege that Google illegally maintains its monopoly power over general search engines and related general search advertising markets through a series of anticompetitive contracts and conduct. As a result, Google is hurting both consumers and advertisers. Consumers are denied the benefits of competition, including the possibility of higher quality services and better privacy protections. Advertisers are harmed through lower quality and higher prices that are, in turn, passed along to consumers.

"Our economy is more concentrated than ever, and consumers are squeezed when they are

As alleged in the complaint, Google is employing the same exclusionary contracting tactics to extend its search-related monopolies into the emerging ways consumers access general search engines, such as through their home smart speakers, televisions, or their cars.

Finally, Google hinders consumers' ability to access information provided by specialized vertical providers in certain lucrative commercial segments—such as travel, home

Colorado Attorney General Press Release

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"Our economy is more concentrated than ever, and consumers are squeezed when they are

To further entrench its monopoly position, Google uses its Search Advertising 360 (SA360) advertising tool to deny interoperability with competing search engine advertising features,

<https://www.naag.org/wp-content/uploads/2020/12/12-18-20-CO-Google.pdf>

Google

Legal Standard



Possession of monopoly power in a relevant market



Exclusionary conduct that has
anticompetitive effects in the relevant market

Has the
conduct
harmed the
competitive
process and
consumers?

Is the conduct
“competition on
the merits” and
does it provide
procompetitive
benefits?

Has the
conduct
resulted in
“a significant
degree of
foreclosure”?

Plaintiffs Must Show That “Each Type of Alleged Exclusionary Practice Has the Requisite Anticompetitive Effect”

- Browser Default Search Engine Agreements
- Android Mobile Device Agreements
- SA360 Integration of Bing Ads Functionality

Browser Default Search Agreements Promote Search Competition

Setting Defaults Is Long-Standing Practice

All Browsers Set a Default Search Engine Including Rivals Like Microsoft, DuckDuckGo and Brave

Rival Search Engines Have Competed for Defaults for Decades

- Defaults offer valuable promotional opportunities for search engines to integrate services with reputable partners
- Provides users with easy and quick access to search – resulting in increased search volumes
- Browser monetization opportunities enhance browser innovations that result in higher search usage

Browser Developer Witnesses



Eddy Cue

Apple's SVP
of Services



John Giannandrea

Apple's SVP of
Machine Learning and AI Strategy



Mitchell Baker

CEO of Mozilla Corporation





Apple's Safari Agreement with Google

Apple controls the design of the Safari browser

- Apple evaluates competing search engines and decides what it believes is best for its users

Apple promotes a variety of non-default search providers

- Has agreements to promote rival search providers on Safari

Apple designed Safari to make switching defaults easy

- Rival search provider agreements require as much

App store makes it easy to access apps directly

- Important feature of Apple's ecosystem design and user experience



Safari's Integrated Search Functionality

Newsroom Search: Newsroom Popular Topics

PRESS RELEASE
January 7, 2003

Apple Unveils Safari

Fastest Web Browser Ever Created for the Mac

MACWORLD EXPO, SAN FRANCISCO—January 7, 2003—Apple® today unveiled Safari™, the fastest and easiest to use web browser ever created for the Mac®. Safari's highly-tuned rendering engine loads pages over three times faster than Microsoft's Internet Explorer for the Mac and runs JavaScript over twice as fast. Safari's innovative features include Google search capabilities integrated directly into the toolbar; SnapBack, a new way to instantly snap back up to search results or the top level of any website after browsing down one or more levels; a completely new way to name, organize and manage bookmarks; and automatic "pop-up" ad blocking.

"Safari is the fastest browser on the Mac, and we feel it is the best browser ever created," said Steve Jobs. "We are bringing innovation back into this category with a new browser created in many years."

Safari's features include:

- Google search capabilities built into the user interface for convenient and quick searching on the web;
- SnapBack, Safari's unique feature that instantly snaps back to Google's search results or the top level of any website through a series of links from a Google search results page;
- bookmark re-naming, which helps the user rename cumbersome website names to something more suitable for bookmarks;
- the bookmark library, a powerful single-window interface for organizing and managing bookmarks; and
- Apple's popular iTunes™ and iPhoto™ apps, which make organizing and managing bookmarks even more convenient;
- optional pop-up blocking to automatically block annoying advertisements;
- Address Book integration, which automatically organizes websites listed in the user's Address Book.

PRESS RELEASE
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Safari's features include:

- Google search capabilities built into the user interface for convenient and quick searching on the web's most popular search engine;



Safari's Integrated Search Functionality

6/15/23, 12:57 PM

Apple Reinvents the Phone with iPhone - Apple

Newsroom

Search Newsroom Popular Topics

PRESS RELEASE
January 9, 2007

Apple Reinvents the Phone with iPhone

MACWORLD SAN FRANCISCO—January 9, 2007—Apple® today introduced iPhone, combining three products—a revolutionary mobile phone, a widescreen iPod® with touch controls, and a breakthrough Internet communications device with desktop-class email, web browsing, searching and maps—into one small and lightweight handheld device. iPhone introduces an entirely new user interface based on a large multi-touch display and pioneering new software, letting users control iPhone with just their fingers. iPhone also ushers in an era of software power and sophistication never before seen in a mobile device, which completely redefines what users can do on their mobile phones.

"iPhone is a revolution, ahead of any other device. It is all born with touch, and it uses them to create a new mouse."

iPhone is a Revolution
iPhone is a revolution. It calls by simply pointing contacts from you that you always have. In addition, you can frequently made conference calls.

iPhone's pioneer a listing of their vo go directly to those. Just like email, iPhone randomly access

iPhone includes a to easily send and users need to type, iPhone presents a new way an elegant touch

<https://www.apple.com/newsroom/2007/01/09Apple-Reinvents-the-Phone-with-iPhone/>
DX0270.001

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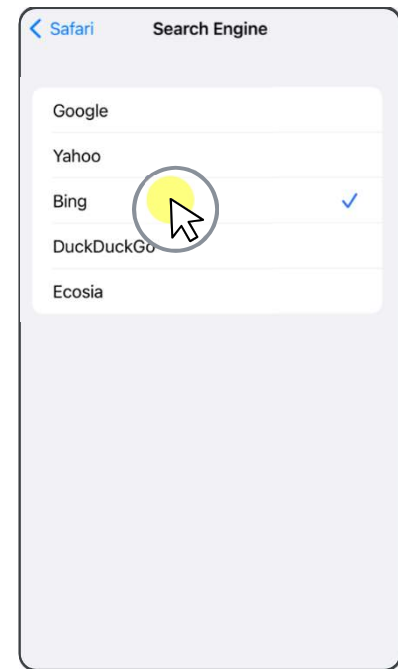
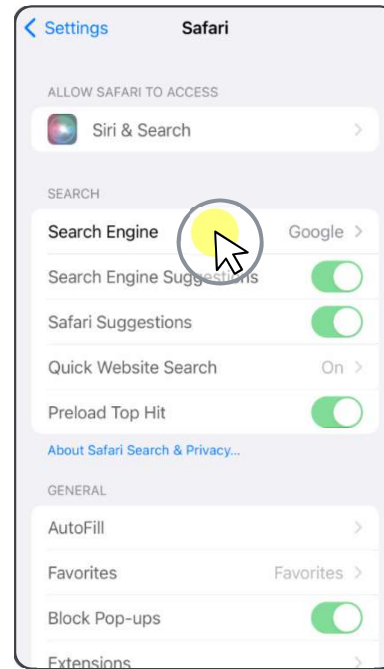
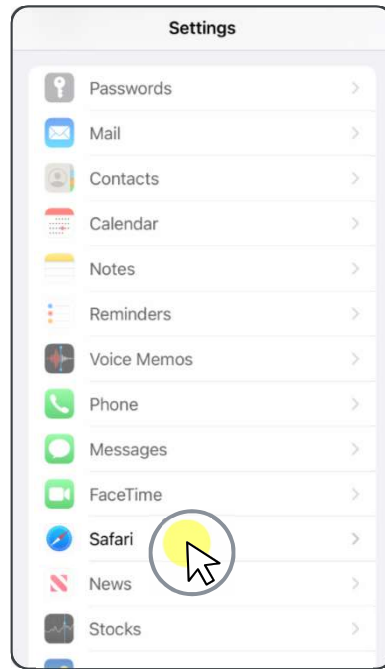
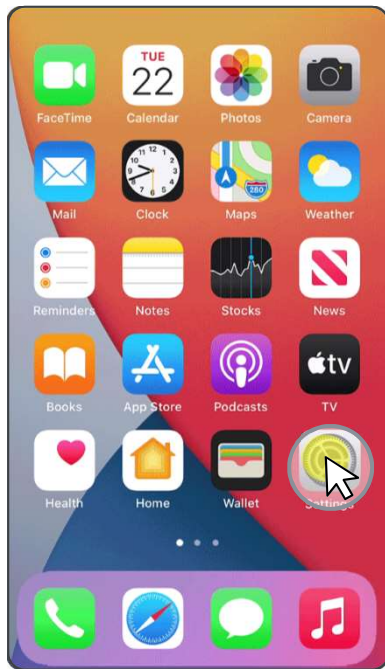
PRESS RELEASE
January 9, 2007

Apple Reinvents the Phone with iPhone

can automatically sync their bookmarks from their PC or Mac. iPhone's Safari web browser also includes built-in Google Search and Yahoo! Search so users can instantly search for information on their iPhone just like they do on their computer.



Changing the Default in Apple's Safari Browser

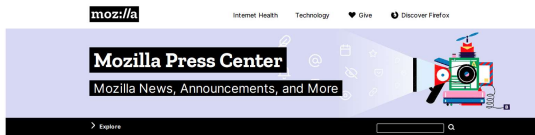


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Firefox's Integrated Search Functionality



Mozilla Foundation releases the highly anticipated Mozilla Firefox 1.0 web browser

November 9, 2004

- **Faster, Easier, More Accessible Search** – Firefox tightly integrates support for leading search services into the toolbar, including **Google search, Yahoo!, eBay, Amazon, Dictionary.com, Creative Commons, and more.** The new Firefox Start Page also provides access to Firefox information, resources and application

The Mozilla Firefox browser has already garnered rave reviews and awards for its stability, customization and innovative features.

- **Pop-up Blocking** – Firefox includes an integrated pop-up blocker that lets users not websites decide when they will see pop-ups. Mozilla continues to set the standard in assisting users avoid annoying pop-ups.
- **Online Fraud Protection** – Firefox helps users protect themselves against online fraud such as "phishing" (attempts to trick users into giving away their passwords) and "spoofing" (fraudulent sites masquerading as popular, trusted sites) by clearly displaying the true identity of secure sites.
- **Faster, Easier, More Accessible Search** – Firefox tightly integrates support for leading search services into the toolbar, including Google search, Yahoo!, eBay, Amazon, Dictionary.com, Creative Commons, and more. The new Firefox Start Page also provides access to Firefox information, resources and application tips, coupled with an integrated Google search box.
- **More Efficient Browsing** – Firefox's innovative Tabbed Browsing allows many web pages to load within the same window, improving the speed and utility of web browsing. Firefox also introduces Live Bookmarks, which allows users to easily glance through the latest news and blog headlines.
- **Extensible with Hundreds of Add-ons** – More than 100 extensions are available for Firefox today, including the AB.com, Google, and Yahoo! toolbars, which make Firefox even more customizable and convenient to use.
- **Easy Migration** – With Firefox it's easy to switch from Internet Explorer and other browsers. Firefox imports your existing bookmarks, passwords, cookies, and other data.

Firefox has received numerous endorsements and industry awards including Laptop Magazine's Editors' Choice Award, Best in Show at Linux World Fall 2004, Best Open Source Solution at Linux World Fall 2004, and first place in Maximum PC's Softy Awards for 2004.

DX0268 (Nov. 2004 Mozilla Press Release)

Google



Mozilla's Agreement with Google

Mozilla controls the design of its Firefox browser

- Mozilla evaluates different search engines and determines which one meets its needs

Mozilla promotes a variety of general and specialized search providers

- Simple process to change Firefox default from Google to rivals
- Prominent placement of other search providers, including bookmarks and other drop-down menu promotions



The Default in Mozilla's Firefox Browser



**Mitchell
Baker**

moz://a

“The concept of a default search has always been there and from when we made a consumer product, so Firefox 1.0, the prevalent or the existence of multiple search engines in the product has always been there.”



The Default in Mozilla's Firefox Browser



**Mitchell
Baker**

moz://a

"We're very big on choice, and so it's always been a key principle of our search philosophy that users always have choice, and we try to make it easy for people to pick a different search engine if they want it."



Mozilla's Promotion of Rivals in Firefox

A screenshot of a Firefox browser window. The address bar shows "New Tab" and "Search with Google or enter address". Below the address bar, a search bar contains the text "Search with Google or enter address". Below the search bar, a list of search suggestions is displayed, each with a logo and a link to the website:

- YouTube — youtube.com
- Facebook — facebook.com
- Reddit — reddit.com
- Wikipedia — wikipedia.org
- Twitter — twitter.com

At the bottom of the browser window, a row of sponsored search engines is visible, including Amazon Sponsored, Gap Sponsored, YouTube, Facebook, Reddit, Wikipedia, and Twitter. A red box highlights the search bar and the sponsored search engines.

A screenshot of a mobile Firefox browser interface. The top of the screen shows the "Firefox Browser" title and a search bar. Below the search bar, a row of search suggestions is displayed, each with a logo and a link to the website:

- Google
- Facebook
- YouTube
- Amazon
- Wikipedia
- Twitter

Below the search suggestions, a row of sponsored search engines is visible, including Amazon, eBay, and Wikipedia. A red box highlights the search bar and the sponsored search engines. Below the search bar, a keyboard is visible, with a "go" button at the bottom right.

This time, search with:

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The Android Agreements
Promote Competition in Search and
Do Not Substantially Foreclose Rivals

Google's Android Agreements

 Mobile Application Distribution Agreement (“MADA”)

Revenue Share Agreements (“RSAs”)

Mobile Application Distribution Agreement (“MADA”)

- Optional – no requirement for OEM to execute MADA to obtain Android operating system
- License to suite of core apps royalty free
- OEMs can chose whether or not to preload suite of apps on device-by-device basis
- No exclusivity requirement – OEMs can preload apps that compete with Google apps
- Minimal placement requirements on default home screen

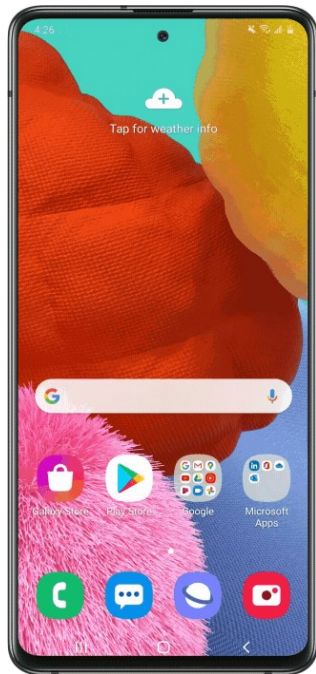
Minimal Preload and Placement Requirements / No Exclusivity



Samsung Galaxy A51

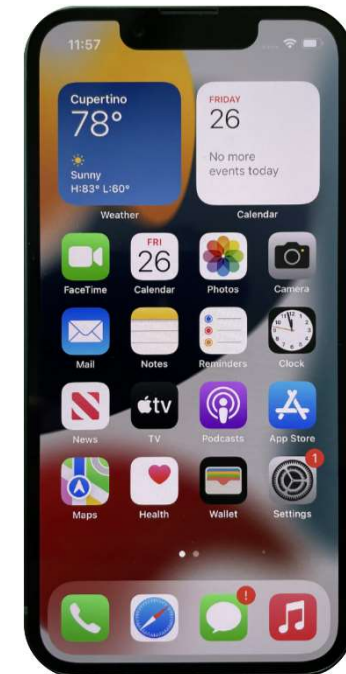
MADA vs. iOS: Out-of-Box Functionality

android 



✓	App Store	✓
✓	Search	✓
✓	Browser	✓
✓	Email	✓
✓	Video Chat	✓
✓	Photos	✓
✓	Maps	✓
✓	Music	✓
✓	Productivity	✓
✓	Media & Video	✓
	Messaging	✓
	Podcasts	✓
	Books	✓
	News	✓
	Finance	✓
	Health	✓
	Home	✓

 iOS



Google's Android Agreements

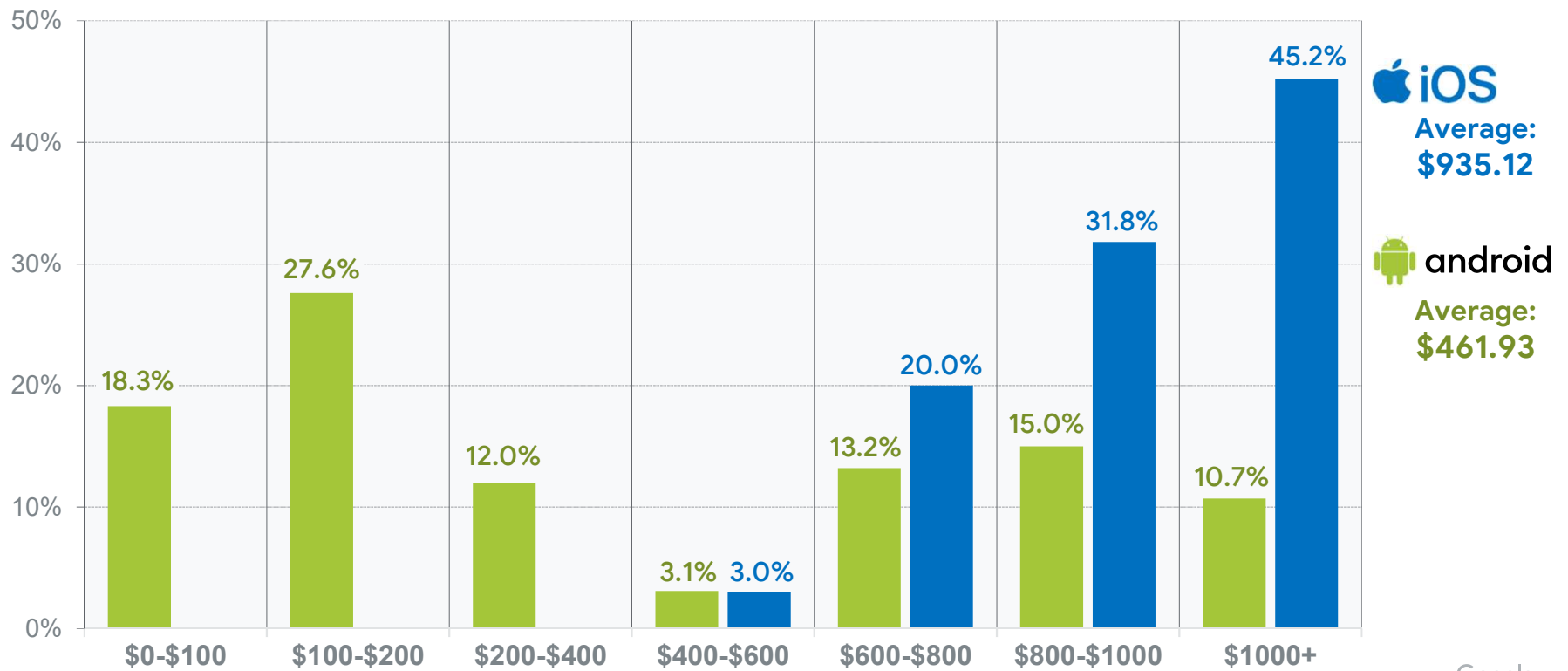
Mobile Application Distribution Agreement (“MADA”)

 Revenue Share Agreements (“RSAs”)

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Android and iOS Competition

Smartphone Shipments by Launch Price, 2016 – 2021 (U.S.)

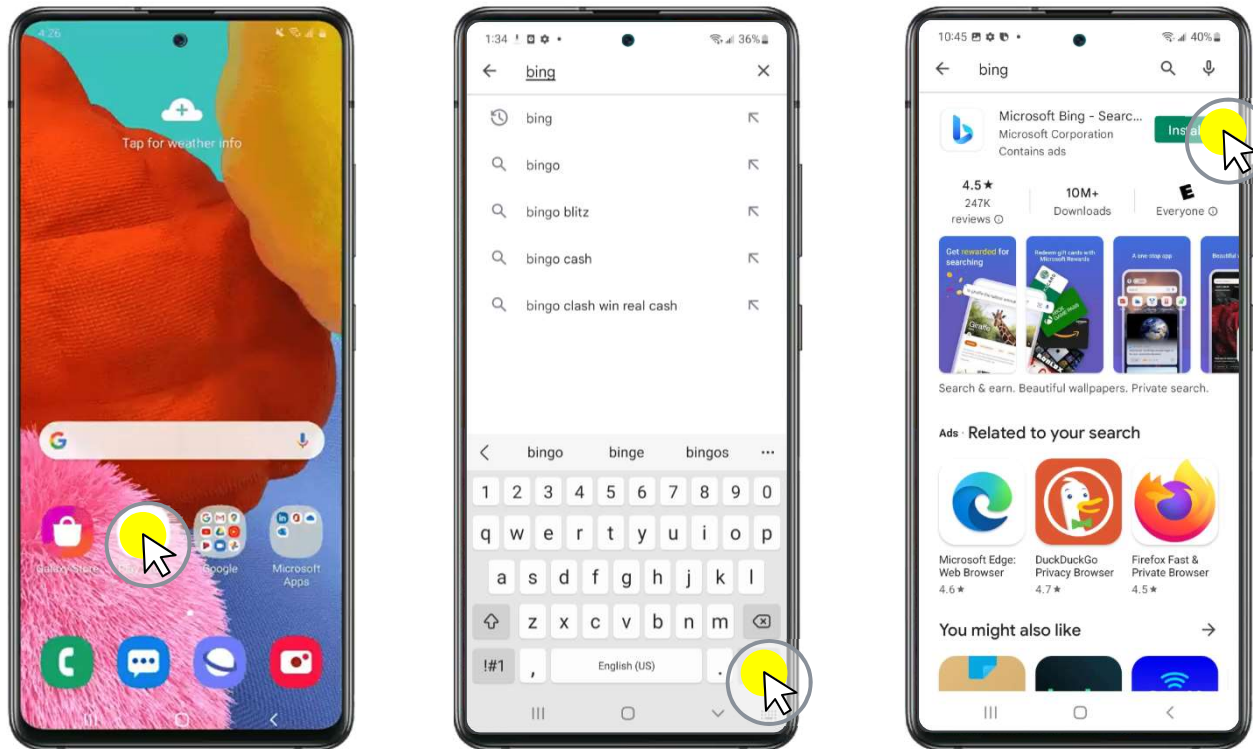


Murphy Opening Report Figure 24

Google

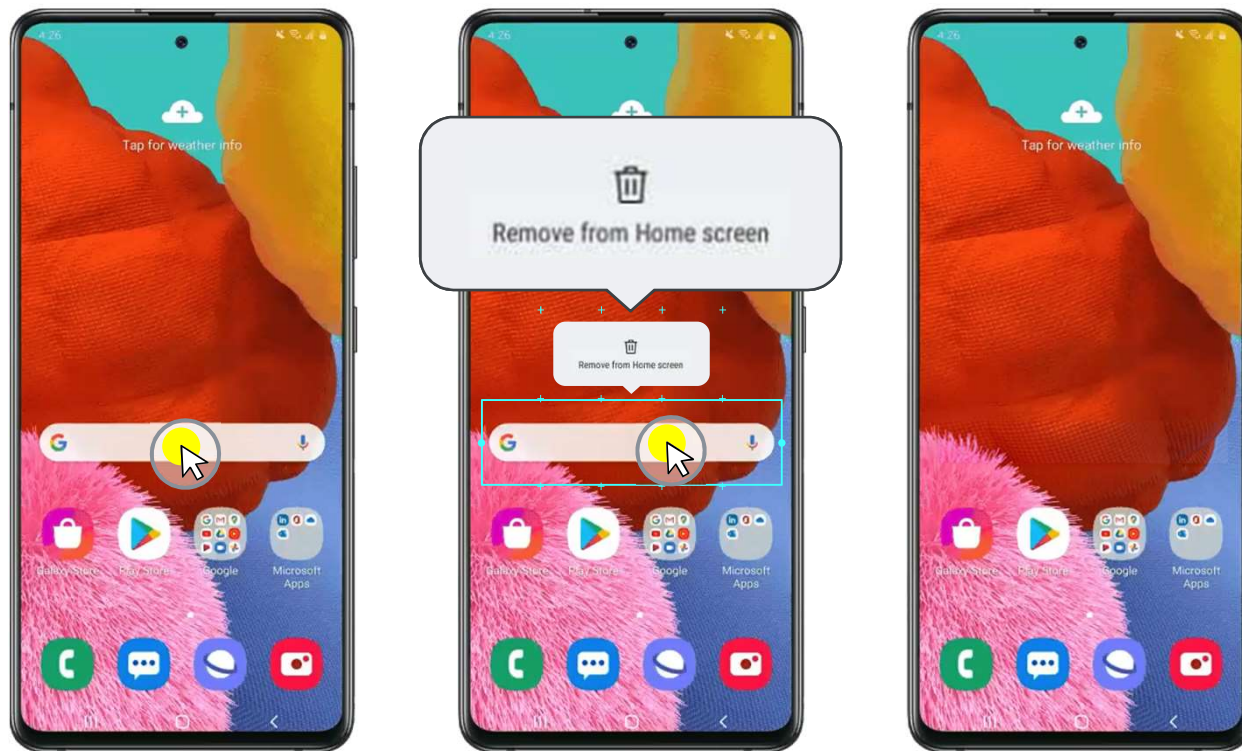
Android Users Can Easily Access Other Search Engines

Downloading an Alternative Search Engine on Android



Android Users Can Easily Access Other Search Engines

Removing Google Search Widget on Android



Users Ubiquitously Download Apps That They Demand

 User-Downloaded Apps	 Preload on iOS or Android Devices
 TikTok 94 million downloads in 2021	 YouTube
 WhatsApp 47 million downloads in 2021  snapchat 56 million downloads in 2021	 iMessage  Google Messages  OEM Messaging App
 zoom 52 million downloads in 2021	 FaceTime  Google Meet
 HBOMAX 45 million downloads in 2021	 Apple TV  Google Play Movies and TV

In the U.S., **12.2 billion** total app downloads in 2021
 Top 10 apps were each downloaded **45 million** times or more


<https://www.businessofapps.com/data/us-app-market/>;
 <https://www.forbes.com/sites/johnkoetsier/2021/12/27/top-10-most-downloaded-apps-and-games-of-2021-tiktok-telegram-big-winners/?sh=72093a9e3a1f>

OEM and Carrier Witnesses



Timothy Baxter
Former President & CEO
Samsung Electronics America
SAMSUNG



Eric Christensen
Executive Director, Software
Product Mgmt. and Partner Mgmt.
 **motorola**
A Lenovo Company



Jeff Giard
VP, Strategic Partnerships
and Business Development
T Mobile



Brian Higgins
Senior VP, Device Marketing and
Consumer Product
verizon[✓]



Jeffrey Ezell
VP, Business Development
 **AT&T**

The Android Agreements Do Not Foreclose a Substantial Share of the Alleged Market

“[T]he likely competitive effects of Google’s behavior locking up search access points through the challenged agreements is ideally examined relative to a ‘but-for’ world.”

Whinston Rebuttal Report ¶ 326

Android Agreements Affect Small Share of Queries

- Plaintiffs’ estimated shift with mandatory choice screen: ~1%
- Plaintiffs’ estimated shift with rivals as default: 11.6 - 13.5%

Defaults Do Not Foreclose Consumers from Accessing Products

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Google's Rivals Do Not Lack "Scale" To Compete with Google

In 2009, Microsoft Claimed To Have Acquired the Scale To Compete Through Yahoo! Agreement

Microsoft, Yahoo! Change Search Landscape
July 29, 2009 |

SUNNYVALE, Calif. and REDMOND, Wash. — 29 July, 2009 — Yahoo! and Microsoft announced an agreement that will improve the Web search experience for users and advertisers, and deliver sustained innovation to the industry. In simple terms, Microsoft will now power Yahoo! search while Yahoo! will become the exclusive worldwide relationship sales force for both companies' premium search advertisers.

For Web users and advertisers, this deal will accelerate the pace and breadth of innovation by combining both companies' complementary strengths and search platforms into a market competitor with the scale to fuel sustained development in search and search advertising. Users will find what they care about faster and with more personal relevance. Microsoft's competitive search platforms will lead to more value for advertisers, better results for web publishers, and increased innovation and efficiency across the Internet.

Under this agreement, Yahoo! will focus on its core business of providing consumers with great experiences with the world's favorite online destinations and Web products.

"This agreement comes with boatloads of value for Yahoo!, our users, and the industry. And I believe it establishes the foundation for a new era of Internet innovation and development," said Yahoo! Chief Executive Officer Carol Bartz. "Users will continue to experience search as a vital part of their Yahoo! experiences and will enjoy increased innovation thanks to the scale and resources this deal provides. Advertisers will also benefit from scale and enjoy greater ease of use and efficiencies working with a single platform and sales team for premium advertisers. Finally, this deal will help us increase our investments in priority areas in winning audience properties, display advertising capabilities and mobile experiences."

Providing a viable alternative to advertisers, this deal will combine Yahoo! and Microsoft search marketplaces so that advertisers no longer have to rely on one company that dominates more than 70 percent of all search. With the addition of Yahoo!'s search volume, Microsoft will achieve the size and scale required to unleash competition and innovation in the market, for consumers as well as advertisers.

Microsoft Chief Executive Officer Steve Ballmer said the agreement will provide Microsoft's search engine, Bing, the scale necessary to more effectively compete, attracting more users and advertisers, which in turn will lead to more relevant ads and search results.

SUNNYVALE, Calif. and REDMOND, Wash. — 29 July, 2009 — Yahoo! and Microsoft announced an agreement that will improve the Web search experience for users and advertisers, and deliver sustained innovation to the industry. In

be. This agreement gives us the scale and resources to create the future of search."

DX0271

DX0271.001


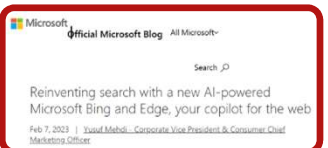
Microsoft + Nuance: Better together to transform business and healthcare outcomes with

Xbox teams up with Los Angeles Lakers and Dwight

DX0271 (July 2009 Microsoft Press Release)

Google

In 2023, Microsoft Claimed To Achieve “the Largest Jump in Relevance” – NOT Through Scale

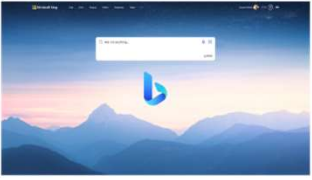


Microsoft Official Microsoft Blog All Microsoft

Search

Reinventing search with a new AI-powered Microsoft Bing and Edge, your copilot for the web

Feb 7, 2023 | Yusuf Mehdi - Corporate Vice President & Consumer Chief Marketing Officer



To empower people to unlock the joy of discovery, feel the wonder of creation and better harness the world's knowledge, today we're improving how the world benefits from the web by reinventing the tools billions of people use every day, the search engine and the browser.

Today, we're launching an all new, AI-powered Bing search engine and Edge browser, available in preview now at bing.com, to deliver better search, more complete answers, a new chat experience and the ability to generate content. We think of these tools as an AI copilot for the web.

"AI will fundamentally change every software category, starting with the largest category of all – search," said Satya Nadella, Chairman and CEO, Microsoft. "Today, we're launching Bing and Edge powered by AI copilot and chat, to help people get more from search and the web."

There are 10 billion search queries a day, but we estimate half of them go unanswered. That's because people are using search to do things it wasn't originally designed to do, it's great for finding a website, but for more complex questions or tasks too often it falls short.

The new Bing and Edge – Your copilot for the web

We have brought together search, browsing and chat into one unified experience you can invoke from anywhere on the web, delivering:

- **better search.** The new Bing gives you an improved version of the familiar search experience, providing more relevant results for simple things like sports

DX0301.001

Applying AI to core search algorithm. We've also applied the AI model to our core Bing search ranking engine, which led to the largest jump in relevance in two decades. With this AI model, even basic search queries are more accurate and more relevant.

Microsoft Claimed To Be “Reinventing Search”

Satya Nadella: Reinventing search with a new AI-powered Bing and Edge
 Tuesday, February 7, 2023

SATYA NADELLA: Hi everyone. Welcome. It's great to see all of you Seattle, in person. We have an unbelievable show. I see Scott Guthrie has even worn his red shirt. So we welcome you to the Azure Kubernetes Container Service 2023 launch. No, don't worry, we'll have some fun. We will have some fun. You know, Scott's not coming up to show soon.

But look, it's an exciting time in tech. You know, the broad contour just getting clearer and clearer each day, the advances, what's possible excites us in our industry, but we're also grounded in what's happen. There's no question there are enormous challenges out there.

In fact, it reminds me, and I've spoken about this before, of the very 1975. In fact, the when the *Popular Electronics* cover came out with course, our four—

And today, you have those three Microsoft, we are to the other.

In other words, organizations at say I just want e

Quite honestly, working in this when Sam and I friends and fam like the mosaic

It's been, what? was very excitin India, and on Ja out, who is ex- thing about the j CallHub Copilot, say, first at-scal

And this does' more leverage, about this, right

6/19/23, 2:17 PM

Microsoft FY23 Conference Call
 Brett Iversen, Satya Nadella, Amy Hood
 Tuesday, April 25, 2023

BRETT IVERSEN:
 Good afternoon and thank you for Nadella, chairman and chief executive officer, Amy Hood, chief financial officer, Alice Jolia, chief accounting officer, and Keith Dolliver, deputy general counsel.

On the Microsoft Investor Relations website, you can find our earnings press release and financial summary slide deck, remarks during today's call and per GAAP and non-GAAP financial me detailed outlook slides will be avai when we provide outlook comme

On this call we will discuss certain measures provided should not be measures of financial performance included as additional clarifying its company's third quarter perform events have on the financial results.

All growth comparisons we make on the call today relate to the corresponding period of last year unless otherwise noted. We will also provide growth rates in constant currency, when available, as a framework for assessing how our underlying business performed, including the effect of foreign currency rate fluctuations. Where growth rates are the same in constant currency, we will refer to the growth rate only.

We will post our prepared remarks to our website immediately following the call until the complete transcript is available. Today's call is being webcast live and recorded. If you ask a question, it will be included in our live transmission, in the transcript and in any future use of the recording. You can replay the call and view the transcript on the Microsoft Investor Relations website.

During this call, we will be making forward-looking statements which are predictions, projections, or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in today's earnings press release, in the comments made during this conference call, and in the risk factor section of our Form 10-K, Forms 10-Q, and other reports and filings with the

<https://www.microsoft.com/en-us/investor/events/fy2023earnings-fy2023-04-25.aspx>
 DX0330.005

5/0

And so, we want to show you some of this innovation, starting with how it's going to reshape the largest software category on planet Earth, which I've been working on for a long time, which we are very, very excited about, Search. And it's a new day in Search. It's a new paradigm for Search. Rapid innovation is going to come. In fact, a race starts today in terms of what you can expect. And we're going to move; we're going to move fast. And for us, every day, we want to bring out new things, and most importantly, we want to have a lot of fun innovating again in Search, because it's high time.

We are winning new customers on Windows and mobile. Daily installs of the Bing mobile app have grown 4X since launch.



Satya Nadella

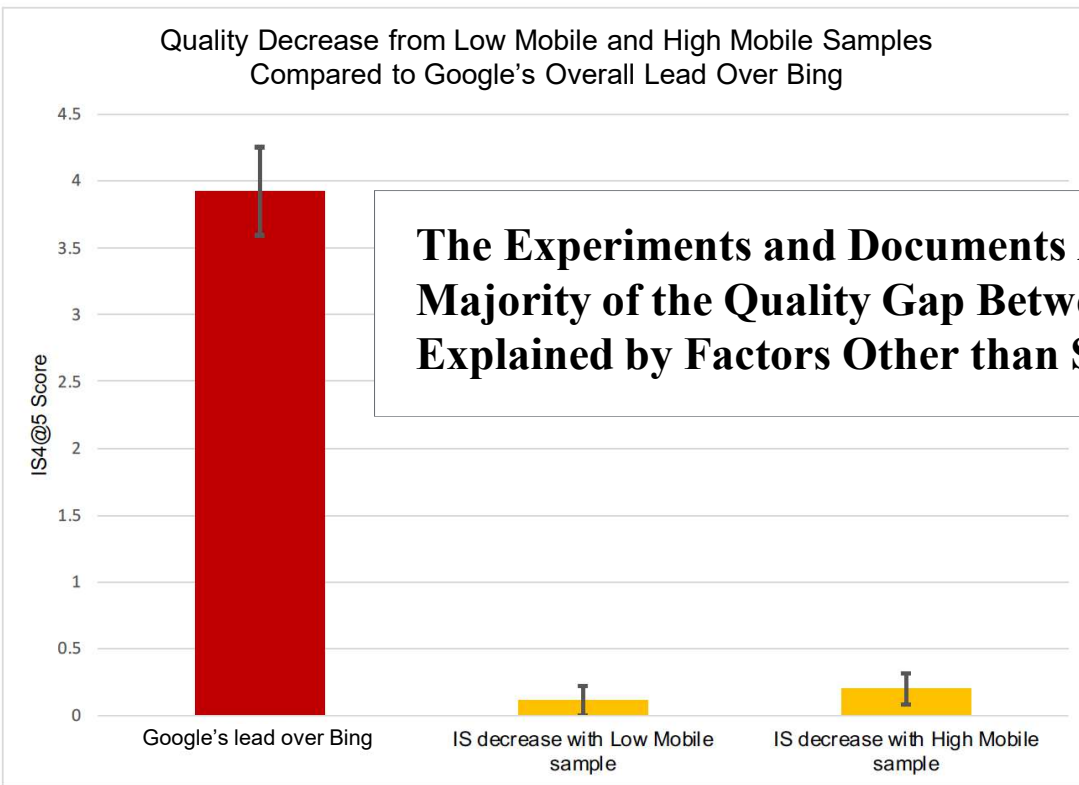


DX0302 (Feb. 2023 Nadella Tr.) at 4; DX0330 (Apr. 2023 Nadella Conf. Call) at 11

Quality Gap Is Not Due to Scale

**Professor Fox's
conclusion:**

The Experiments and Documents Available Confirm That the Vast Majority of the Quality Gap Between Google and Microsoft is Explained by Factors Other than Scale.



Search Quality Witnesses



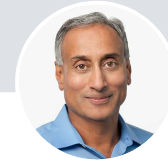
Ben Gomes

Former SVP, Search & Assistant



Pandu Nayak

VP, Search



Prabhakar Raghavan

SVP, Knowledge & Information



Liz Reid

VP, Search

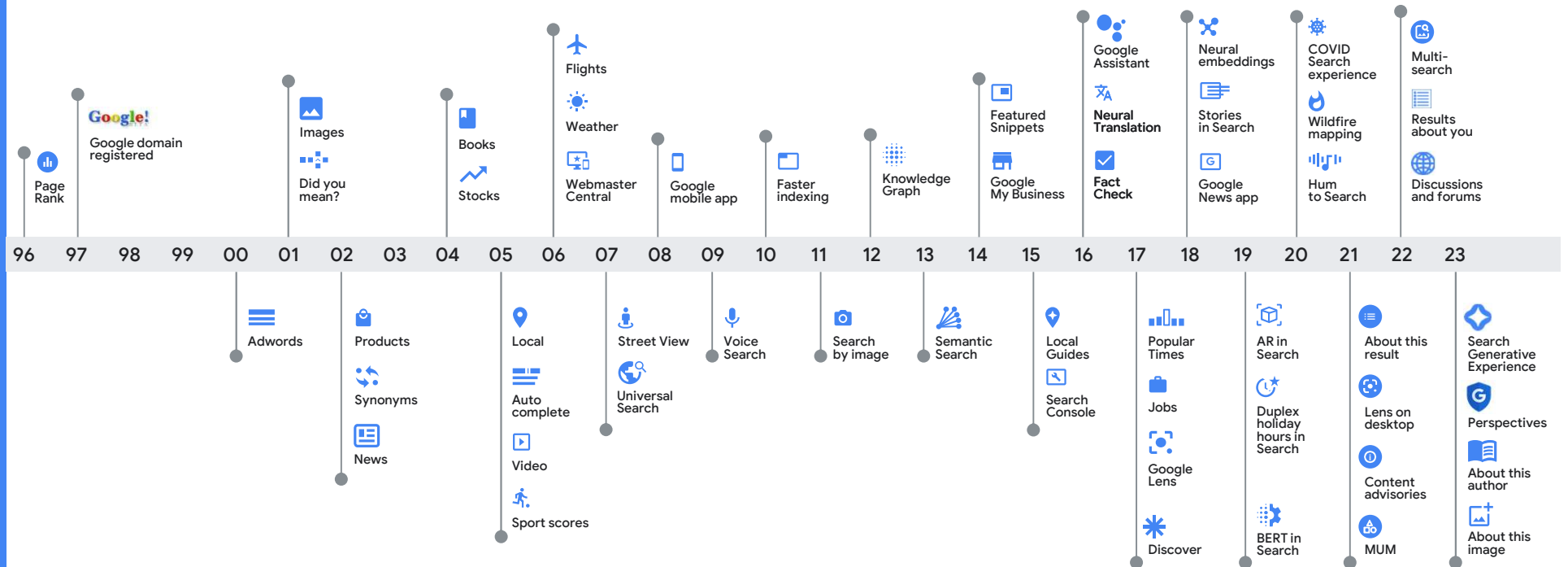


Eric Lehman

Former Software Engineer



Examples of Google Search Innovations



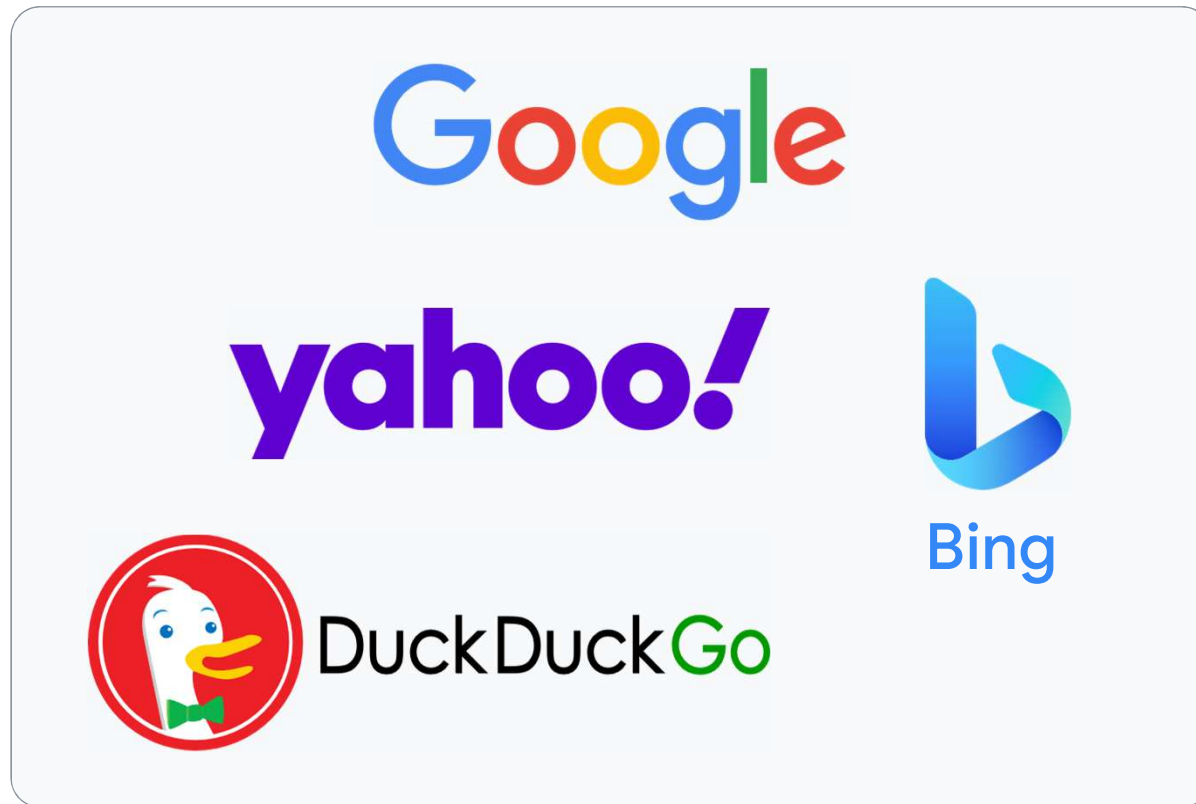
| Plaintiffs' Alleged Relevant Markets

Where Users Search for Information Online: Examples



Google

Plaintiffs' Alleged Market: General Search Engines



Verticals Present Significant Competition

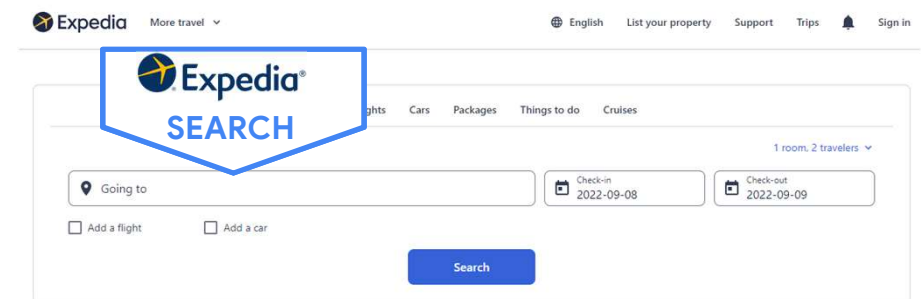
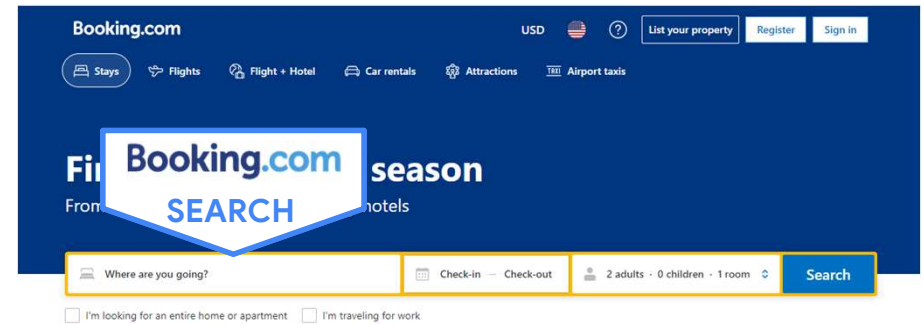
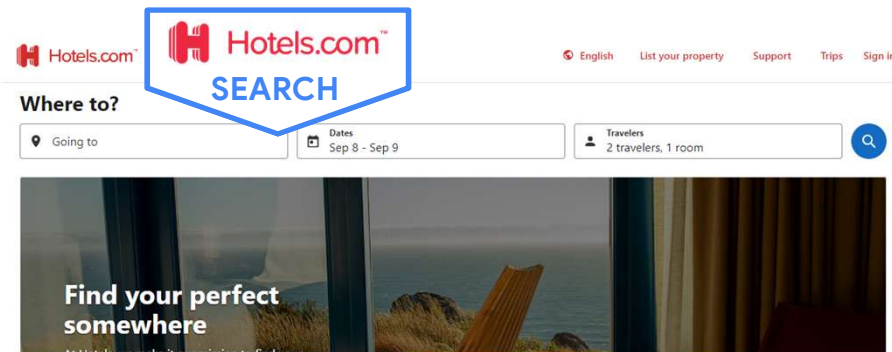
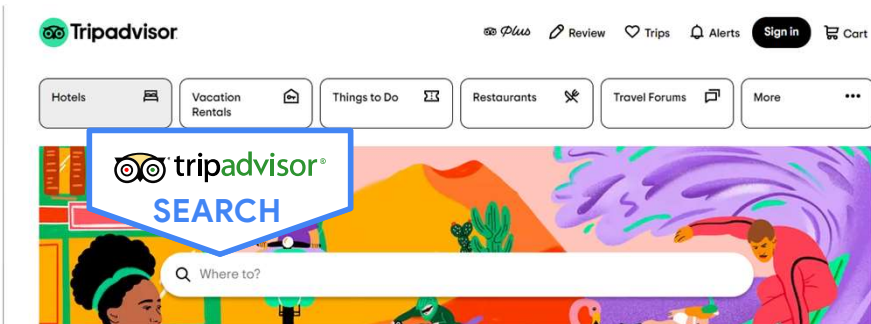
Looking for a Home Office Chair

The Wayfair search results page for 'home office chair' features a purple header with the Wayfair logo and a search bar. A blue callout box with the Wayfair logo and 'SEARCH' is overlaid on the search bar. The page shows a category filter on the left, a main product area with a 'Shop This Sale' button, and a list of products with prices and ratings. A blue callout box with the Amazon logo and 'SEARCH' is overlaid on the product area.

The Walmart+ search results page for 'home office chair' features a blue header with the Walmart+ logo and a search bar. A blue callout box with the Walmart+ logo and 'SEARCH' is overlaid on the search bar. The page shows a list of products with prices and ratings. A blue callout box with the Overstock logo and 'SEARCH' is overlaid on the product area.

Verticals Present Significant Competition

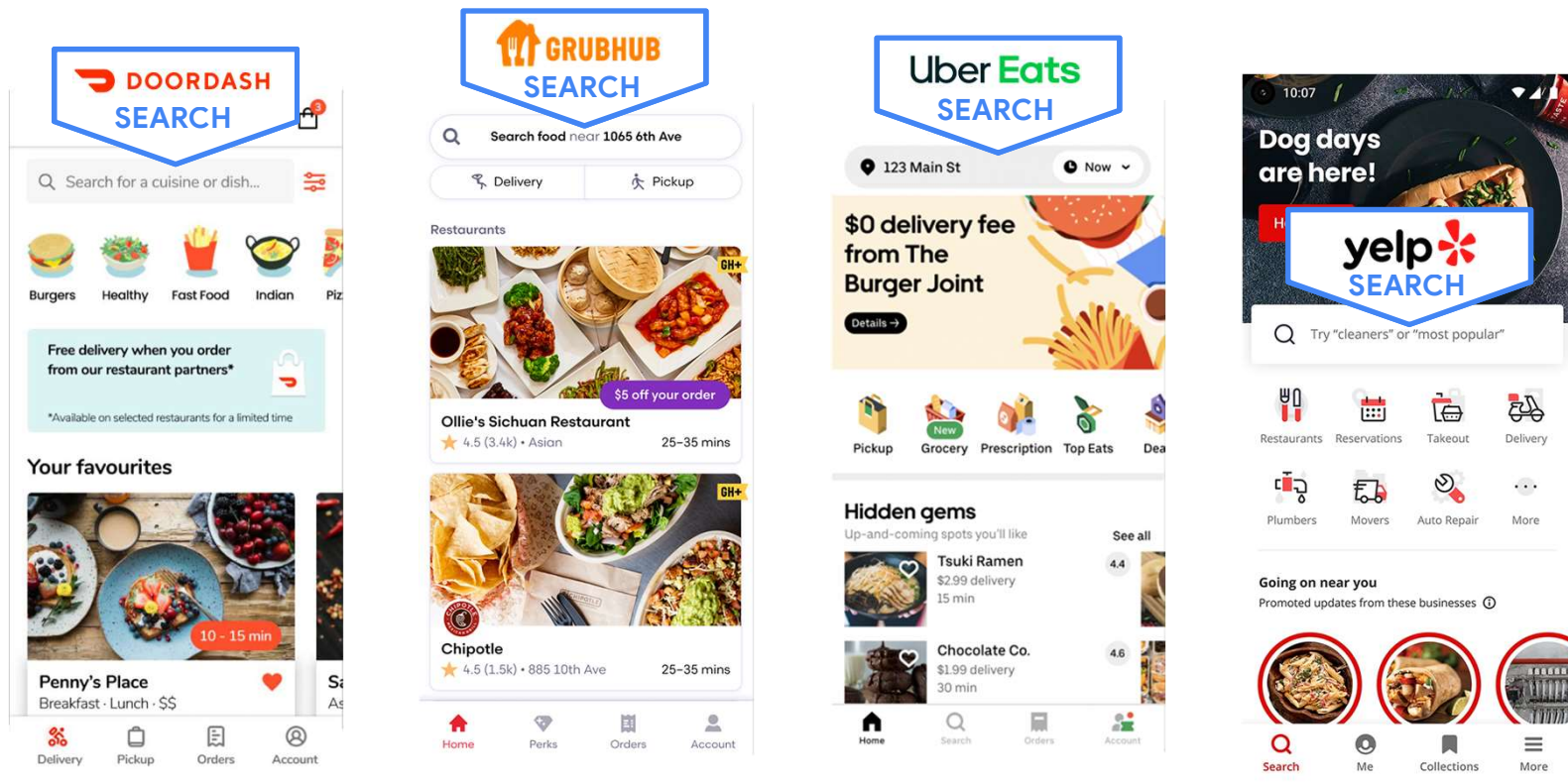
Looking for a Hotel



Google

Verticals Present Significant Competition

Looking for Food Delivery Nearby



| Digital Advertising

Examples of Digital Advertising Providers



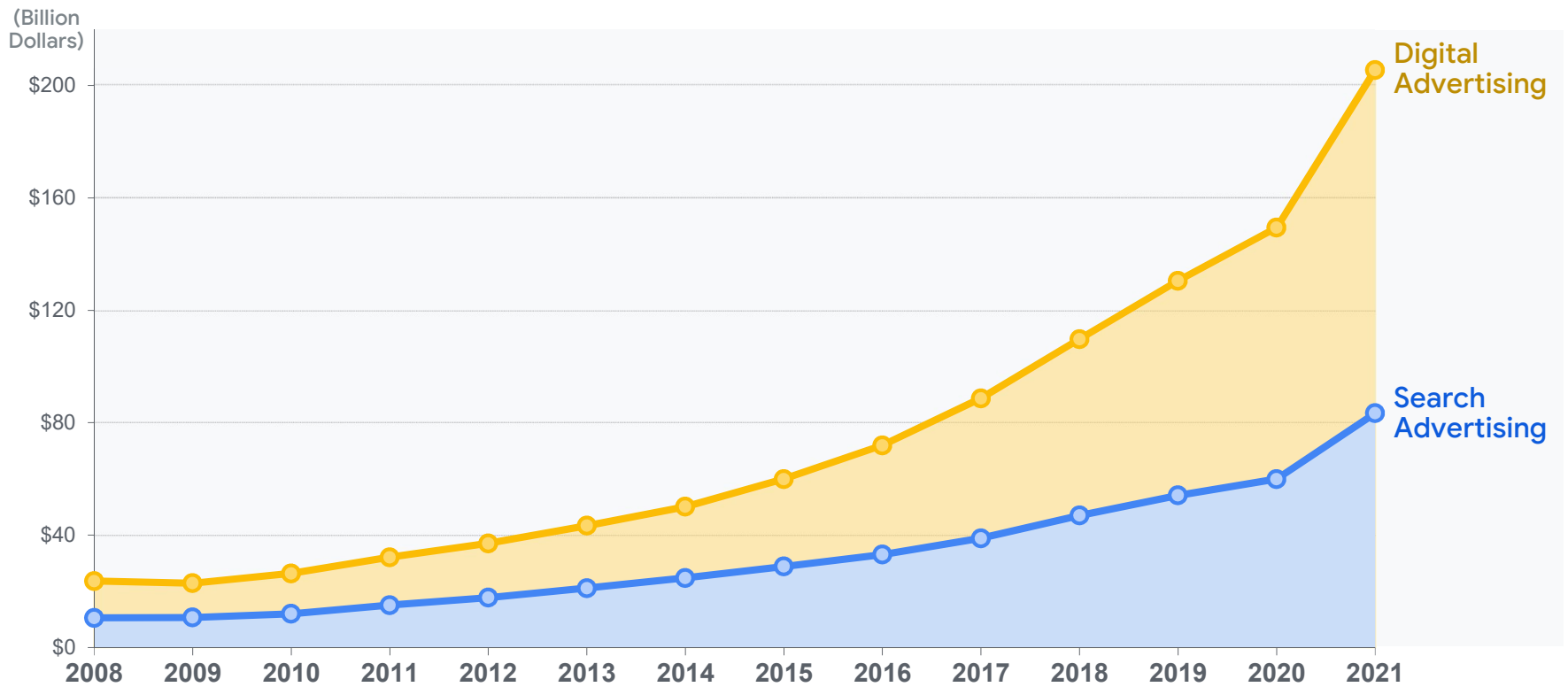
Plaintiffs' Alleged Market: General Search Text Advertising



yahoo!

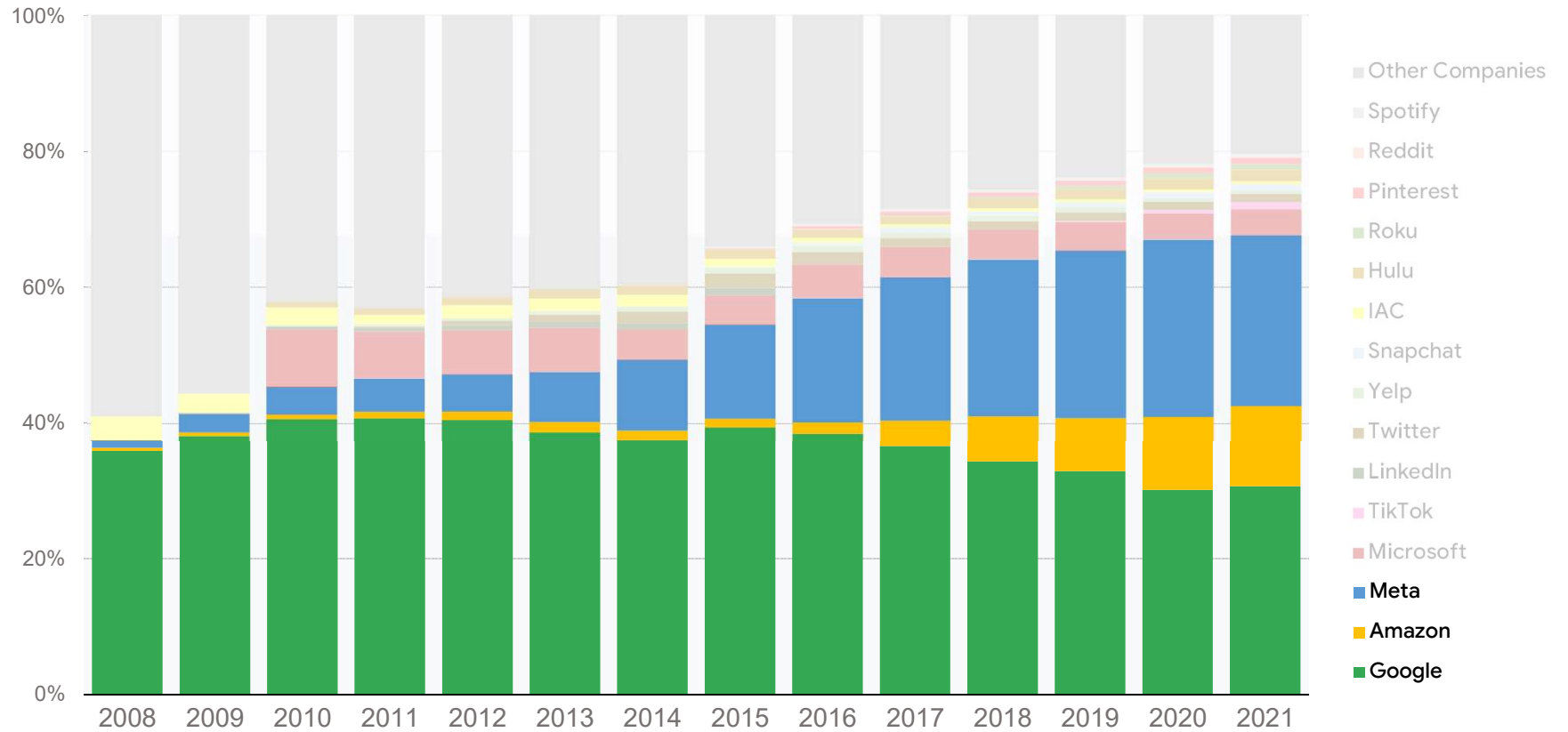
Google

U.S. Digital and Search Advertising Spend, 2008-2021



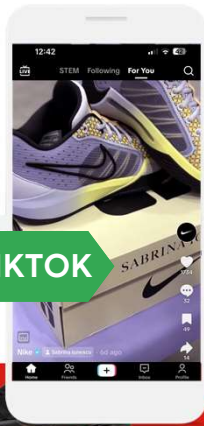
Israel Opening Report Figure 9

Shares of U.S. Digital Advertising Revenue, 2008-2021

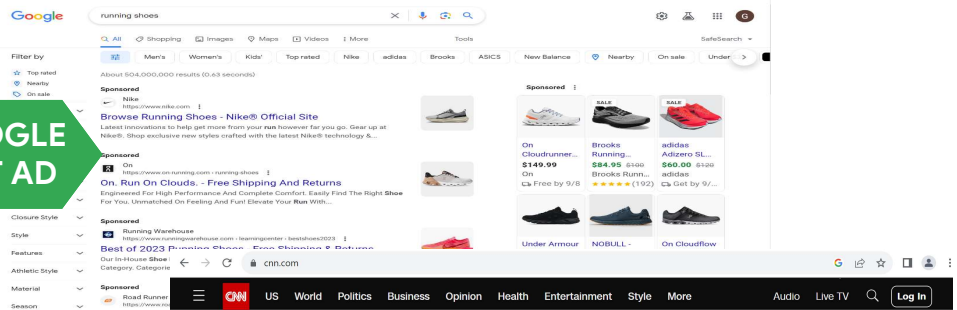


Israel Opening Report Figure 16

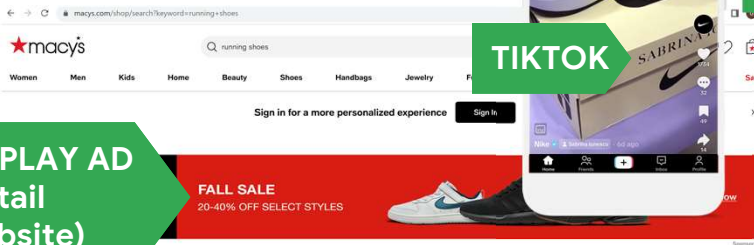
Examples of Advertisers' Digital Options



GOOGLE TEXT AD



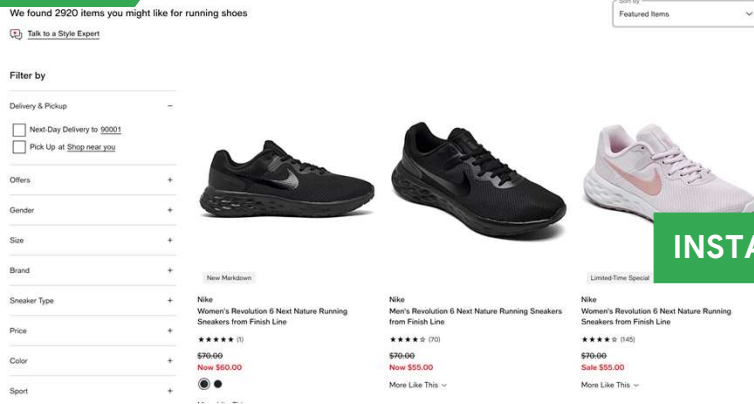
TIKTOK



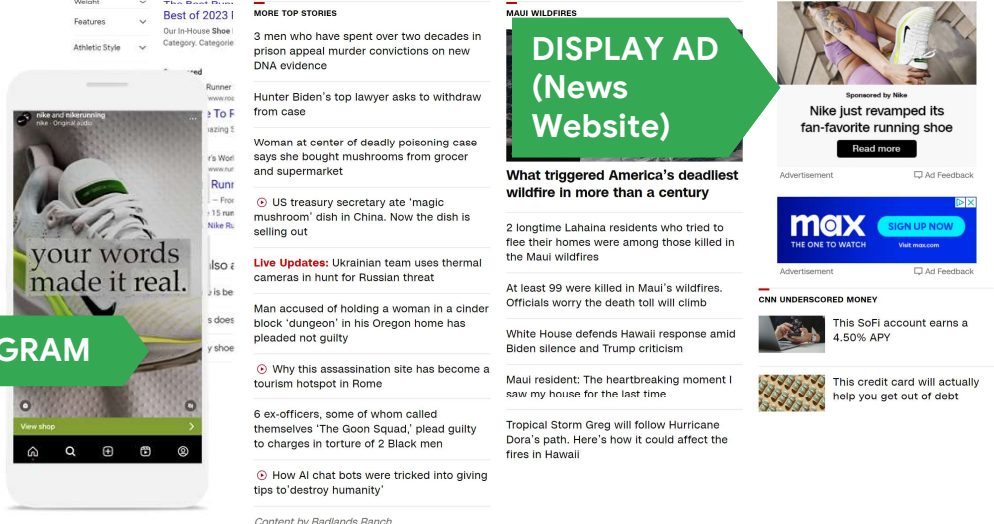
DISPLAY AD (Retail Website)



INSTAGRAM



DISPLAY AD (News Website)

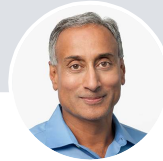


Search Advertising Witnesses



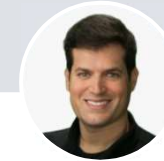
Jerry Dischler

VP & GM, Ads



Prabhakar Raghavan

SVP, Knowledge & Information



Adam Juda

VP, Product Management



John McAteer

VP, US Sales



Dr. Mark Israel

Expert Economist



Randolph Bucklin

Advertising Expert



Google's SA360 Search Engine Management Tool

Buying Tools

EXAMPLES

Three Options to Buy

1

Platform
"Front End"

2

Custom API
Integration

3

Buying Tool

Google Ads

Bing Ads

facebook Ads Manager

amazon Ads

yahoo! Ads

Baidu 百度 Ads

MARINONE

skai

Adobe

Search Ads 360

No Evidence SA360 Conduct Harmed Competition

- No legal duty to deal with rival on its preferred terms
- SEM tools are a small channel for ad buying
- Advertisers can use Microsoft's native tools or other SEM tools to access the disputed features
- Google has implemented 4 of 5 disputed features
- The fifth feature is being tested with advertisers
- Microsoft decided not to buy or develop its own SEM tool
- No competent evidence of any lost advertising spend due to alleged delay in implementation

Colorado Plaintiffs' Expert – Professor Baker

- No opinion that SA360 has market power in any market
- No analysis of what percentage of advertisers only use SA360 to buy search ads
- No analysis of cost of switching from SA360 to Bing Ads native tools
- No independent analysis of whether Bing Ads lost ad spend due to delayed feature implementation on SA360
- No opinion that Google's SA360 conduct has impacted ad auction pricing or overall search advertising output

