

**Before the  
Federal Trade Commission  
Washington, DC 20580**

**In the Matter of** )  
 )  
**Google, Inc.** )  
**and** )  
**DoubleClick, Inc.** )  
\_\_\_\_\_ )

**Second Filing of Supplemental Materials in Support of Pending Complaint and  
Request for Injunction, Request for Investigation and for Other Relief**

INTRODUCTION

1. On April 20, 2007, the Electronic Privacy Information Center (“EPIC”), the Center for Digital Democracy (“CDD”), and the U.S. Public Interest Research Group (“U.S. PIRG”), filed a Complaint with the Commission requesting an injunction and investigation alleging that Google, Inc. (“Google”), and DoubleClick, Inc. (“DoubleClick”), are engaging in unfair and deceptive trade practices that will be exacerbated by the proposed merger of the two companies.<sup>1</sup>
2. The Petitioners stated that the “the increasing collection of personal information of Internet users by Internet advertisers poses far-reaching privacy concerns that the Commission should address. Neither Google nor Doubleclick have taken adequate steps to safeguard the personal data that is collected. Moreover the proposed acquisition will create unique risks to privacy and will violate previously agreed standards for the conduct of online advertising.”<sup>2</sup>
3. The Petitioners described the importance of privacy protection, the impact of Internet search engines, the Federal Trade Commission’s review of the previous DoubleClick matter, the business practices of Google, the business practices of Doubleclick, and the violation of section 5 of the FTC Act, including Google’s deceptive trade practice, Google’s unfair trade practice, as well as the consumer injury that would result from the merger. The Petitioners concluded:

Google’s proposed acquisition of DoubleClick will give one company access to more information about the Internet activities of consumers than any other company in the world. Moreover, Google will operate with virtually no legal obligation to ensure the privacy, security, and accuracy

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<sup>1</sup> EPIC, Center for Digital Democracy, and U.S. PIRG, In the matter of Google, Inc. and DoubleClick, Inc., Complaint and Request for Injunction, Request for Investigation and for Other Relief, before the Federal Trade Commission at 1 (Apr. 20, 2007), *available at* [http://www.epic.org/privacy/ftc/google/epic\\_complaint.pdf](http://www.epic.org/privacy/ftc/google/epic_complaint.pdf).

<sup>2</sup> *Id.* at 1.

of the personal data that it collects. At this time, there is simply no consumer privacy issue more pressing for the Commission to consider than Google's plan to combine the search histories and web site visit records of Internet users.<sup>3</sup>

4. The Petitioners respectfully requested the Commission to provide relief and specifically to:

Order DoubleClick to remove user identified cookies and other persistent pseudonymic identifier from all corporate records, databases, and data sets under the control of DoubleClick prior to the transfer to Google, unless DoubleClick obtains explicit affirmative consent, following an opportunity for the individual to whom the data concerns to inspect, delete and modify the data.

Order Google to present a public plan for how it plans to comply with such well established government and industry privacy standards as the OECD Privacy Guidelines.

Order Google to provide for reasonable access to all personally identifiable data maintained by the company to the person to whom the data pertains.

Order Google to present a public plan for how it plans to comply with such well established government and industry privacy standards as the OECD Privacy Guidelines.

Order Google to provide for reasonable access to all personally identifiable data maintained by the company to the person to whom the data pertains.

Order Google to establish a meaningful data destruction policy and require that Google destroy all cookies and other persistent identifiers resulting from Internet searches that are or could be personally identifiable once the user terminates the session with Google.<sup>4</sup>

5. The Petitioners stated:

Pending an adequate resolution of the issues identified in this Complaint, as well as other matters that may be brought to the Commission's attention, the Commission should use its authority to review mergers to halt Google's proposed acquisition of DoubleClick.<sup>5</sup>

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<sup>3</sup> *Id.* at 10.

<sup>4</sup> *Id.* at 11-12.

<sup>5</sup> *Id.* at 12.

6. On June 6, 2007, the Petitioners filed Supplemental Materials in support of the Complaint. In the Supplemental Materials, the Petitioners stated that since the filing of the initial Complaint, the New York State Consumer Protection Board wrote to the Commission in support of the Complaint, the Article 29 Working Group of the European Union had announced an investigation into Google's privacy practice practices and specifically its extensive retention of personal information, and that Google itself acknowledged that the Commission had undertaken a Second Request of the proposed acquisition of DoubleClick, which based on previous actions by the Commission, is a strong indicator that the Commission will move to block or modify the deal.<sup>6</sup>
7. The Supplemental Materials provided further detail on the information that Google collects about its users, the ways in which Google uses that information, and the privacy impacts of Google's many commonly used services. The Supplemental Materials described similar aspects of DoubleClick's business model and operations. The Petitioners explained that there are unique privacy issues raised by the proposed combination of the Internet's largest search engine and the Internet's largest advertising company.
8. In the Supplemental Materials the Petitioners stated further "Google fails to follow generally accepted privacy practices such as the OECD Privacy Guidelines."<sup>7</sup>
9. In the Supplemental Materials the Petitioners provided addition information on FTC authority and stated specifically that the "FTC has the authority to review privacy issues as part of its merger review process."<sup>8</sup>
10. In the Supplemental Materials the Petitioners stated "the detailed profiling of Internet users raises profound issues that concern the right of privacy, the accountability of large corporations, and the operation of democratic government."<sup>9</sup>
11. In the Supplemental Materials the Petitioner respectfully restated their request for the relief set out in the April 20, 2007 complaint and further requested that the Commission grant additional relief including:

Order Google to give a user the right to obtain knowledge, in a reasonable and timely manner, of whether or not the data relating to the user is processed and if it is processed, information to the purpose of the processing.

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<sup>6</sup> EPIC, Center for Digital Democracy, and U.S. PIRG, In the matter of Google, Inc. and DoubleClick, Inc., Supplemental Materials in Support of Pending Complaint and Request for Injunction, Request for Investigation and for Other Relief, before the Federal Trade Commission at 1 (Apr. 20, 2007), available at [http://www.epic.org/privacy/ftc/google/supp\\_060607.pdf](http://www.epic.org/privacy/ftc/google/supp_060607.pdf).

<sup>7</sup> *Id.* at 6.

<sup>8</sup> *Id.* at 15.

<sup>9</sup> *Id.* at 19.

Order Google to provide, in a reasonable and timely manner, the logic involved in any automatic processing of data concerning that user.

Order Google not to retain user data in a form that permits the identification of data subjects for longer than necessary for the purposes for which the data were collected.

Order Google to institute an “opt-in” approach to collecting user information. If Google allows a user to “opt-in” before collecting personal data in order to personalize the search experience, Google should implement the same system with regards to a user’s privacy options.

Order Google to allow individuals reasonable access to their personal information, along with the ability to edit and delete that information.

Order Google to stipulate to never engage in behavioral tracking.

Further order Google not to sell personally identifiable information.

Order Google to implement a functional and secure system of anonymizing stored user data. Anonymized data remains traceable to the individual user, as demonstrated when America Online inadvertently leaked the search records of 658,000 Americans.<sup>124</sup> Google must implement a technique that truly anonymizes this data, either by erasing more the last octet of the IP address, erasing the IP address completely, assigning randomized numbers to the data, or developing an alternative technique that will render tracing the data back to the individual source impossible.

Order Google to cease storage of IP addresses. The search engine functionality would not be impaired if a search engine did not store any user information at all. Condition the merger on Google and DoubleClick maintaining separate databases of user information.

Order Google to craft, disclose, and implement a security plan that will maintain, protect, or enhance the privacy, confidentiality, or security of all personally identifiable information.

Order Google to implement remedies and a system of accountability in the event of a breach, and to disclose to the public the extent to which it cannot or will not protect the privacy, confidentiality, and security of all personally identifiable information.

12. The Petitioners stated:

Pending an adequate resolution of the issues set out in this Complaint, in the April 20, 2007 Complaint, and other matters that may be brought to

the Commission's attention, the Commission should use its authority to review mergers to halt Google's proposed acquisition of DoubleClick.<sup>10</sup>

13. The Petitioners reserved the right to amend their Complaint and Supplement as new facts emerged regarding Google, DoubleClick, and the merger of the two companies.
14. The Second Supplement in Support of the Pending Complaint supplements the Petitioner's April 20, 2007 and June 6, 2007 filings, incorporate by reference the earlier statements, and allege new facts supporting the position that Google and DoubleClick have engaged in unfair and deceptive trade practices in violation of Section 5 of the Federal Trade Commission Act, that the FTC has the authority to consider consumer privacy interests as part of its merger review authority, that Google and Doubleclick have failed to establish adequate privacy safeguards to protect the interests of Internet users, and that pending the establishment in fact of such protection, the Commission should block the proposed merger.
15. The Petitioners reserve the right to further amend the Complaint as new facts emerge regarding Google's acquisition of Doubleclick.

#### ADDITIONAL FACTS

##### Actions by Interested Parties Since June 6, 2007 Supplement

16. On August 21, Google began selling display ads to select videos running on YouTube, which Google bought less than 10 months beforehand.<sup>11</sup> According to the Wall Street Journal, "YouTube's new format is a semitransparent ad that appears on the bottom 20% of the video. The ad shows up after a video plays for 15 seconds, and disappears up to 10 seconds later if the viewer doesn't click on it. Viewers can either click to close the ad right away or to watch the commercial."<sup>12</sup> YouTube is the most popular online video site, and Google is now its exclusive server of display rich media advertising.<sup>13</sup> If it were not clear before, it is clear now that Google and DoubleClick are competitors, because they both serve display ads.
17. On June 8, it was reported that Google's takeover of Feedburner will mean that the RSS syndicator for 432,000 publishers will now have "guaranteed loads of extra consumer and publisher data, along with new strategies for monetizing and optimizing its delivery systems, according to Brent Hill, vice president of

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<sup>10</sup> *Id.* at 21.

<sup>11</sup> Posting to YouTube Blog by the YouTube Team, *You Drive the YouTube Experience*, Aug. 21, 2007, <http://www.youtube.com/blog?entry=rQpNsTzbgqM>.

<sup>12</sup> Emily Steel, *YouTube to Start Selling Ads in Videos*, Wall St. Journal, Aug. 22, 2007, at B1

<sup>13</sup> In July, YouTube had 55.1 million unique visitors. Press Release, Nielsen/NetRatings, Nielsen//NetRatings Reports Topline U.S. Data For July 2007, Aug. 13, 2007, *available at* [http://www.nielsen-netratings.com/pr/pr\\_070813.pdf](http://www.nielsen-netratings.com/pr/pr_070813.pdf).

advertising services at FeedBurner. ‘From the advertising side, there’s a lot of room ahead in terms of monetization and optimization, which Google is going to expose us to,’ Hill said ... ‘We’ll be learning how to incorporate their analytics and monetization strategies for advertisers.’ Much remains to be learned about RSS users and their consumption habits, according to Hill.”<sup>14</sup>

18. On June 10, Google sent a letter Article 29 Data Protection Working Party stating that Google will cut the period that it retains user data from a maximum of 24 months to a maximum of 18 months.<sup>15</sup> This was a response to the Working Party’s May 16 announcement that it had begun an investigation into Google’s privacy practices and specifically its retention of personal information. The Working Party asked Google whether the company has “fulfilled all the necessary requirements” to abide by EU privacy rules.<sup>16</sup> Google had previously announced that it would begin retaining user data for a maximum of 18 to 24 months.<sup>17</sup>
19. On June 21, the Article 29 Data Protection Working Party announced that it would expand its initial investigation into Google’s privacy practices, specifically its retention of personal information. The Working Party would review “search engines in general, and scrutinize their activities from a data protection point of view, because this issue affects an ever growing number of users.”<sup>18</sup>
20. On June 20, Nielsen/Netratings announced its May U.S. Search Share Rankings and Google again topped the list, with a 56.3 percent share of U.S. searches.<sup>19</sup> Yahoo was a distant second with 21.5 percent; MSN had 8.4 percent, AOL had 5.3 percent, and Ask.com had 2.0 percent. The other companies listed in the Top 10 (My Web, Comcast, EarthLink, BellSouth, and Dogpile.com) all had less than one percent share.
21. On June 21, in a response to a complaint filed by CDD and US PIRG in November, the Federal Trade Commission announced that it “will hold at least one Town Hall meeting to learn more about behavioral targeting and related

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<sup>14</sup> Gavin O’Malley, *FeedBurner Ad Leader On What Google Deal Means*, MediaPost Publications, June 8, 2007.

<sup>15</sup> Letter from Peter Fleischer, Global Privacy Counsel, Google Inc., to Peter Schaar, Chairman, Article 29 Data Protection Working Party in Response to Working Party Investigation of Google’s Privacy Practices, June 10, 2007, available at [http://www.epic.org/privacy/ftc/google/gres\\_a29\\_061007.pdf](http://www.epic.org/privacy/ftc/google/gres_a29_061007.pdf); Posting to Google Blog by Peter Fleischer, Global Privacy Counsel, *How long should Google remember searches?*, June 11, 2007, <http://googleblog.blogspot.com/2007/06/how-long-should-google-remember.html>.

<sup>16</sup> Letter to Peter Fleischer, Privacy Counsel, Google Inc., from Peter Schaar, Chairman, Article 29 Data Protection Working Party, May 1, 2007, available at [http://www.epic.org/privacy/ftc/google/art29\\_0507.pdf](http://www.epic.org/privacy/ftc/google/art29_0507.pdf).

<sup>17</sup> Posting to Google Blog by Peter Fleischer, Global Privacy Counsel, and Nicole Wong, Deputy General Counsel, *Taking steps to further improve our privacy practices*, Mar. 14, 2007, <http://googleblog.blogspot.com/2007/03/taking-steps-to-further-improve-our.html>.

<sup>18</sup> Press Release, Article 29 Data Protection Working Party, June 21, 2007, available at [http://ec.europa.eu/justice\\_home/fsj/privacy/news/docs/pr\\_21\\_06\\_07\\_en.pdf](http://ec.europa.eu/justice_home/fsj/privacy/news/docs/pr_21_06_07_en.pdf).

<sup>19</sup> Press Release, Nielsen//Netratings, Nielsen//Netratings Announces May U.S. Search Share Rankings, June 20, 2007, available at [http://www.netratings.com/pr/pr\\_070620.pdf](http://www.netratings.com/pr/pr_070620.pdf).

- consumer protection issues.”<sup>20</sup> CDD and US PIRG’s complaint urged the FTC to immediately begin investigating online advertising practices. “The data collection and interactive marketing system that is shaping the entire U.S. electronic marketplace is being built to aggressively track Internet users wherever they go, creating data profiles used in ever-more sophisticated and personalized “one-to-one” targeting schemes,” the groups said.<sup>21</sup>
22. On June 27, in a letter to the European Commission, consumer organizations, including BEUC, urged an investigation into the proposed merger of Google and DoubleClick. This merger means that “Google could monopolize the on-line advertising business, thereby restricting competition and raising privacy concerns over control of consumer data,” the groups said.<sup>22</sup> The situation is unique because, “Never before has one single company had the market and technological power to collect and exploit so much information about what a user does on the Internet.”
23. On July 6, the European Commission Directorate on Competition announced that it would review Google’s \$3.1 billion merger with Internet advertising company DoubleClick.<sup>23</sup> Google has not yet officially filed for review, but the European Commission Directorate has already sent questionnaires to competitors and customers concerning the proposed merger.<sup>24</sup> This is separate from the inquiry by the Article 29 Data Protection Working Party.
24. On July 16, Google announced that its “cookies” (files that allow a Web site to record your comings and goings, usually without your knowledge or consent) would automatically delete after two years if a user doesn’t return to a Google site.<sup>25</sup> If a user does return within the two-year period, the cookie will “auto-renew” for another two years, and the “auto-renewing” could continue indefinitely, well past the year 2039, when the current Google cookie is set to expire.
25. Google dominates search, according to a July 18 report that noted, “Google continues to garner a much larger percentage of media spend than its percentage of searches, and thanks to a recent algorithm tweak, now extracts greater revenue

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<sup>20</sup> Letter from Lydia B. Parnes, Fed. Trade Comm’n, to Jeffrey Chester, Exec. Dir., Center for Digital Democracy, and Ed Mierzwinski, Consumer Program Dir., US PIRG, Regarding Complaint Concerning Unfair and Deceptive Online Marketing Practices, June 21, 2007, available at [http://www.epic.org/privacy/ftc/google/ftc\\_cdd\\_062107.pdf](http://www.epic.org/privacy/ftc/google/ftc_cdd_062107.pdf).

<sup>21</sup> Center for Digital Democracy and US PIRG, *Complaint and Request for Inquiry and Injunctive Relief Concerning Unfair and Deceptive Online Marketing Practices Before the Fed. Trade Com’n*, Nov. 1, 2006, available at <http://www.democraticmedia.org/PDFs/FTCadprivacy.pdf>.

<sup>22</sup> Letter from European Consumer Groups to Neelie Kroes, Commissioner, European Comm’n, on Proposed Acquisition of DoubleClick by Google, June 27, 2007, available at [http://www.epic.org/privacy/ftc/google/beuc\\_062707.pdf](http://www.epic.org/privacy/ftc/google/beuc_062707.pdf).

<sup>23</sup> Matthew Newman, *Google’s Bid for DoubleClick to Be Reviewed by European Union*, Bloomberg News, July 6, 2007.

<sup>24</sup> *EU questions Google customers over DoubleClick*, Reuters, Sept. 6, 2007.

<sup>25</sup> Posting to Google Blog by Peter Fleischer, Global Privacy Counsel, *Cookies: expiring sooner to improve privacy*, July 16, 2007, <http://googleblog.blogspot.com/2007/07/cookies-expiring-sooner-to-improve.html>.

- per search than any engine ... In June, Google received 76% of media spend but only 60% of searches across its network. During the same time period, Yahoo earned just 18.3% of media spend while receiving 34% of searches across its network.”<sup>26</sup>
26. Also on July 18, DoubleClick detailed its new advertising exchange product. “The DoubleClick Advertising Exchange service has one of the most sophisticated and broad set of targeting options available. The exchange supports standard online targeting elements including time of day, day of week, user location, et cetera. In addition, buyers can target using DoubleClick’s proprietary solutions including a three-tier content categorization, site genre and site maturity. Buyers can target participating sites by name or, alternately by using IDs, target sites that are participating anonymously. The exchange also allows buyers to leverage their own data by targeting based on their own user information.”<sup>27</sup> DoubleClick also said there was seamless integration of the products. “DoubleClick Advertising Exchange is tightly integrated with DoubleClick’s existing DART ad management platform, enabling yield maximization across sales channels for sellers, as well as shared creatives, advertisers, Spotlight Tags and audience targeting for buyers.”<sup>28</sup>
27. Google recently expanded the data used in targeting users, including behavioral approaches. As ClickZ explained on July 31, “A few weeks ago, Google began delivering ads based not only on the current search, but also on the searches immediately preceding it, and sometimes a combination of more than one recent query, according to Nick Fox, Google’s group business product manager for ads quality. Fox told ClickZ this week that the feature, which has no official name, aims to capture a more robust understanding of user intent and thereby deliver a better ad ... Google’s Fox ... added the company is looking at other possible tracking and targeting methods to capture ‘full intent,’ including, perhaps, cookies.”<sup>29</sup>
28. On August 2, the Canadian Internet Policy and Public Interest Clinic at the University of Ottawa (“CIPPIC”) filed a complaint urging the Canadian Commissioner of Competition to investigate the proposed Google-DoubleClick merger “on the grounds that it is likely to prevent or lessen competition substantially in the targeted online advertising industry.”<sup>30</sup> CIPPIC Director Philippa Lawson said, “Through the merger, Google-DoubleClick will gain unprecedented market power, with which they can manipulate online advertising prices. Advertisers and web publishers will have no real choice but to choose

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<sup>26</sup> Gavin O’Malley, *Search Spending Flat, With Google Disproportionate*, MediaPost Publications, July 18, 2007.

<sup>27</sup> Nanette Marcus, *Ad Exchanges at a Glance*, iMedia Connection, July 18, 2007.

<sup>28</sup> *Id.*

<sup>29</sup> Zachary Rodgers, *Google Targets Search Ads on Prior Queries, à la Behavioral*, ClickZ, July 31, 2007.

<sup>30</sup> Canadian Internet Policy & Public Interest Clinic, *Section 9 Application for an Inquiry into the Proposed Merger of Google, Inc. and DoubleClick Inc.*, Aug. 2, 2007, available at [http://www.cippic.ca/uploads/Google-DC\\_s.9\\_CompAct\\_complaint\\_FINAL.pdf](http://www.cippic.ca/uploads/Google-DC_s.9_CompAct_complaint_FINAL.pdf).

- Google's advertisement platforms in order to remain visible in the e-commerce market."<sup>31</sup> CIPPIC cited Petitioner's original Complaint and Supplement, as well as the ongoing European investigations into the merger.
29. Also on August 2, a Google Product Manager told Investor's Business Daily, "Google gets nearly all of its revenue from selling text-based ads that appear near search results. But about half the market is made up of graphical display ads, also known as banner or branding ads. The display ad market is too big for Google to ignore, said Susan Wojcicki, a Google product manager, during the meeting. 'We are focused on the branding market,' she said. The online ad market is 'search and display – and there isn't a lot after that,' she said."<sup>32</sup>
30. On August 7, a report from equity firm Veronis Suhler Stevenson predicted that Internet advertising would overtake television, radio and newspapers to become the No. 1 advertising medium in four years.<sup>33</sup> Online advertising is predicted to grow by more than 21 percent per year to reach \$62 billion in 2011.
31. On August 9, a DoubleClick Vice President explained in an interview that his company does "the most video on the Internet" and was "the second largest rich media vendor."<sup>34</sup>
32. On August 22, the Australian Competition and Consumer Commission ("ACC") began a review of the proposed Google-DoubleClick merger.<sup>35</sup> On August 27, the ACCC sent a letter to online publishers, digital agencies and other Internet service groups asking for opinions on the effect the proposed merger would have in the Australian market.<sup>36</sup> The ACCC detailed 10 questions, including whether the deal would give Google-DoubleClick the "incentive and/or ability to foreclose: a. rival search engines; and/or b. other providers of advertising services to online advertisers and publishers."

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<sup>31</sup> Press Release, Canadian Internet Policy and Public Interest Clinic, CIPPIC calls on Competition Commissioner to review Google-DoubleClick merger, Aug. 2, 2007, *available at* [http://www.cippic.ca/uploads/file/CIPPIC\\_Media\\_Release\\_-\\_Google-DoubleClick\\_-\\_Competition\\_Filing\\_-\\_02August2007.pdf](http://www.cippic.ca/uploads/file/CIPPIC_Media_Release_-_Google-DoubleClick_-_Competition_Filing_-_02August2007.pdf).

<sup>32</sup> Video, Cell, Display Ads Get More Google Focus. Investor's Business Daily. Aug. 2, 2007.

<sup>33</sup> Veronis Suhler Stevenson, *Shift to Alternative Media Strategies Will Drive U.S. Communications Spending Growth in 2007-2011 Period*, Aug. 7, 2007, *available at* [http://www.vss.com/news/index.asp?d\\_News\\_ID=166](http://www.vss.com/news/index.asp?d_News_ID=166).

<sup>34</sup> Zachary Rodgers, *Questions for Ari Paparo, VP of DoubleClick Rich Media*, ClickZ, Aug. 9, 2007.

<sup>35</sup> Australian Competition & Consumer Comm'n, *Google Inc - proposed acquisition of DoubleClick Inc.*, Aug. 22, 2007, *available at* <http://www.accc.gov.au/content/index.phtml/itemId/788097>.

<sup>36</sup> Letter from Gabrielle Ford, Australian Competition & Consumer Comm'n, to Online Publishers, Digital Agencies and Other Internet Service Groups Asking for Opinions on the Effect Proposed Google-DoubleClick Merger Would Have in the Australian Market, Aug. 27, 2007, *available at* <http://www.accc.gov.au/content/trimFile.phtml?trimFileName=D07+79501.pdf&trimFileTitle=D07+79501.pdf&trimFileFromVersionId=796864>.

## Studies Regarding Privacy Concerns With Google and DoubleClick

33. On June 9, Privacy International published the study *A Race to the Bottom: Privacy Ranking of Internet Service Companies* and ranked Google dead last for privacy among top Internet Companies.<sup>37</sup> Not one of the other 22 companies surveyed (including AOL, Microsoft and Yahoo) “comes close to achieving status as an endemic threat to privacy” as Google, said Privacy International.<sup>38</sup>
34. On July 17, Scott Cleland, President of Precursor LLC, published a report that explained how the proposed merger would create a monopoly for access to Internet information and substantially lessen competition. “With [about] 60% share of each of their respective technology platforms, search and display, technologies which are mutually-reinforcing, the combination would enable a horizontal merger to monopoly, which would harm users, advertisers and content providers with higher prices and less choice.”<sup>39</sup>
35. On August 30, the Economist magazine published a cover story analyzing Google’s history and business practices. The Economist summarized the risk, “Google could soon, if it wanted, compile dossiers on specific individuals.”<sup>40</sup> The Economist explained, “[Google] could use a person’s search history and advertising responses in combination with, say, his location and the itinerary in his calendar, to serve increasingly useful and welcome search results and ads. This would also allow Google to make money from its many new services. But it could scare users away.”<sup>41</sup>
36. Also on August 30, the Economist published an editorial on Google detailing the privacy and security questions raised by the company’s growing dominance of the Interney. “One obvious strategy is to allay concerns over Google’s trustworthiness by becoming more transparent and opening up more of its processes and plans to scrutiny.”<sup>42</sup>

## CONCLUSION

37. The massive quantity of user information collected by Google coupled with DoubleClick’s business model of consumer profiling will enable the merged company to construct extremely intimate portraits of its users’ behavior.

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<sup>37</sup> Privacy Int’l, *A Race to the Bottom: Privacy Ranking of Internet Service Companies*, June 9, 2007, available at <http://www.privacyinternational.org/article.shtml?cmd%5B347%5D=x-347-553961>.

<sup>38</sup> “Without appropriate safeguards, this database could, for example, be made available without consumers’ knowledge or consent to secondary users, including vendors of personal data, as well as made public as evidence in litigation or through data breaches.” New York State Consumer Protection Board, “Consumer Alert: Take Action to Protect Your Privacy,” May 2007, available at [http://www.consumer.state.ny.us/consumer\\_alert\\_take\\_action\\_may07.htm](http://www.consumer.state.ny.us/consumer_alert_take_action_may07.htm).

<sup>39</sup> Scott Cleland, President, Precursor LLC -- A Techcom Industry Research and Consulting Firm, *Googleopoly: The Google-DoubleClick Anti-Competitive Case*, July 17, 2007, <http://googleopoly.net/>.

<sup>40</sup> *Inside the Googleplex*, Economist, Aug. 30, 2007.

<sup>41</sup> *Id.*

<sup>42</sup> *Who's afraid of Google?*, Economist, Aug. 30, 2007.

38. The detailed profiling of Internet users raises profound issues that concern the right of privacy, the accountability of large corporations, and the operation of democratic governments.
39. If it was not clear before, it is clear now that Google and DoubleClick are competitors, as they both sell display advertising in the online advertising marketplace. In addition to the far-reaching privacy issues discussed in this Second Supplement and the previous filings, the merger could be blocked simply on anti-trust grounds.
40. As more information is learned about Google's business practices and the absence of meaningful privacy safeguards, government officials, privacy and anti-trust experts, journalists, and consumers are scrutinizing the proposed merger with greater intensity.
41. The failure of the Federal Trade Commission to act in this matter will have profound consequences on the future of the Internet and the interests of American consumers.

RESTATED REQUEST FOR RELIEF

42. The Petitioners restate the requests for relief set out in the April 20, 2007 Complaint and June 6, 2007 Supplement.
43. Pending an adequate resolution of the issues set out in this Second Supplement, the June 6, 2007 Supplement, the original April 20, 2007 Complaint, and other matters that may be brought to the Commission's attention, the Commission should use its authority to review mergers to halt Google's proposed acquisition of DoubleClick.

Respectfully submitted,

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