

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman  
J. Thomas Rosch  
Edith Ramirez  
Julie Brill  
Maureen K. Ohlhausen

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In the Matter of  
MOTOROLA MOBILITY LLC,  
a limited liability company,  
and GOOGLE INC.,  
a corporation.  
\_\_\_\_\_

DOCKET NO. C-

COMPLAINT

Pursuant to Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 (“FTC Act”), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Respondent Google Inc. (“Google” or “Respondent”) has engaged in conduct that violates the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint stating its charges in that respect as follows:

Nature of the Case

1. Through this action, the Commission challenges a course of conduct, whereby Google, and its predecessor in interest, Motorola Mobility, Inc. (“Motorola”), engaged in unfair methods of competition and unfair acts or practices by breaching its commitments to standard-setting organizations (“SSOs”) to license its standard essential patents (“SEPs”) on fair, reasonable, and non-discriminatory (“FRAND”) terms. Google violated its FRAND commitments by seeking to enjoin and exclude willing licensees of its FRAND-encumbered SEPs.
2. Manufacturers ensure compatibility for consumer electronic devices by agreeing on standards based on shared technologies that incorporate patents. These standards encourage adoption of a common platform among rival producers, which in turn fosters

competition among these producers and spurs entry of complementary products. Holders of SEPs typically agree to license their patents royalty-free or on FRAND terms before the technology becomes part of the standard. When participants breach their FRAND commitments by engaging in patent hold-up and threatening to keep products out of the market, consumers and the competitive process will likely be harmed.

3. Google's conduct will harm consumers by either excluding products from the market entirely as a result of an injunction, or by leading to higher prices because manufacturers using Google's SEPs would be forced, by the threat of an injunction, to pay higher royalty rates which would be passed on to consumers. This conduct will deter innovation by increasing the costs of manufacturing to a standard and undermining the integrity and value of the standard-setting process.
4. Left unchecked, such conduct may in the future cause or threaten to cause substantial injury to competition and to consumers.

### **Respondents**

5. Respondent Motorola Mobility LLC (formerly Motorola Mobility Inc.), is a limited liability company with its principal place of business at 600 North U.S. Highway 45, Libertyville, IL 60048, and is a wholly-owned subsidiary of Respondent Google Inc.
6. Respondent Google is a Delaware corporation with its principal office or place of business at 1600 Amphitheatre Parkway, Mountain View, CA 94043.
7. Google is a global technology company. Among other things, Google owns and promotes the Android operating system for use in mobile devices such as cellular phones and tablet computers. Google also develops and sells, often through its subsidiary Motorola, mobile phones, tablet computers, and devices providing home internet access. Google owns an extensive patent portfolio, including patents that cover technologies used in wireless cellular voice and data transmission standards, standards for Wireless Local Area Networks (WLAN), and video compression standards.
8. Google actively participates in numerous SSOs, including the Institute of Electrical and Electronics Engineers ("IEEE"), the European Telecommunications Standards Institute ("ETSI"), and the International Telecommunications Union ("ITU"). Collectively, this Complaint refers to these SSOs as the Relevant SSOs.
9. At all times relevant herein, Google has been, and is now, a corporation as "corporation" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44, and at all times relevant herein, Google has been, and is now, engaged in commerce as "commerce" is defined in the same provision.

### **Technology Standards Enhance Competition and Consumer Welfare**

10. Firms in the information technology and telecommunications industries frequently ensure interoperability of their products through voluntary standard setting conducted through

SSOs. Interoperability standards can benefit consumers by increasing competition, innovation, product quality and choice.

11. The Relevant SSOs publish technology st

17. The Relevant SSOs generally take into account whether patents are subject to a FRAND commitment when determining which technology to incorporate into a standard, and require a patentee to disclose whether it

**Google Violated its FRAND Commitments by Seeking to Enjoin  
and Exclude Willing Licensees**

25. Motorola breached its FRAND obligations by seeking to enjoin and exclude implementers of its SEPs, including some of its competitors, from marketing products compliant with some or all of the Relevant Technology Standards. Google continued Motorola's exclusionary campaign after acquiring Motorola. Google used these threats of exclusion orders and injunctions to enhance its bargaining leverage against willing licensees and demand licensing terms that tended to exceed the FRAND range. At all times relevant to this Complaint, these implementers were

- d. Raising the costs of Google's competitors and thereby dampening competition between Google and makers of competing products, including, but not limited to,