

2. Plaintiffs Federal Trade Commission (“FTC”), the State of Illinois, and the State of Minnesota petition this Court, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), Section 16 of the Clayton Act, 15 U.S.C. § 26, the Illinois Antitrust Act, 740 ILCS 10/3(3), and the Minnesota Antitrust Law of 1971, Minn. Stat. Sections 325D.49 to 325D.66, to enter

5. Farming is also a seasonal business, with periods of downtime during which farmers can make use of their own labor and know-how to perform maintenance and repair of their agricultural equipment to minimize the risk of equipment malfunction when the equipment is needed most.

6. For these and other reasons, many farmers have historically developed and relied on their own ability to repair equipment in the field or on the farm. Farmers have also relied historically on local IRPs, which offer competitive advantages compared to Deere dealers, including lower cost, proximity, speed, and/or reliability. And in the past, those farmers who chose to rely on Deere dealers have benefited from the competition those dealers faced from IRPs and the ability of farmers to self-repair.

7. In recent decades, Deere has increasingly computerized its agricultural equipment, with numerous functions being performed, monitored, and/or regulated by computerized components referred to as “electronic control units” or “ECUs.” As a result, repair of Deere equipment is no longer purely mechanical; such repair now commonly requires interacting with onboard equipment software to diagnose a problem and/or to calibrate and reprogram any affected ECUs contained in the equipment or replacement parts. This in turn requires the use of an interactive software tool (“repair tool”) that is able to communicate with the equipment’s onboard systems to perform diagnosis and repair.

8. Deere has monopoly power in the market for fully functional repair tools capable of enabling all repairs on Deere agricultural equipment. Only Deere has the requisite information and knowledge to develop a fully functional repair tool for Deere equipment. Deere has developed such a tool, which Deere calls Service ADVISOR™ (“Full-Function Service ADVISOR”) and which Deere makes available only to its authorized dealers. Deere has also

developed an inferior repair tool that is not capable of handling all repairs on Deere agricultural equipment, which Deere calls Customer Service ADVISOR™ and which is now available to farmers and IRPs. This tool lacks many of the key functions necessary to enable comprehensive repair.

9. Deere also fails to _____, as equipment manufacturers in the automotive and trucking industries do.

10. Because Deere makes its fully functional repair tool available only to its dealer network, farmers and IRPs are unable to perform certain essential repairs—and thus unable to competitively constrain Deere dealers in the provision of these and other key repair services. Farmers are forced to turn to Deere dealers for repairs that they

12. Deere's restrictions deprive farmers of the use of their own repair labor, deny them access to their preferred repair service provider, prevent them from more reliably planting, spraying, or harvesting crops on a schedule that would allow them to maximize yield, and force them to spend more on repair and parts. Deere also charges more for service than IRPs, with one internal Deere analysis identifying [REDACTED]. And unlike farmers and IRPs, Deere dealers also almost always use more expensive Deere-branded parts in their repairs.

13. Deere's restrictions harm farmers and IRPs while enriching Deere and its dealers. As one Deere executive explained [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] according to Deere's documents, Deere's parts business accounted for [REDACTED] % of its total operating profits in FY 2016.

14. Deere's practices have generated a pouring of public concern from farmers and IRPs. Aggrieved farmers have mounted an extensive state lobbying campaign in support of "right-to-repair" legislation across the United States, leading to recent legislation in Colorado.

15. Deere has responded to public outcry regarding its restrictive repair practices with its own intensive lobbying against such "right-to-repair" legislation, accompanied by a series of half measures and unfulfilled commitments.

16 For example, instead of making a fully functional repair tool available to farmers

and IRPA. Do you release this information? ADVISOR: Do you know when it released. Citations: _____

personal jurisdiction over Deere because Deere maintains its corporate headquarters in Illinois, does business in Illinois, and has engaged in illegal conduct alleged herein in Illinois.

23. Deere's general business practices and unfair methods of competition alleged herein are activities in or affecting "commerce" within the meaning of Section 4 of the FTC Act, 15 U.S.C. § 44, and Section 1 of the Clayton Act, 15 U.S.C. § 12.

24. Deere is, and at all times relevant herein has been, a corporation, as the term is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

25. Venue in this district is proper under 15 U.S.C. § 22, Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and 28 U.S.C. §§ 1391(b) and (d). Deere is found, resides, transacts business, and/or has agents in this state and district, and a portion of the affected commerce described herein has been carried out in this state and district.

III. THE PARTIES

26. Plaintiff Federal Trade Commission ("FTC") is an independent administrative agency of the United States government established, organized and existing pursuant to the FTC Act, 15 U.S.C. §§ 41 et seq, with its principal offices in Washington, D.C. The FTC is vested with authority and responsibility for enforcing, inter alia, Section 5 of the FTC Act, 15 U.S.C. § 45, and is authorized under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to initiate court proceedings to enjoin violations of any law the FTC enforces. This case is proper under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), because the FTC has reason to believe that Deere is violating, or is about to violate, Section 5 of the FTC Act, making it appropriate, efficient, and suitable to file this action in federal court to seek the requested relief.

27. Plaintiff State of Illinois is a sovereign state. Kwame Raoul is the Attorney General of the State of Illinois, the chief legal officer for the state, and brings this action on behalf of the people of the State of Illinois to protect the state, its general economy, and its

residents from Deere's unlawful business practices. The Illinois Attorney General has authority under federal and state law to sue injunctive and other equitable relief to prevent and remedy the harms caused by anticompetitive conduct. The Illinois Attorney General also has authority to seek civil penalties under state law to punish and deter those engaged in unlawful conduct.

28. Plaintiff State of Minnesota is a sovereign state. Keith Ellison is the Attorney General of the State of Minnesota, the chief officer for the state, and brings this action on behalf of the people of the State of Minnesota to protect the state, its general economy, and its residents from Deere's unlawful business practices. The Minnesota Attorney General has authority under federal and state

31. At least four types of products and services

36. At all times relevant to this Complaint, Deere possessed monopoly and market power in the sale of Large Tractors and Combines in the United States. Deere's monopoly and market power as to Large Tractors and Combines are shown directly through Deere's ability to raise prices, reduce output, and degrade quality in those markets (including through imposition of the challenged restraints on repairability), and indirectly through Deere's dominant market shares in those markets, as to which the barriers to entry are substantial.

37. Large Tractors have particular characteristics and uses that differentiate them from other types of agricultural equipment, including Combines and smaller tractors. Large Tractors are generally used to pull or push other agricultural machinery, such as seeding, planting, and tillage equipment. Smaller tractors generally lack the power needed to perform, in a comparable amount of time and with comparable quality, the tasks that are performed using Large Tractors. From the perspective of an equipment owner, smaller tractors and other agricultural equipment are not reasonable substitutes for Large Tractors.

38. Combines have particular characteristics and uses that differentiate them from other types of agricultural equipment, including tractors. Combines are generally used for the specific purpose of harvesting grain, as a result, are not used

local dealer when buying equipment and equipment purchased in one part of the country may be moved to and used in another part of the country, the costs of transporting large pieces of agricultural equipment limits the area within which equipment owners are willing to purchase equipment.

40. For each fiscal year from at least 2012 to 2021, Deere's share of Large Tractors sold in the United States exceeded ____%. For each fiscal year from at least 2012 to 2021, Deere's share of Combines sold in the United States ranged between ____% and ____%. These shares exceed

41. Deere describes itself as being _____ in large agricultural equipment in the United States, including Large Tractors and Combines. Deere has maintained an internal goal of _____

42. Deere's competitors view Deere _____

44. There are substantial barriers to entry into the Large Tractor and Combine markets. Entry is difficult, costly, and time-consuming. Potential entrants face significant capital, technical, logistical, and regulatory barriers. These barriers include developing manufacturing processes and capabilities, obtaining regulatory approvals, developing distribution networks, the lack of an established reputation, and interoperability issues across "mixed" fleets of agricultural equipment produced by different manufacturers.

B. Repair Tools

45. Because Deere equipment has become increasingly computerized, software tools capable of interacting with the electronic co

47. CCMS/DTAC contains both a repository of established solutions to commonly

Service ADVISOR subscription. One Deere employee observed that [REDACTED]

He continued [REDACTED]

52. Farmers and IRPs do not consider Customer Service ADVISOR as a reasonable substitute for Full-Function Service ADVISOR due to the degraded functionality of the former.

53. Several third-party developers, including Bosch, Cojali, and Texa, also offer repair tools that can interoperate to varying degrees with Deere equipment. These third-party developers cannot develop the capabilities to read and clear all of the diagnostic trouble codes on Deere equipment, to reprogram ECUs on Deere equipment, or to access either CCMS/DTAC solutions or the CCMS/DTAC “helpdesk” feature. Deere does not view these third-party repair tools [REDACTED]

54. Farmers and IRPs do not consider third-party repair tools as reasonable substitutes for Full-Function Service ADVISOR due to their limited functionality.

55. At all times relevant to this Complaint, Deere possessed monopoly and market power with respect to fully functional repair tools capable of enabling all repairs for Deere Large Tractors and Combines (“Fully Functional Repair Tools”) in the United States.

56. Full-Function Service ADVISOR is the only Fully Functional Repair Tool that is currently available in the United States. Only Deere has the requisite information and knowledge to develop a fully functional repair tool for Deere equipment. Other makers of repair tools for agricultural equipment are unable to make a fully functional repair tool capable of repairing

Deere equipment without affirmative assistance from Deere,

57. Full-Function Service ADVISOR has particular uses and characteristics that differentiate it from other electronic repair tools for Deere equipment, including Customer Service ADVISOR. Other electronic repair tools cannot be used to reprogram ECUs, complete certain tests and repairs, or access CCMS/DTAC. Other electronic repair tools thus cannot complete a significant number of repairs.

58. When setting prices for repair tools, Deere does not consider the potential impact of those prices on competition in markets for Large Tractors and Combines.

59. The relevant geographic market for Fully Functional Repair Tools is at least as broad as the United States. Deere's License Agreement for Full-Function Service ADVISOR asserts that

. Internal Deere documents indicate that Deere's decision making with respect to the availability of Full-Function Service ADVISOR

60. Deere is the only supplier of Full-Function Service ADVISOR. Deere thus holds a 100% share of the market for Fully Functional Repair Tools.

61. Competition in the markets for Large Tractors and Combines does not constrain Deere's harmful behavior in the market for Fully Functional Repair Tools, including because Deere possesses market and monopoly power in the markets for Large Tractors and Combines, because equipment owners face significant switch

67. Not all repairs are created equal, and repairs can range from something as simple as replacing a battery or filter to replacing a blade or a sensor, to replacing a transmission or rebuilding an engine. Different repairs require different inputs and incur different total costs. Large Tractors and Combines are the most expensive equipment to repair, and an internal Deere analysis acknowledges that [REDACTED]

68. Critically, certain repairs including those involving programming or engine recalibration, require the use of a Fully Functional Repair Tool. Provision of these “restricted repairs” for Deere Large Tractors and Combines is a relevant service market in which to assess Deere’s conduct. Restricted repair services include a broad cluster of repair services for which competitive conditions are substantially similar. In particular, each type of restricted repair service involves an equipment issue that can be diagnosed and repaired only with a Fully Functional Repair Tool, and thus currently only by Deere dealers. Repair services that do not require a Fully Functional Repair Tool are not included in the relevant service market.

69. At all times relevant to this Complaint, Deere possessed monopoly and market power with respect to the market for restricted repairs because Deere has the power to exclude competition. By choosing whom to empower with the Fully Functional Repair Tool—only Deere dealers—Deere has excluded other providers of repair services from providing restricted repairs. As a result of Deere’s exercise of monopoly power, Deere dealers collectively have a 100% share of restricted repairs.

70. Relevant geographic markets for assessing the effects of Deere’s exclusionary conduct on the sale of repair services include the United States and potentially regional or local submarkets within the United States.

71. Competition in the markets for Large Tractors and Combines does not constrain Deere's harmful behavior in the market for restricted repair services, including because Deere possesses market and monopoly power in the market for Large Tractors and Combines, because equipment owners face significant switching costs and because customers have only limited ability to conduct lifecycle pricing.

72. Deere's customers cannot calculate lifecycle pricing—this, fully determine in advance the total cost of ownership over the life of the equipment, which includes the costs of repairs and parts over time—and only some customers make the attempt. Deere does not consistently make the lifecycle pricing information that it has available to customers. Moreover, repairs do not arise consistently or predictably, the need for repairs (and the extent and cost of repairs needed, including when the dealer will need to be involved) can vary based on factors, such as weather and field conditions, that cannot be estimated with certainty over the lifespan of a piece of agricultural equipment.

73. Deere has asserted that even it cannot easily identify the universe of equipment issues (and corresponding DTCs) requiring Full Function Service ADVISOR, and thus dealer involvement, to resolve. A Deere witness stated that Deere “does not maintain in the ordinary course of business a dictionary or reference guide for whether each DTC can be resolved by the customer without intervention by John Deere authorized dealer.” She further asserted that defining the universe of DTCs requiring dealer involvement would require “a multi-departmental team to manually analyze the DTCs,” including, for each equipment model, sixteen hours of effort from “[i]nfrastructure or enterprise engineers [with] expertise in enterprise diagnostic strategy and tools.” Equipment owners are even less able to perform this analysis. An examination of DTC [REDACTED] shows that, while some DTCs are

accompanied by a message telling the equipment owner to contact a Deere dealer, this message accompanies only

74. As a result, equipment owners faced with repair face uncertainty as to whether they or an IRP can complete the necessary re

Deere OE parts are generally priced at a premium to the corresponding generic parts. Generic parts are typically % to % less expensive than their Deere OE counterparts. Generic parts sellers may use the same manufacturers as Deere, and

79. Deere distributes its OE parts only through authorized dealers, who resell them to customers, either in the course of providing repair services or in an “over-the-counter” retail transaction. Deere emphasizes identifying to dealers and explaining that

Indeed, both Deere and Deere dealers

80. Certain state laws prohibit Deere from requiring that Deere dealers purchase parts exclusively from Deere. The dealership agreement between Deere and its dealers, however, does require Deere dealers to “actively and aggressively promote the sale of Parts and Service” and “maintain . . . inventories of Parts”

. Moreover, Deere has the right

81. Deere dealers source the vast majority of parts from Deere. According to surveys and analyses conducted by Deere, dealer as to parts (also referred to as parts “capture”) is approximately %.

, and Deere’s parts capture is significantly higher when its dealers perform repairs

82.

86.

B. Deere Identifies Parts as a Business Opportunity and Seeks to
Using Its Dealer Network in Order to Increase Parts Sales

91. During the 2010s,

92.

95. By contrast, an equipment owner or IRP performing a repair is more likely to use non-Deere generic parts. The same Deere executive observed,

A consultant supporting

Deere (and who later became a Deere executive)

observed that

96. Thus, Deere seeks to steer service business away from equipment owners and IRPs and towards its dealer network, so as to get increased parts revenue and profit. As the consultant noted,

97. translates into more profits for Deere and its dealers. By estimate, increasing Deere dealers' service capture by just % to % increases profits \$ to \$

98. One significant way in which Deere is by withholding from equipment owners and IRPs Deere's Full-Function Customer Service ADVISOR repair tool and making available only the degraded Customer Service

100. [REDACTED], Deere made an early version of Customer Service ADVISOR available for construction and forestry equipment, but not for its agricultural equipment. According to Deere documents, Deere withheld Customer Service ADVISOR for agricultural equipment [REDACTED]

[REDACTED]

[REDACTED]

101. It was not until August 2017 that Deere made Customer Service ADVISOR for agricultural equipment available to equipment owners and IRPs via Deere's dealer network.

After [REDACTED]

[REDACTED]

[REDACTED], Deere in May 2022 made Customer Service ADVISOR available to agricultural equipment owners and IRPs directly via Deere's website.

102. Deere made the less-than-fully functional Customer Service ADVISOR available to agricultural equipment owners and IRPs in effort to placate so-called "right-to-repair" advocates and thereby avoid legislative or regulatory intervention without relinquishing the commercial advantage that exclusive access to Full-Function Service ADVISOR confers on Deere and its dealer network in parts and repair markets. Deere viewed such legislative or regulatory intervention as a significant threat because [REDACTED]

[REDACTED]

103. In 2018, the Association of Equipment Manufacturers ("AEM"), a trade association of which Deere is a member, issued a statement of principles regarding right to repair ("2018 Statement"). Despite the 2018 Statement, which AEM committed on behalf of its members "to provide end users with the information and tools needed to maintain, diagnose, and

repair their equipment,” Deere still does not make Full-Function Service ADVISOR available to agricultural equipment

repairs can be performed only by Daero dealers ("restricted repairs"). Restricted repairs include

injunctive relief by the Court, Deere is likely to continue to engage in unfair methods of competition that harm the public interest.

E. The Repair Restrictions Imposed by Deere Are Not Reasonably Necessary to Achieve Any Cognizable Procompetitive Benefits

115. Deere's practices as alleged herein are not reasonably necessary to achieve any cognizable procompetitive benefits. The harm from those practices outweighs any procompetitive benefits, and Deere could reasonably achieve any procompetitive objectives through less restrictive means.

COUNT I

MONOPOLIZATION OF RESTRICTED REPAIR SERVICES MARKET ARISING UNDER SECTION 2 OF THE SHERMAN ACT

116. Plaintiffs re-allege and incorporate by reference the allegations in all of the paragraphs above.

117. At all times relevant to this Complaint, Deere has had monopoly power in the United States in the market for restricted repairs for Deere Large Tractors and Combines.

118. Deere has willfully maintained its monopoly power in the market for restricted repairs for Deere Large Tractors and Combines through its course of anticompetitive and exclusionary conduct, including Deere's repair restrictions.

119. Deere's conduct has harmed price and-price competition and the competitive process.

120. There is no sufficient procompetitive justification for Deere's conduct.

121. Deere's anticompetitive course of conduct constitutes unlawful monopolization of the market for restricted repairs of Deere Large Tractors and Combines in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, and an unfair method of competition in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

UNFAIR METHOD OF COMPETITION
IN VIOLATION OF SECTION 5 OF THE FTC ACT

122. Plaintiff FTC re-alleges and incorporates by reference the allegations in all of the paragraphs above.

123. At all times relevant to this Complaint, Deere has had monopoly power in the United States with respect to Fully Functional Repair Tools.

124. Deere leverages its monopoly power in the United States with respect to Fully Functional Repair Tools to harm competitive conditions.

restricted repairs for Deere Large Tractors and combines in violation of the Illinois Antitrust Act, 740 ILCS 10/3(3).

130. Many hundreds of farmers and IRPs in this state have purchased Deere's products and related services and have paid supracompetitive prices and otherwise been harmed by the Deere's unlawful conduct.

131. Plaintiff State of Illinois, under its antitrust enforcement authority in 740 ILCS 10/7, seeks and is entitled to injunctive relief, civil penalties, fees and costs, and any other remedy available for these violations under Sections 7(1), 7(2), and 7(4) of the Illinois Antitrust Act. 740 ILCS 10/1 et seq.

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Deere's unlawful conduct was injunctive relief, civil penalties, fees and costs, and any other remedy available for these violations under Sections 7(1), 7(2), and 7(4) of the Illinois Antitrust Act. 740 ILCS 10/1 et seq.

M a n y h u n d

Plaintiff State of Illinois

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs FTC, the State of Illinois, and the State of Minnesota respectfully request that this Court, as author

8. any preliminary or permanent equitable

Dated: January 15, 2025

Respectfully submitted,

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