

**CASE NO: 8:24cv02383**

**PETITIONERS:**

**JOSEPH DEAN**, a Tampa resident

IN THE UNITED STATES DISTRICT  
COURT

MIDDLE  
DISTRICT OF  
FLORIDA

**DEFENDANTS:**

**ROKU INC**, a Delaware corporation  
headquartered in San Jose, California

TAMPA  
DIVISION

**AMENDED COMPLAINT OF ANTI-COMPETITIVE BEHAVIOR BY A  
MONOPOLY**

Plaintiff Joseph Dean ("Plaintiff"), proceeding pro se, files this Complaint against Defendant Roku Inc. ("Roku" or "Defendant") and alleges as follows:

**INTRODUCTION**

1. This is an antitrust action seeking injunctive relief and damages arising from Defendant's anticompetitive conduct in the markets for smart TVs, streaming devices, and the distribution and monetization of video content.

2. Defendant has engaged in anticompetitive practices by modifying its API to prevent third-party applications from accessing essential functions, effectively foreclosing competition and maintaining its monopoly position.
3. Defendant has engaged in anticompetitive practices by leveraging its dominant market position to unfairly advantage "The Roku Channel" over competing third-party applications through systematic changes to its platform, including:
  - a) repurposing its "Live TV" function from its original cable/broadcast listing purpose to prominently feature The Roku Channel;
  - b) modifying its software to automatically load The Roku Channel upon device startup, bypassing the menu that displays other applications and streaming services;
  - c) using the majority of advertising space, both video and graphic within the Live TV function, screensaver, and home page to promote Roku's own services or channels within the Roku Channel;
  - d) forcing content providers who have their own Roku apps to compete against their own content when it appears in The Roku Channel, where Roku controls advertising revenue;
  - e) entering the original content creation market while using its platform control to give its content unfair promotional advantages over other content creators and providers.

4. Defendant's anticompetitive conduct is particularly egregious given its public commitments. In a USA TODAY interview (Exhibit [1]), Roku CEO Anthony Wood promoted Roku as an open platform, stating "we'll let third parties publish content and applications that consumers can access directly from their TV." After achieving market dominance, Defendant systematically reversed these commitments, implementing technical restrictions and platform changes that effectively foreclosed the promised third-party access. Like Facebook's conduct with its Platform, which "drove significant benefits to app and web developers and users – and to Facebook" (see *FTC v. Facebook, Inc.*, No. 1:20-cv-03590-JEB First Amended Complaint (D.D.C. filed Aug. 19, 2021) ¶131), resulting in Facebook becoming "important infrastructure for third-party apps" before obtaining "immense power over apps' developmental trajectories", Roku's pattern of conduct exemplifies how dominant platforms can use promises of openness to achieve market power before restricting access. Like Facebook "actively invited app developers onto its platform" before retooling "its API policies into an anticompetitive weapon" (see ¶18).
5. Defendant's anticompetitive conduct represents a carefully planned three-phase strategy, as admitted by CEO Anthony Wood:
  - a) Initial phase: Single-app platform focused on Netflix
  - b) Second phase: Open "app store and platform" to attract developers
    - Wood publicly revealed this strategy:

- stating they'd "let third parties publish content and applications that consumers can access directly from their TV." (Exhibit [1])
  - stating: "It used to be that Roku was a Netflix player... then it became an app store and platform and now there's 3,000 over 3,000 different apps." (Exhibit [3])
- c) Current phase: Systematic control of content discovery and merchandising
- Wood publicly revealed this strategy (Exhibit [2]):
    - stating: " One of the reasons Roku has been successful is there's over 6,000 different apps on Roku where we call them streaming channels, but that's a hard way to find content in so many apps. I remember when someone at Apple once said "the future TV is apps" - well actually the future TV is not apps because people are tired of looking in 6,000 apps for content. So, I think one of the next evolutions in TV is how do we make it easier for consumers to find content when there's so many different publishers of content. We have something called The Roku Channel."
    - stating: "it [The Roku Channel] is an actual channel on Roku. But as it gets bigger and bigger and has more and more content, you can imagine someday it might become the Roku home screen."

## **JURISDICTION AND VENUE**

6. This Court has subject matter jurisdiction pursuant to:
  - 28 U.S.C. § 1331 (federal question jurisdiction)
  - 15 U.S.C. § 15 (Clayton Act jurisdiction for private antitrust actions)
  - 15 U.S.C. § 26 (Clayton Act jurisdiction for injunctive relief)
7. Venue is proper in this District under:
  - 28 U.S.C. § 1391(b)(2) as a substantial part of the events giving rise to the claims occurred in this District
  - Plaintiff resides in this District
  - Defendant conducts business in this District

## **PARTIES**

8. Plaintiff Joseph Dean is an individual residing at 5131 Mayfair Park Court, Tampa, Florida 33647.
9. Defendant Roku Inc. is a Delaware corporation with its principal place of business at 1701 Junction Court, Suite 100, San Jose, California 95112. Roku Inc. is a Delaware corporation that develops and sells smart TV hardware and software. The company was founded in 2002 by Anthony Wood, who remains the CEO. Upon information and belief, Roku has a dominant position in the smart TV market, with Wood maintaining controlling voting power through his ownership of both Class A and Class B shares.

## FACTUAL ALLEGATIONS

### *Development of Veamcast Platform*

10. Since 2010, Plaintiff has been developing apps and an API for a video/voice/photo/link publishing and sharing service named Veamcast. The apps include a Windows app, a mobile app, web sites, web services, cloud services and email services.
11. The Veamcast apps rely heavily on Roku APIs and were designed to allow users to:
- Record, capture, share, publish and link to media content;
  - Create and share playlists containing various media types;
  - Generate deep links within Roku apps that enable direct access to specific content, including:
    - Selection of specific content within another app (i.e. a YouTube and other video/photo sharing apps).
    - Episode selection in streaming services
    - Timestamp-based playback positions
    - Direct content access across multiple streaming platforms
    - Cross-application content referencing
  - Enable communication between users.
  - Cast content from various sources to Roku TVs.

12. The Veamcast Windows and Android apps use the External Control Protocol (ECP) to control and cast content to Roku TVs. They communicate with the Veamcast Roku App or deep link into other apps for the purpose of casting (invoking the TV to play content from our AWS cloud or deep link into other services). They also act as a remote-control device with enhanced features including communication, moderating, rating, sharing, purchasing and gifting content.
13. The Veamcast Roku app was designed to perform the functions of the other Veamcast apps in their ability to play content and was designed to be controlled by the other Veamcast apps using ECP. It provided a second screen experience. It could play Veamcast content from our AWS cloud and use ECP commands to deep link into content from any other app including YouTube Netflix, Prime, Disney+/Hulu, and any other streaming service that implemented deep linking.
14. All ECP commands from anyone but Roku and deep linking by anyone but Roku was discontinued in the Roku API with no stated reason, timeline or date stamp. (Exhibit [4b])
15. Originally, what Roku was selling to consumers was a television that was extensible, that could be discovered and controlled by other non-Roku devices on the network. Through systematic changes to its platform, Roku devices have morphed into closed systems where Roku controls everything

users can watch and how they watch it. Any functionality not directly benefiting Roku's services has been systematically demoted or disabled. Like Facebook's conduct with its Platform, Roku's pattern represents a familiar anticompetitive strategy: promising openness initially to gain platform dominance, then systematically restricting access once that dominance is achieved. See *FTC v. Facebook, Inc.*, No. 1:20-cv-03590-JEB (D.D.C. filed Aug. 19, 2021) (First Amended Complaint ¶8):

“Facebook actively invited app developers onto its platform, granting them open access to critical application programming interfaces (“APIs”) and tools needed to interconnect with Facebook. This open access policy drove developer and user engagement with Facebook, which in turn helped to fuel Facebook’s massive advertising profits. But as developers expanded popular offerings, Facebook came to view them as a threat, recognizing that some could aid emerging rivals or even challenge Facebook directly. In response, Facebook retooled its API policies into an anticompetitive weapon”

16. This transformation constitutes a potential fraud against:

- a) Consumers who invested in Roku TVs specifically for their extensibility features, such as:
  - Theaters and Churches requiring mobile app casting capabilities



- Users seeking external device control (mobile, PC, network, custom remote controls or IOT devices)
  - Businesses seeking future third-party integration
- b) Developers like Plaintiff who invested years of development resources based on Roku's vaporous promises of platform openness, including:
- Technical infrastructure investments
  - Product development costs
  - Integration engineering
  - Market positioning efforts
- c) Content providers who built business models around Roku's promised ecosystem

17. The deliberate nature of Roku's platform transformation is evidenced by CEO Anthony Wood's own statements about content control. In a recorded interview (Exhibit [2]), Wood revealed Roku's strategy shift from an open app platform to a controlled content environment:

- a) Initially presenting Roku as an open platform: "anyone can make a streaming channel for Roku you don't have to be you know CBS"
- b) Later describing plans to consolidate control: "I think one of the next evolutions in TV is how do we make it easier for consumers to find

content" followed by describing The Roku Channel as becoming "The Roku Home Screen"

- c) Explicitly contradicting prior commitments: ""there's over 6,000 different apps on Roku where we call them streaming channels yeah but that's a hard way to find content in so many apps"
- d) Another statement demonstrating Roku's internal strategy to consolidate control. "Someone at Apple once said the future of TV is Apps. Well actually the future of TV is not Apps" (Exhibit [3]).
- e) Wood's statements reveal the deliberate strategy to consolidate control (Exhibit [2]):
- Using consumer preferences as pretext: "Customers don't want to pile on you know \$10 subscription over \$10 subscription"
  - Positioning Roku Channel as solution: "they want to have a few high-quality SVOD subscriptions for premium content and they want to lay on a bunch of free content"
  - Using market data to justify control: "free content ad-supported content is the fastest growing segment on Roku today"
  - Redefining platform purpose: "We think of Roku as a large-scale publishing platform"

- Creating forced monetization: "If you're a content owner and you want to publish that content and monetize it, we can do that for you. That's what we do - we distribute content"

### ***Roku Forum Evidence of Anticompetitive Conduct***

18. On August 23, 2024, Plaintiff posted the following question as joedean62 to a thread he created on Roku's website (Exhibit [4a]), referring to a quote found on the Roku website (Exhibit [4b]):

#### **Mobile remote app viability**

*DOES THIS MEAN THAT ALL THE MOBILE REMOTE APPS ARE NOT GOING TO WORK ANYMORE? (last sentence)*

*"Support for sending ECP commands from within a Roku channel application has been discontinued. Channels may no longer include code in their channel application that is designed to issue any type of ECP command. Static Analysis testing has been updated to check channels for ECP commands. Channels that include ECP commands in their code will automatically be blocked from publishing to the Roku Channel Store. In addition, ECP commands may not be sent from 3rd-party platforms (for example, mobile applications)."*

19. The next day (Saturday August 24), another user named renojim, a Community Streaming Expert, who has a tagline "I am not a Roku employee" replied:

**Re: Mobile remote app viability**

*Sending ECP commands from within a Roku app running on a Roku device is not the same as sending an ECP command from an external non-Roku device. It's not a new limitation.*

*Where did you find any statement about ECP not being allowed from 3rd party platforms? That doesn't make any sense. If not from 3rd party platforms, then what good would ECP be?*

20. Later that day another user named AVSGunnar, who has a tagline "Just another Roku user...I am not a Roku employee" replied:

**Re: Mobile remote app viability**

@renojim

*I believe it was from here. <https://developer.roku.com/docs/developer-program/dev-tools/external-control-api.md>*

*There is a line that states "In addition, ECP commands may not be sent from 3rd-party platforms (for example, mobile applications)."*

*There was also a couple of older questions in the Developer forum that didn't really seem to make it any clearer. (at least to me).*

21. Later that day renojim replied:

**Re: Mobile remote app viability**

*Ah, I do vaguely remember that. I didn't understand it then and I don't understand it now. I only use a few ECP commands, but they're still working for me. I guess it's the "3rd-party platforms" part I don't get. I use cURL and maybe it's different somehow? They may be trying to kill off the numerous paid Roku remote apps that sometimes upset people that think Roku is charging for them (and are totally unnecessary if you ask me given Roku has an official app that's free).*

22. Later that day, Plaintiff posted as joedean62:

**Re: Mobile remote app viability**

*That's a good way to get **\*\*bleep\*\*** apps. One vendor blocks out all others. Should Roku be the only one we can discover content from?*

23. The bleeped word was 'crappy' and it was done automatically with no prompt. Later in the thread, the word 'lawyer' could not be posted at all – not even bleeped. An error message would appear. A screenshot of that error message was taken and an attempt to upload resulted in a 'flood' error. This represents an obvious and blatant attempt to prevent legal action from being discussed on their forum. (Exhibit [6])

24. Later that day, renojim posted:

**Re: Mobile remote app viability**

*@joedean62, I don't follow you; I feel like I must be missing something. How does not allowing ECP from 3rd-party platforms affect discovering content? I can understand people with Roku remote apps that were making money off of people that didn't know there was a free Roku app being upset, but that's about it.*

25. The following day, (Monday August 26), Plaintiff as joedean62 replied:

**Re: Mobile remote app viability**

*This video demos an app I am working on. I can see Roku's position that any app on your network having control of your TV could be problematic, but they should offer a program for developers that implements security. They should embrace this. There is huge revenue potential.*

26. A link to a Veamcast video was attached (Exhibit [5]). The video demonstrates the Veamcast platform integration of the Roku API and functions that were still working. The message posted about External Control Protocol (ECP) commands being discontinued meant those commands would no longer work. They were being shut off by Roku. All the supporting features of the Veamcast app would all be rendered useless.

27. Later that day, another user named michalama posted, the only one who did not have a tagline denying to be a Roku employee and who is labeled a 'newbie' (this status changes after the user's first post):

**Re: Mobile remote app viability**

*It looks like support for ECP commands from within Roku channel applications and other platforms, including mobile remote apps, has been discontinued. To adapt, you might want to explore alternative methods for controlling Roku devices, such as using the Roku mobile app's built-in features or updating your channel to comply with the new guidelines.*

28. The suggestion to “explore alternative methods” provided no viable technical alternatives, as the functionality implemented and planned in Veamcast relied specifically on the now-discontinued API features.

29. This post from michalama has since been removed from the thread. All the communications in this thread demonstrate inconsistent messaging about a significant platform change that materially affects developers. While one user claimed the limitation was not new, another acknowledged its existence, and a third confirmed the discontinuation of the feature. Then, what appeared to be an official post was removed.

30. The Roku Forum communications demonstrate a concerning pattern in which users claiming to be independent consistently:

- Display detailed internal knowledge of Roku's strategic decisions while disclaiming any official connection
- Defend Roku's API restrictions using identical corporate messaging
- Employ coordinated timing in their responses
- Present themselves as independent while using standardized disclaimers ("I am not a Roku employee")
- Demonstrate inconsistent technical knowledge – claiming unfamiliarity with basic features while providing detailed explanations of Roku's business rationale
- Use corporate communication style inconsistent with typical forum users
- A new account being created 'michalama' specifically to deliver policy announcements and then remove the post.

31. This pattern of behavior suggests these communications are part of an organized effort to control the narrative around Roku's API restrictions rather than organic user discussions. The user 'michalama', notably the only one without a disclaimer of Roku employment, appears to have been created specifically to announce the API restrictions, demonstrating a controlled release of information through apparently independent channels. Later that day, renojim posted:



**Re: Mobile remote app viability**

*@joedean62, thanks for sharing. Looks interesting, but it seems that anytime Roku opens up their devices to external apps they get burned by some douche bag that takes over a Roku device with some kind of scheme to show ads or otherwise make the douche bag money. I'm sure it's easier for them to just ban such uses than to implement some kind of security. A better place for this discussion is probably the developer section where I see you've also posted.*

32. It is notable that while 'lawyer' was forbidden and 'crappy' was bleeped, 'douche bag' was permitted and 'douche bag money' appears to refer to money made by apps other than Roku.

33. Later that day, Plaintiff as joedean62 posted:

**Re: Mobile remote app viability**

*The L word is not allowed on this forum.*

34. The post included a link to a recorded video demonstrating the error messages encountered with the word 'lawyer' (Exhibit [6]).

35. This is very unusual and concerning. The systematic prevention of the word 'lawyer' in forum posts, coupled with the error message when attempting to share evidence of this restriction, indicates a deliberate technical barrier to discussions of legal recourse on the platform. It demonstrates a systematic effort to discourage users from seeking judicial review of Defendant's

conduct. This deeply offends the Court's long-established authority to hear grievances and protect access to legal remedies.

36. The language patterns in the forum responses demonstrate inconsistent technical knowledge: while some users claimed unfamiliarity with the API changes, they simultaneously offered detailed commentary about Roku's business rationale for such changes. Compare the comments from renojim and michalama in how they use language like "it seems" and "it looks like" to infer a kind of distance between themselves and the company. The user 'renojim' appears to have intimate knowledge about how Roku users are upset with 3rd party apps and about how any time Roku opens up their API, 'douche bags' take over to make the 'douche bag' money.
37. Plaintiff will be filing a motion for discovery of who these users actually are and why a new user ('newbie') was created to spill the news that these functions would no longer work and why the post was removed. While the discovery processes may provide additional insights, the existing evidence of the company's actions present a compelling case. The above thread isn't necessary to prove the Plaintiff's complaint. The defendant has demonstrated a pattern of conduct so egregious and transparently anticompetitive as to suggest a reckless disregard for both established antitrust law and the principles of fair competition. Their actions appear to be not merely aggressive business tactics, but rather a calculated and brazen attempt to

exploit their market dominance, showing little concern for the potential legal and regulatory consequences.

*Pattern of Anticompetitive Behavior*

38. Defendant has engaged in additional anticompetitive practices including:

- Repurposing its "Live TV" function to prominently feature "The Roku Channel";
- Automatically loading The Roku Channel upon device startup;
- Displaying preferential advertising for its own services;
- Creating original content to compete with other content providers;
- Using unfair advertising advantages on its platform;

39. Plaintiff began development of the Veamcast Roku App in 2019. During testing and development:

- Defendant had full visibility of Plaintiff's app functionality through Static Analysis testing;
- Plaintiff's apps were registered in Roku's public channels;
- Plaintiff's development progress was public and easily available to Defendant;

40. Roku's CEO Anthony Wood has explicitly admitted to using platform-wide data against developers, stating: "because we have platform-wide data, we

can do a better job of merchandising than they can do on their own." (Exhibit [3]) This admission demonstrates:

- Deliberate use of platform data to compete with developers
- Unfair competitive advantage from data collection
- Intent to control content discovery and merchandising
- Systematic disadvantaging of third-party applications

41. On June 15, 2022, Defendant launched Photo Streams (Exhibit [7]), a feature enabling the casting of photos from the Roku Mobile App, replicating a subset of the functionality of the Plaintiff's Veamcast platform.

42. These actions collectively demonstrate Defendant's pattern of:

- Monitoring and controlling competitor development through its API and platform power;
- Replicating competitor features;
- Disabling API functionality to prevent competition;
- Leveraging its dominant market position to increase advertising revenue;

43. Further evidence of Roku's anticompetitive conduct is demonstrated by Roku CEO Anthony Wood's own admissions regarding "fast channels" (Exhibit [8]). Despite acknowledging he was surprised by the trend toward fast channels and "didn't predict" their success, Wood states that Roku has become "the biggest fast Channel Distributor." This rapid dominance over a market

segment Roku neither invented nor predicted strongly suggests the company's use of platform data to identify successful trends and then leverage its platform control to dominate them. Wood specifically acknowledges using Roku home screen advertising as "one of the best ways" to drive engagement, demonstrating how Roku exploits its platform control to advantage its services over competitors.

44. Visual evidence (Exhibit [9]) demonstrates how Roku systematically advantages The Roku Channel through multiple user interface mechanisms:

- The device screensaver displays advertisements exclusively for Roku Channel content;
- When powered on, devices automatically load The Roku Channel's "Live TV" feature instead of the home screen;
- Users must take additional steps to access the home screen;
- When pressing the Home button, last used applications are not put to the top of the list of apps on the Home Screen, making navigating back to them cumbersome;
- The "Top Picks" section appears to exclusively promote Roku Channel content;
- The interface has been redesigned to funnel users toward Roku content;
- Forced navigation through Roku Channel for Live TV and Sports

- Systematic demotion of recently used third-party apps
- Search functionality that excludes available third-party apps
- Interface changes favoring Roku Channel content:
  - All top row selections defaulting to Roku Channel
  - Featured content exclusively from Roku Channel
  - Recently used apps disappearing from quick access
  - Third-party apps requiring manual search to relocate

45. Roku CEO Anthony Wood's attitude toward platform dominance and anticompetitive behavior is consistent with his broader approach to business and social responsibility. In discussing his philanthropic activities (Exhibit [10]), Wood dismisses addressing systemic problems, stating "you can't help people, they have to help themselves." Instead of meaningful social impact, he prioritizes personal convenience, funding research to cure his jet lag because it "ruins my vacation." This dismissive attitude toward social responsibility parallels Roku's treatment of developers and content providers, demonstrating a pattern of prioritizing personal and corporate benefit over broader ecosystem health.

46. Roku's monopoly power is further demonstrated by CEO Wood's admissions about platform control (Exhibit [11]):

- Acknowledging Roku's position as "the leading streaming platform in the U.S. by a wide margin"
- Claiming to "stream a lot more hours than any of our competitors"
- Boasting about having "almost the entire market for licensed O.S.'s"

47. Roku's market dominance is further evidenced by its ability to:

- Control content discovery and promotion across its platform
- Dictate terms to both content providers and hardware manufacturers
- Implement significant platform changes without market consequences
- Maintain growth despite increasing platform restrictions

*Predatory Pricing and Market Dominance Strategy*

48. Roku's monopolistic conduct extends beyond platform control to include systematic predatory pricing strategies designed to achieve and maintain market dominance. In a May 2018 CNBC interview (Exhibit [13]), Roku CEO Anthony Wood revealed the company's deliberate strategy to achieve market dominance through:

- Operating at or near break-even to maximize market share growth;
- Using predatory pricing strategies for hardware;
- Creating dependencies through TV manufacturer licensing;
- Leveraging platform scale to control the TV operating system market.

49. Wood explicitly admitted to operating the company at break-even to pursue market dominance, stating they are "aiming to operate the company on a break-even basis because we want to keep investing as much as gross profit as possible into this opportunity" and describing streaming as a "huge opportunity to be the world's leading streaming platform" (Exhibit [13]). Wood's own statements reveal using hardware losses to dominate content platform:

- Admitting device business isn't the real focus: "from an investor's point of view that's not our business - those are how we acquire active accounts" (Exhibit [13])
- Using hardware as loss leader to build platform: "We do license but for us licensing to TV manufacturers is a way for us to bring more customers into our ecosystem" (Exhibit [13])
- True business model revealed: "our business is selling advertising, being a Next Generation ad platform, distributing content" (Exhibit [13])
- Deliberately operating hardware at break-even to compete in content market: "80% of our gross profit in the first half of this year came from our platform business" (Exhibit [13])



- Using platform scale to force content monetization: "We think of Roku as a large-scale publishing platform. If you're a content owner and you want to publish that content and monetize it, we can do that for you. That's what we do - we distribute content" (Exhibit [2])
- True platform control intent revealed: "We think of Roku as a large-scale publishing platform. If you're a content owner and you want to publish that content and monetize it, we can do that for you. That's what we do - we distribute content" (Exhibit [2])

50. The deliberate nature of Roku's pricing strategy was revealed when Wood acknowledged they "have a strategy of bringing down our hardware prices so we sell more units, "boasting about selling "\$29" streaming players while noting that "most of our competitors subsidize to get to within striking distance of that price point" (Exhibit [3]).

51. Wood's statements demonstrate Roku's plan to dominate the TV operating system market by:

- Creating manufacturer dependencies, stating that "virtually every TV company will end up licensed in OS just like all smartphones have an OS";
- Positioning Roku as "the leading OS" while acknowledging this creates "a great position to be in";

- Using predatory pricing to achieve market penetration;
- Leveraging this position to control the TV ecosystem.

52. Roku's willingness to sustain losses to achieve market dominance, as admitted by CEO Wood (Exhibit [3]), demonstrates:

- Explicit strategy of operating at break-even to invest in market share growth;
- Use of predatory pricing to drive platform adoption;
- Deliberate plan to become the dominant TV operating system provider;
- Creation of manufacturer dependencies through licensing requirements.

53. This predatory pricing strategy constitutes anticompetitive conduct as evidenced by:

- CEO Wood's admission of pricing strategy designed to maximize market share over profitability (Exhibit [13]);
- Deliberate operation at break-even to invest in market dominance;
- Strategic use of below-market hardware pricing to drive platform adoption;
- Long-term plan to leverage market share into TV manufacturer dependencies.

- Wood's statements (Exhibit [13]) about hardware pricing show deliberate predation:
  - Using platform scale to force monetization: "We think of Roku as a large-scale publishing platform. If you're a content owner and you want to publish that content and monetize it, we can do that for you. That's what we do - we distribute content"
  - Admission that hardware is just customer acquisition: "from an investor's point of view that's not our business - those are how we acquire active accounts"
  - Platform business generates real profits: "80% of our gross profit in the first half of this year came from our platform business"

54. These pricing strategies represent unlawful exclusive dealing arrangements by:

- Using predatory pricing to force market adoption;
- Creating manufacturer dependencies through licensing requirements;
- Leveraging hardware pricing to achieve platform lock-in;
- Implementing a deliberate strategy to eliminate competition through pricing mechanisms.

55. Wood's claims about Roku's operating system demonstrate both monopolistic intent and market power:

- Wood asserts Roku has "the only purpose-built operating system for TV" while "everyone else ports their phone operating systems" (Exhibit [3]);
- This claim of unique market position is used to justify:
  - Control over TV manufacturer relationships
  - Platform restrictions
  - API limitations
  - Technical restrictions on competitors
- Wood leverages this claimed technical distinction to:
  - Force manufacturer adoption
  - Justify platform control
  - Eliminate competition
  - Maintain market dominance
- The "purpose-built" claim becomes pretextual justification for:
  - Restricting third-party access
  - Limiting API functionality
  - Controlling developer options
  - Forcing content providers into The Roku Channel

*Prior Examples of Similar Conduct*

56. This pattern mirrors anticompetitive behavior found illegal in prior cases, as the Areeda & Hovenkamp treatise on antitrust law states: "A dominant firm's

exploitation of control over an 'essential facility' or other critical input can violate the Sherman Act's prohibitions on monopolization and attempts to monopolize. Restrictions on access to application programming interfaces (APIs) that are necessary for interoperability can constitute unlawful monopolization." Areeda & Hovenkamp, Antitrust Law ¶ 701a (5th ed. 2022).:

- Microsoft Corporation in the personal computer operating system market: In *United States v. Microsoft Corp.*, 253 F.3d 34 (D.C. Cir. 2001) Conclusions of Law at 44, the district court found that "Microsoft placed an oppressive thumb on the scale of competitive fortune.". The court found Microsoft "engaged in anticompetitive conduct that maintained its operating system monopoly" in violation of §2 of the Sherman Act. including:

- "restrict[ing] access to key technical interfaces" (APIs), and leveraging its Windows platform "to exclude rivals from the most efficient distribution channels."
- The court found Microsoft's proffered technical justifications were "neither necessary nor of sufficient value", and its actions had "systematically disadvantaged its competitors."
- Meta's manipulation of platform control to disadvantage competitors, as recently found by Judge Boasberg: "The Commission has provided evidence that Meta's acquisitions of actual competitors or nascent threats

were anticompetitive. As the Court noted in *Google*, 'the loss of nascent competitors is a clear anticompetitive effect.'" *FTC v. Meta Platforms, Inc.*, No. 20-3590 (JEB), (pages 61-62) (D.D.C. Nov. 13, 2024) citing *United States v. Google LLC*, 2024 WL 3647498, at \*114

- Facebook's platform manipulation, as alleged by the FTC (*FTC v. Facebook*, Case No. 1:20-cv-03590-JEB (D.D.C. filed Aug. 19, 2021)) followed a similar pattern of initially promising openness before restricting access to crush competition:
  - Facebook initially:
    - "welcome[d] developers with competing applications" and promised a "level playing field" (¶ 26)
    - Facebook marketed Facebook Platform as a way to empower all app developers because it recognized that doing so would be critical to its business. In a 2007 press release, CEO Mark Zuckerberg stated, "[Facebook Platform] is good for us because if developers build great applications then they're providing a service to our users and strengthening the social graph. This is a big opportunity. We provide the integration and distribution and developers provide the applications. We help users share more information and together we benefit." (¶30)

- Facebook later:
  - "Cut off both apps' access to key API functionality" (¶ 143)
  - Used data monitoring to generate "Early Bird" reports identifying acquisition targets (¶ 71)
  - "Facebook imposed several other policies restricting app developers' use of Facebook Platform, including Facebook APIs. Through these policies, Facebook used its control over APIs to deter and suppress the threat posed by developers on Facebook Platform" (¶ 139)
  - Required developers to "agree to contractual restrictions imposed by Facebook, including any new or changed restrictions or policies that Facebook imposed over time" (¶ 133)
- Google's conduct in the mobile operating system market based on *United States v. Google LLC*, 20-cv-3010 (APM), Case No. 20-cv-3715 (APM), F.Supp.3d, 2024 WL (D.D.C. Aug. 5, 2024) was anticompetitive:
  - App Store Control and Bundling:
    - Required Android OEMs to preload Google Play Store and other Google Mobile Services (GMS) apps to receive Android license [FOF ¶¶351-354]
    - Made Play Store essential by housing critical APIs that apps need to function [FOF ¶352]

- "Without [the] Google Play [Store], an Android phone is a brick"  
[FOF ¶352]
- Preferential App Placement:
  - Required prominent placement of Google Search Widget on home screen [FOF ¶356]
  - Mandated Chrome browser placement in Google folder on home screen [FOF ¶356]
  - Made preloaded apps undeletable by users [FOF ¶357]
- Developer Access Control:
  - All Android OEMs had to sign Mobile Application Distribution Agreements (MADAs) to access GMS [FOF ¶¶348-350]
  - No Android device identified without both MADA and revenue sharing agreement [FOF ¶350]
  - Controlled API access through Play Store requirements [FOF ¶352]
- Technical Restrictions:
  - Market reality prevented OEMs from preloading competing search widgets or browsers due to "bloatware" concerns [FOF ¶¶359-361]



- Modified definition of "Alternative Search Service" to restrict competing on-device search technologies [FOF ¶¶394-396]
- Platform Data Exploitation:
  - Used distribution agreements to maintain monopolistic data advantages [FOF ¶¶86-89]
  - Leveraged user data to improve services while denying same access to competitors [FOF ¶¶90-94]
  - Maintained data advantages that created barriers to entry [FOF ¶¶102-106]

This conduct violated Section 2 of the Sherman Act by maintaining Google's monopoly through exclusionary agreements rather than competition on merits [Opinion at p.187-188]

- Apple's App Store practices from *Epic Games, Inc. v. Apple Inc.*, 24 F.4th 1 (9th Cir. 2023), appeal from *Epic Games, Inc. v. Apple Inc.*, No. 4:20-cv-05640-YGR (N.D. Cal. Sept. 10, 2021), filed April 24, 2023
  - Platform Access Restrictions "[W]hen Apple opened the iPhone to third-party app developers, it created a 'walled garden,' rather than an open ecosystem in which developers and users could transact freely without mediation (page 3)
  - Technical Controls Over Platform "Apple uses that market power to prevent would-be competitors like Epic from offering app-distribution

and payment-processing alternatives, reducing innovation and Apple's own investment in the App Store in the process." (page 20).

- Selective Technical Restrictions "[T]he district court found substantial anticompetitive harms through both direct and indirect evidence. Apple has for years charged a supracompetitive commission...that it set 'without regard' for competition." (page 20-21).
- Payment System Requirements "Epic contends that Apple acted unlawfully by...requiring in-app purchases on iOS devices to use Apple's in-app payment processor...These restrictions were imposed under the Developer Program Licensing Agreement ('DPLA')." (page 3)
- App Review Process The court found "compelling" evidence that human app review was necessary "against certain types of attacks" but noted this process could be used to gather competitive intelligence. (page 21-22).
- The key test is whether restrictions are "substantially less restrictive" alternatives that are "'virtually as effective' in serving the [defendant's] procompetitive purposes...without significantly increased cost." (page 59).

## RELEVANT MARKET AND MONOPOLY POWER

57. The relevant markets are:

- The smart TV operating system market which includes:
  - Operating systems embedded in smart TVs
  - Platform services for content delivery
  - Content discovery and navigation interfaces
  - Advertising delivery systems
- The streaming device market encompassing:
  - Smart TV hardware
  - Streaming media players
  - Connected TV devices
  - Platform-integrated televisions
- The content distribution platform market encompassing:
  - Content discovery mechanisms
  - Content aggregation services
  - Streaming content delivery
  - Advertising placement and delivery
  - Content provider relationships
  - User data and analytics
- The market for mobile applications that interact with smart TVs including:

- Remote control applications
- Content casting applications
- Media sharing services
- Second-screen experiences

58. Roku possesses monopoly power in these markets as evidenced by:

a. Dominant market position (Exhibit [11]):

- As of Q1 2024 holds 48.3% of the U.S. smart TV operating system market
- Dramatic growth from 33% market share in 2020
- Increased to 38% in 2021
- Reached 43% by 2023
- Projects to exceed 50% by end of 2024
- More than triple the share of its nearest competitor Samsung (11%)
- Growth rate exceeding all other competitors combined

b. Content Platform Dominance:

- Controls content discovery for over 80 million active accounts
  - Forces content providers into double-bind:
    - Must compete against own content in Roku Channel
    - Lose access to Roku's audience if they don't participate
    - Roku controls all advertising revenue

- No viable alternative distribution path
- Systematically advantages Roku Channel through:
  - Default placement
  - Automatic loading
  - Search result manipulation
  - Interface design
  - Advertising control

b. Accelerating platform dominance:

- Active accounts increased from 46 million in 2020 to 80 million in 2024
- Streaming hours grew from 58.7 billion in 2020 to 95.2 billion in 2024
- Roku TV models now account for 1 in 3 smart TVs sold in the United States
- Platform revenue grew 1,200% from 2016 to 2024
- Licensing agreements with 15 of the top 20 TV manufacturers

c. Control over critical platform infrastructure:

- Exclusive control of API access and functionality
- Ability to modify platform rules unilaterally
- Power to dictate terms to content providers

- Control over app review and certification processes
- Controlling position in smart TV operating system licensing

d. Technical ability to exclude competition through:

- Selective API restrictions
- Mandatory app review processes
- Static Analysis testing requirements
- Platform functionality limitations

e. Power to advantage its own services through:

- Preferential placement in user interface (Exhibit [9])
- Control over home screen advertising
- Default app settings
- Automatic content loading behaviors
- Systematic prevention of third-party apps from achieving primary interface placement regardless of user preference or usage frequency

f. Control over essential platform features:

- Exclusive access to ECP Protocol previously available to third party developers
- Exclusive access to deep linking capabilities previously available to third party developers

- Exclusive control of mobile device communication previously available to third party developers
- Privileged access to platform data and analytics
- Technical restrictions preventing third-party applications from maintaining home screen prominence despite user selection or frequency of use
- Evidence from 2017 showing early essential facility strategy (Exhibit [13]):
  - Creating forced content dependencies: "If you want to reach the OTT audience at scale you need to be on Roku"
  - Strategic control admissions: " Roku's position in ecosystem is being the platform that ties together the customers, the advertisers, the users"
  - Using platform status to force partnerships: "we're partners with Amazon, we're partners with Google, we're partners with all content providers"
  - Early ecosystem control through “the most engaged active customers in the streaming world"

g. Ability to leverage user data and platform insights:

- Access to viewing patterns across all content

- Control over content discovery mechanisms
- Ability to identify and replicate successful features
- Capacity to monitor competitor performance

h. Market power demonstrated through conduct:

- Ability to disadvantage competing services without market consequences
- Power to impose unfavorable terms on content providers
- Capacity to maintain growth despite anticompetitive practices
- Control over advertising revenue allocation

i. Direct statement of monopolistic intent by CEO:

- In a recorded statement (Exhibit [12]), Wood declares "Roku's mission is to power every TV in the world";
- Explicitly states this as the company's "One Singular Mission";
- Emphasizes this goal is what makes them "really good at it";
- Demonstrates clear intent to achieve global monopoly in TV operating systems;

j. Direct admissions by CEO regarding control strategy:

- In a recorded statement (Exhibit [3]), Wood declares ""The problem consumers have now is that they don't branch out a lot out of their top apps"



- Using this alleged consumer problem as pretext for platform control when in reality, the reason is third party apps cannot list at the top of the home screen regardless of usage. Even if you're a certified Roku developer, there's no API or development option that allows bypassing the Roku default home screen startup behavior, the first step of nearly any Roku content navigation.
  - Implementing "merchandising" to control content discovery
  - Creating two-tier system of "Destination apps" versus all others
  - Forcing economic participation in Roku's merchandising system
- k. Monopolistic leveraging of operating system dominance demonstrated by:
- CEO Wood's assertion of having "the only purpose-built operating system for TV" while "everyone else ports their phone operating systems" (Exhibit [3])
  - Use of this claimed unique position to justify:
    - Control over TV manufacturer relationships through licensing requirements
    - Platform and API restrictions on competitors
    - Technical limitations on third-party developers

- Forced migration of content providers to The Roku Channel
- Strategic leveraging of this technical distinction to:
  - Force manufacturer adoption of Roku OS
  - Justify increasing platform control
  - Eliminate potential competition
  - Maintain market dominance through technical pretexts
- Public statements demonstrating intent:
  - "TV manufacturers are moving away from their homegrown built solutions to a licensed solution"
  - "Virtually every TV company will end up licensed in OS just like all smartphones have an OS"
  - Claims of being "the leading streaming platform"
- Use of this position to create and enforce dependencies:
  - Growing from "one in five" to "one in four" Smart TVs sold
  - Leveraging technical claims to justify API restrictions
  - Using OS dominance to control content distribution
  - Forcing ecosystem participants into Roku-controlled channels

## I. Monopolistic Control Over Advertising Infrastructure:

- Wood's admission that advertising is built into OS: "We built targeted ads, the ability to do ads into the Roku ad framework, which is sort of a first-class citizen of our operating system"
- Forces content providers to surrender advertising control through:
  - Required use of Roku Ad Framework
  - Mandatory participation in Roku's programmatic system
  - Collection and control of user data
  - Platform-wide targeting capabilities
  - Control over ad load and placement

m. Advertising Market Power Demonstrated Through:

- Control over critical advertising APIs:
  - Restrictions on third-party ad serving
  - Limitations on independent ad measurement
  - Required use of Roku's ad tech stack
  - Forced data sharing with Roku
- Ability to:
  - Set ad rates unilaterally
  - Control ad load across platform
  - Determine ad placement and priority
  - Access cross-application user data
  - Advantage Roku Channel inventory

- Evidence of market power:
  - Over \$2.8 billion in platform revenue 2023
  - Growth in ad revenue despite market conditions
  - Premium pricing compared to competitors
  - Ability to increase ad load without user decline
  - Content providers have no viable alternatives
  
- n. Evidence of premeditated monopolistic strategy:
  - CEO Wood's recorded statements reveal systematic plan for market domination:
    - Explicit Platform Control Strategy (Exhibits [2], [3]):
      - Statement that "Someone at Apple once said the future of TV is Apps. Well actually the future of TV is not Apps"
      - Admission of deliberate shift from open platform to controlled environment
      - Strategic repositioning of The Roku Channel to become "The Roku Home Screen"
      - Explicit rejection of open app marketplace model
  
    - Deliberate Three-Phase Strategy (Exhibit [3]):
      - Phase 1: "Used to be that Roku was a Netflix player"
      - Phase 2: "Then it became an app store and platform"

- Phase 3: Current consolidation of control through "merchandising"

Shows premeditated plan to achieve then exploit market dominance

- Predatory Pricing Strategy (Exhibit [3]):

- Admission of operating at break-even to maximize market penetration

- Deliberate strategy of "bringing down hardware prices"

- Using \$29 price points while noting competitors must "subsidize to get within striking distance"

Shows willingness to sustain losses to achieve market dominance

- Platform Data Exploitation (Exhibit [3]):

- Admission that "because we have platform-wide data we can do a better job of merchandising"

- Using platform data against developers and content providers

- Leveraging insights to identify and dominate new market segments

- Demonstrates systematic use of platform position to maintain control

- Manufacturer Dependencies (Exhibits [11], [12]):
  - Statement that "virtually every TV company will end up licensed in OS"
  - Comparison to smartphone OS market consolidation
  - Explicit goal to "power every TV in the world"
  - Shows clear intent to achieve global monopoly in TV operating systems
- Content Control Strategy (Exhibit [3]):
  - Creating artificial "problem" that consumer "don't branch out" from top apps
  - Using this as pretext for increased platform control
  - Implementing two-tier system of "Destination apps" versus others
  - Admission that "90% of our customers... will get more viewing and better economics by working with us directly"
- Technical Pretext (Exhibit [3]):
  - Claims of having "the only purpose-built operating system for TV"
  - Using this claim to justify:
    - Control over TV manufacturer relationships

- Platform restrictions
  - API limitations
  - Technical restrictions on competitors
- Evidence demonstrates a clear, premeditated strategy to:
    - Initially present as an open platform
    - Achieve market dominance through predatory pricing
    - Systematically eliminate competition through technical restrictions
    - Force ecosystem participants into Roku-controlled channels
    - Ultimately achieve global monopoly power over TV operating systems

## **CAUSES OF ACTION**

### **COUNT I: Monopolization in Violation of Sherman Act § 2 (15 U.S.C. § 2)**

59. Plaintiff incorporates paragraphs 1-58 by reference.

60. Roku has willfully acquired and maintained monopoly power through anticompetitive conduct:

- a. Using its App Review process to gather competitive intelligence
- b. Exploiting control over essential APIs to eliminate potential competitors. Roku's systematic disabling of API access for potential

competitors parallels conduct that courts have found unlawful, as Areeda & Hovenkamp explain: “ A monopolist's refusal to deal with or to provide access to a rival can violate Section 2 when it serves no legitimate business purpose and appears designed solely to maintain the monopolist's market dominance. Limiting access to critical inputs like APIs can be anticompetitive when there is no valid business justification.” Areeda & Hovenkamp, Antitrust Law ¶ 776b (5th ed. 2022)

- c. Employing deceptive practices to conceal anticompetitive actions
- d. Leveraging its control of the operating system to force prominence of its own channel, The Roku Channel, through multiple documented mechanisms (Exhibit [9]):
  - Modifying the TV interface to automatically load The Roku Channel on startup
  - Repurposing the "Live TV" function from its original purpose to prominently feature The Roku Channel
  - Allocating the majority of platform video advertising space to promote The Roku Channel channels
  - Exclusive screensaver advertising for Roku Channel content
  - Manipulation of user interface navigation paths
  - Preferential placement in discovery features



- Systematic interface changes that disadvantage competing apps
- Systematic interface changes forcing users through Roku Channel
- Expanding Roku Channel control to previously independent sections like 'Sports', 'Featured Free' and 'What to Watch'
- Removing third-party apps from search results within Roku Channel
- Creating artificial barriers to accessing recently used third-party apps
- Deliberate degradation of third-party app accessibility
- Evidence of Wood's stated plan becoming reality: as it [The Roku Channel] "gets bigger and bigger and has more and more content, you can imagine someday it might become the Roku home screen. " (Exhibit [2])

e. Creating a double-bind for content providers by:

- Forcing an impossible choice:
  - Option A: Keep content exclusive to their own Roku app
    - Lose access to Roku Channel's audience
    - Receive diminished visibility in UI
    - Limited advertising opportunities
    - Reduced discoverability
  - Option B: Allow content on The Roku Channel

- Must compete against their own content
- Roku controls all advertising revenue
- Loss of direct customer relationships
- Reduced brand control
- No Viable Third Option
  - All options benefit Roku
  - Both harm provider and consumer
  - Creates "heads I win, tails you lose" scenario
  - Forces participation in Roku's ecosystem
  - Anticompetitive by design
- Exploiting platform control:
  - Content providers' own Roku apps receive diminished visibility
  - The same content on The Roku Channel gets preferential placement
  - Roku controls the advertising revenue when content appears on The Roku Channel
  - Content providers effectively subsidize their own competition
- Using platform data to disadvantage providers:

- Gathering viewing data from all sources
- Using this data to identify successful content trends
- Leveraging insights to program The Roku Channel
- Competing against content providers with their own viewing data
- Control content discovery mechanisms
- Manipulating economic incentives:
  - Offering better revenue shares through The Roku Channel
  - Reducing discovery of standalone apps
  - Creating pressure to participate in The Roku Channel
  - Eliminating providers' ability to control their own monetization
- Using platform data to identify successful content trends and competing directly with content providers
- Building advertising control directly into the operating system, with Wood describing the "Roku Ad Framework" as "sort of a first-class citizen of our operating system" (Exhibit [3])
- Using this operating system-level integration to force content providers to surrender advertising control
- Using Wood's own words to demonstrate the coercive strategy:

- Creating artificial market conditions: "Customers don't want to pile on you know \$10 subscription over \$10 subscription" (Exhibit [2])
- Forcing content providers into Roku Channel: "If you're a content owner and you want to publish that content and monetize it, we can do that for you" (Exhibit [2])
- Using platform control to force monetization: "That's what we do - we distribute content" (Exhibit [2])
- Leveraging consumer behavior data to justify control: "free content ad-supported content is the fastest growing segment" (Exhibit [13])
- Creating false choice between subscriptions and Roku Channel distribution

f. Establishing a closed ecosystem where:

- Third-party apps are increasingly difficult to discover
- The Roku Channel receives preferential placement and promotion
- CEO Wood outlines the deliberate progression (Exhibit [2]):
  - Claims "One of the reasons Roku has been so successful is there is over 6,000 different apps on Roku";
  - Claims users are "tired of looking in 6,000 apps";

- Identifies trend toward "more and more aggregations, these big destination apps";
- Positions The Roku Channel as one of these "destination apps";
- Reveals ultimate goal that as The Roku Channel gets bigger and bigger it "might become The Roku Home Screen";
- This progression demonstrates Roku's systematic plan to:
  - First identify consumer frustration with open app model;
  - Then promote aggregation as solution;
  - Finally convert platform to closed, Roku-controlled system;
- Roku's original content receives advantaged visibility over other content creators
- User navigation paths are manipulated to drive traffic to Roku-owned properties
- CEO Wood explicitly admits the strategy of moving away from an app-based model, stating "actually the future tv is not apps because people are people are tired of looking in 6000 apps for content" (Exhibit [2])
  - Wood reveals the ultimate goal of making The Roku Channel "become the Roku home screen," (Exhibit [2]). This shows:
    - Admission of deliberate strategy

- Intent to demote and deprecate the open platform model
- Use of consumer convenience as pretext for anticompetitive conduct
- Clear plan to convert from open app store to controlled content platform
- Wood admits to creating a two-tier system where:
  - Selected "Destination apps" maintain independence
  - All other apps must surrender control to Roku's "merchandising"
  - API restrictions enforce this market segregation
  - Technical barriers maintain the hierarchy
  - This system is implemented through:
    - Selective API access
    - Platform data exploitation
    - Technical restrictions
    - Forced economic participation
- Historical evidence from 2017 of deliberate platform control strategy (Exhibit [13]):

- Using hardware explicitly as customer acquisition: "from an investor's point of view that's not our business - those are how we acquire active accounts"
- Positioning as essential platform: "If you want to reach the OTT audience at scale you need to be on Roku"
- Creating ecosystem dependencies by "being the platform that ties together the customers, advertisers, users"
- Strategic focus on advertising control: "advertising is our bread and butter"
- Positioning as "Next Generation ad platform" while building scale

g. Exploiting platform data and control to dominate emerging markets:

- Using OS-level data to identify successful content trends
- Leveraging platform control to advantage Roku services
- Exploiting home screen advertising to drive engagement to Roku properties.
- Converting market intelligence into market dominance, as evidenced by Wood's admission (Exhibit [8]) - which contains his statements about fast channels and platform dominance

h. Maintaining and expanding monopoly power through:

- Nearly 50% market share in TV unit market (Exhibit [11])

- Over 80 million active accounts (Exhibit [11])
  - Over 100 billion streaming hours in 2023 (Exhibit [11])
  - Control over critical platform access
  - Ability to unilaterally modify platform rules
  - Power to dictate terms to content providers
  - Roku is the only purpose-built operating system for TV (Exhibit [2])
- i. Deliberately reversing public commitments to third-party developers:
- Contradicting CEO's public statements about platform openness
  - Implementing restrictions contrary to promised "app store for TV" model
  - Using initial promises to attract developers before restricting access
  - Converting what was marketed as an open platform into a closed ecosystem
- j. Creating a coercive economic system where:
- Roku admits "90% of our customers... will get more viewing and more better economics by working with us directly" (Exhibit [3])
  - Smaller developers are forced to accept Roku's merchandising control
  - Only large "Destination apps" maintain independence
  - Platform-wide data is used to disadvantage developers
  - Content discovery is systematically controlled



k. Using platform control to monopolize advertising market:

- CEO Wood explicitly states "advertising is our bread and butter" (Exhibit [13])
- Admits advertising control is core business: "80% of our gross profit came from our platform business which is advertising and content distribution" (Exhibit [13])
- Shows deliberate plan to dominate streaming advertising market: "as the world moves to streaming that means all TV advertising is moving to streaming" (Exhibit [13])
- Building platform specifically for advertising control: "huge opportunity to become the next Generation Advanced TV" (Exhibit [13])
- Using hardware and OS as tools to gain advertising control: "from an investor's point of view that's not our business - those are how we acquire active accounts" (Exhibit [13])
- Forces content providers into advertising dependency through:
  - Control of user interface
  - Platform data exploitation
  - Content discovery manipulation
  - Revenue share requirements

- Forced participation in Roku Channel

61. The willful nature of Roku's monopolistic conduct is further evidenced by CEO Wood's demonstrated pattern of prioritizing personal and corporate benefit over ecosystem health. As shown in Exhibit [10], Wood approaches philanthropic giving with the same dismissive attitude he applies to platform governance, focusing on personal convenience while dismissing systemic issues. This pattern suggests Roku's anticompetitive actions reflect a deliberate strategy rather than inadvertent effects of business decisions.

This evidence helps demonstrate:

- Willful nature of anticompetitive conduct
- Pattern of disregard for ecosystem participants
- Intentional nature of monopolistic behavior
- Corporate culture stemming from leadership attitudes

62. Roku's anticompetitive conduct represents a dramatic reversal from its earlier public commitments. In a recorded interview, Roku CEO Anthony Wood stated that an "app store for TV" would "change things dramatically" and promised that Roku would "let third parties publish content and applications that consumers can access directly from their TV." (Exhibit [1]) This evidence demonstrates that:

- Roku understood the value of third-party development

- Roku explicitly promised to support third-party developers
- Roku's current conduct directly contradicts these public commitments
- The change in position occurred after Roku achieved market dominance

63. Roku's monopolistic conduct has directly harmed competition and Plaintiff

by:

a. Exploiting its App Review process to:

- Require detailed demonstration of features and functionality
- Gather competitive intelligence through Static Analysis testing
- Identify innovative features that could threaten Roku's dominance

b. Systematically disabling API access through:

- Removing External Control Protocol (ECP) commands (Exhibit [4]) from within Roku channels
- Blocking ECP commands (Exhibit [4]) from third-party mobile applications
- Providing deceptive error messages to mask anticompetitive intent
- Offering no viable technical alternatives for disabled functionality

c. Leveraging gathered intelligence to:

- Launch competing features like Photo Streams (Exhibit [7])
- Maintain API restrictions preventing competition with these features

- Use platform data to identify successful content trends
- Deploy copycat features while blocking original innovators

d. Using platform control to disadvantage competitors by:

- Automatically loading The Roku Channel upon device startup
- Relegating third-party apps to less prominent positions in the interface
- Manipulating search results to favor Roku-owned content
- Using advertising space primarily to promote Roku's own services
- Forcing content providers to compete against their own content when it appears in The Roku Channel

e. Causing direct harm to Plaintiff through:

- Wasted development resources implementing now-disabled features
- Lost investment in API integration that was subsequently blocked
- Inability to compete effectively due to restricted platform access
- Damaged reputation from non-functioning features
- Lost business opportunities and potential market share

64. These actions mirror anticompetitive conduct found illegal in *United States v.*

*Microsoft Corp.*, 253 F.3d 34 (D.C. Cir. 2001):

- Using platform dominance to control technical interfaces and maintain monopoly power

- Systematically restricting access to APIs to prevent competitive threats
- Providing pretextual technical justifications to mask anticompetitive intent
- Leveraging operating system control to advantage proprietary services
- See *Microsoft Corp.*, 253 F.3d at 34,79 stating that “it would be inimical to the purpose of the Sherman Act to allow monopolists free reign to squash nascent, albeit unproven, competitors at will – particularly in industries marked by rapid technological advance and frequent paradigm shifts.”

65. These actions also mirror anticompetitive conduct identified by the Federal Trade Commission in *FTC v. Meta Platforms, Inc.*, No. 1:20-cv-03590 (D.D.C.) and the actions alleged in *Dean v. Meta Platforms, Inc.*, No. 8:24-cv-02242 (M.D. Fla. filed in Tampa Division):

- FTC Finding: "Facebook's course of conduct has eliminated nascent competitors and extinguished the possibility that such competitors might challenge Facebook's dominance in the future"
- Roku's Conduct: Using its platform control to systematically eliminate potential competitors by first requiring them to demonstrate features through App Review, then disabling those features through API restrictions
- FTC Finding: "Facebook has maintained and enforced anticompetitive conditions on access to its valuable platform interconnections, such as

the application programming interfaces ('APIs') that it makes available to third-party software applications"

- Roku's Conduct: Systematically removing API access for features that could enable competition with Roku's own services, particularly The Roku Channel and the Roku Mobile App
- FTC Finding: "Facebook's anticompetitive conduct has harmed competition and harmed the competitive process"
- Roku's Conduct: Using deceptive technical justifications and selective API restrictions to maintain its monopoly while concealing the anticompetitive nature of its actions

66. Roku's conduct specifically parallels these precedents by:

- Using platform control to gather competitive intelligence through mandatory review processes
- Systematically disabling API access for potential competitors
- Providing misleading technical explanations for anticompetitive actions
- Leveraging platform dominance to advantage its own content services
- Following the established pattern of allowing third-party innovation only until it threatens the platform's dominance

67. Roku has further maintained and extended its monopoly power through preferential treatment of The Roku Channel:

- Repurposing its "Live TV" function to prominently feature The Roku Channel
- Automatically loading The Roku Channel upon device startup, bypassing the menu displaying other applications
- Using the majority of advertising space within the Live TV function to promote Roku's own services
- Leveraging user data obtained through its operating system to identify successful content trends and compete with content providers

68. These actions harm competition by:

- Using platform dominance to give Roku's content services unfair advantages
- Diminishing visibility of competing apps, streaming services and content providers
- Creating barriers to entry for innovative new services
- Reducing incentives for third-party development
- Increasing platform lock-in
- Rising barriers to entry
- Declining third-party development
- Growing market concentration

**COUNT II: Exclusive Dealing Violation of Clayton Act § 3 (15 U.S.C. § 14)**

69. Plaintiff incorporates paragraphs 1-58 by reference.

70. Roku's conduct constitutes de facto exclusive dealing arrangements that substantially lessen competition through systematic elimination of competitive services, representing a deliberate reversal of CEO Anthony Wood's public commitment (Exhibits [1]) to an open platform model:

a. Using the App Review process as a tool to:

- Require detailed disclosure of competitive features
- Gather intelligence about potential threats
- Create dependencies on Roku's platform
- Force developers to reveal proprietary innovations

b. Implementing technical restrictions that create exclusive arrangements:

- Disabling functioning and documented API access (Exhibit [4])
- Forcing users to use only Roku's mobile application
- Blocking third-party applications from essential platform features
- Creating artificial technical barriers to interoperability
- Early evidence of technical control strategy from 2017 (Exhibit [13]):
  - Building "purpose-built operating system for TV" as basis for control
  - Using platform architecture to force exclusive relationships



- Creating technical dependencies through OS integration
- Using platform-level technical restrictions to maintain control

c. Leveraging platform control to force exclusivity:

- Making The Roku Channel the only app that auto-loads on startup
- Restricting deep linking capabilities to Roku's own services
- Creating preferential treatment for Roku-owned content
- Controlling all advertising revenue within The Roku Channel

d. Roku's exclusive dealing arrangements are particularly egregious given the company's prior public commitments (Exhibits [1],[2]):

- CEO Anthony Wood specifically promised to "let third parties publish content and applications"
- Wood compared Roku's planned app store to the iPhone App Store model
- Wood presented third-party access as a key strategic initiative
- Roku subsequently reversed this position after achieving market dominance, implementing exclusive dealing arrangements that directly contradict these promises

e. Creating technical barriers through interface design:

- Requiring additional steps to access competing apps
- Automatically defaulting to Roku Channel content

- Limiting advertising visibility to Roku properties
- Manipulating navigation paths to advantage Roku Channel
- Using screensaver space exclusively for Roku content

71. Roku enforces these exclusive dealing arrangements through:

a. Technical measures:

- API restrictions that prevent third-party functionality
- Platform modifications that advantage Roku services
- Interface changes that diminish competitor visibility
- Static Analysis testing that blocks competitive features

b. Business practices:

- Requiring content providers to compete with their own content in  
The Roku Channel
- Controlling advertising revenue streams
- Manipulating search and discovery algorithms
- Using platform data to identify and replicate successful features

72. These arrangements substantially lessen competition by:

a. Creating barriers to entry:

- Preventing new developers from accessing essential platform  
features

- Requiring excessive resource investment in features that may be disabled
- Creating uncertainty about platform stability
- Imposing arbitrary technical restrictions

b. Maintaining Roku's monopoly through:

- Systematic elimination of potential competitors
- Control over user discovery and engagement
- Exclusive access to platform data and analytics
- Preferential treatment of Roku-owned services

73. The anticompetitive effects of these arrangements include:

a. Reduced consumer choice in:

- Content discovery options
- Remote control applications
- Content curation tools
- Streaming service options

b. Harm to competition through:

- Decreased innovation in the streaming device market
- Reduced investment in third-party development
- Limited content distribution options
- Centralized control over advertising revenue

74. These exclusive dealing arrangements mirror anticompetitive conduct found illegal in prior cases:

- Similar to Microsoft's exclusive dealings with OEMs
- Parallel to Meta's systematic elimination of competitive threats
- Comparable to other platform monopolies' use of technical restrictions
- Following established patterns of anticompetitive conduct in digital markets

75. The contrast between Defendant's public commitments and actual conduct demonstrates the willful nature of its exclusive dealing arrangements:

a) Initial Strategy (as stated in Exhibit [1]):

- Promise of an open "App Store for TV"
- Commitment to third-party access
- Comparison to iPhone App Store model
- Focus on enabling third-party innovation

b) Actual Implementation:

- Systematic restriction of API access
- Forced exclusivity through technical measures
- Preferential treatment of Roku-owned services
- Elimination of third-party development opportunities

76. Roku's exclusive dealing arrangements are particularly effective due to its ability to:

- Gather competitive intelligence through platform control
- Identify successful trends through user data analysis
- Use home screen advertising to advantage its own services
- Leverage this data advantage to dominate new market segments, as demonstrated by Wood's admissions regarding fast channels

(Exhibit [8])

77. These actions were anticompetitive because they undermined the Plaintiff, a nascent competitor, disrupted the competitive process, and ultimately harmed consumers. The Supreme Court in *Ohio v. American Express Co.*, 585 U.S. 529, 542 (2018), recognized that "reduced output, increased prices, or decreased quality in the relevant market" serve as "[d]irect evidence of anticompetitive effects." In a zero-price market, such as streaming platforms, anticompetitive effects can manifest through degradation in quality or user experience, even in the absence of price increases. This can occur, for instance, through increased ad loads or interface changes that limit user choice. Furthermore, the loss of nascent competitors is itself a clear anticompetitive effect, as noted in *United States v. Google LLC*, 2024 WL 3647498, at \*114 (D.D.C. 2024).

## **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully requests that this Court:

A. Enter judgment in Plaintiff's favor on all counts;

B. Award Plaintiff treble damages pursuant to 15 U.S.C. § 15(a) in an amount to be determined at trial, but not less than \$150 million (representing threefold the sustained damages of \$50 million), based on 5 years of:

- Development, infrastructure, and technology investments
- Marketing and user acquisition investments
- Lost business opportunities and potential market share
- Wasted development costs and resources
- Lost investment opportunities
- Reputational damage
- Lost revenue from existing and projected user base
- Lost profits
- Reconstruction and mitigation costs
- Investment and strategic partnership opportunities foreclosed

C. Award Plaintiff punitive damages in an amount to be determined at trial, but not less than \$100 million, due to Defendant's:

- Willful and malicious conduct
  - The willful nature of Defendant's conduct is demonstrated by  
CEO Wood's explicit admissions regarding:

- Planned evolution from open platform to controlled system
- Deliberate use of platform data against developers
- Creation of economic coercion system
- Implementation of two-tier market structure
- Systematic control of content discovery
- Pattern of deceptive practices
- Deliberate efforts to conceal anticompetitive actions
- History of similar conduct against other developers
- Substantial financial resources making lesser amounts ineffective as punishment

D. Grant injunctive relief under 15 U.S.C. § 26 requiring Roku to:

- Restore third-party access to all APIs
- Cease anticompetitive practices
- Provide transparent API access policies
- Divest ownership of The Roku Channel
- Establish an independent review board for developer complaints
- Submit to annual audits of API access decisions

E. Award Plaintiff costs of this action;

F. Award Plaintiff pre-judgment and post-judgment interest as allowed by law;

G. Order Roku to:

- Honor its public commitments to an open platform
- Restore the promised "app store for TV" functionality
- Implement transparent policies for third-party developers
- Create accountability measures for platform access decisions
  - Platform data access equality
  - Content discovery fairness
  - Economic relationship freedom
  - Two-tier system elimination

H. Grant such other relief as the Court deems just and proper.

The statements above and the addendums are true to the best of my knowledge.

Dated: November, 21 2024

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph Dean", written in a cursive style.

PETITIONER, FILING PRO SE  
JOSEPH DEAN  
5131 MAYFAIR PARK COURT, TAMPA FL 33647  
310-593-4485



## **Justification for Damages:**

### **Base Damages (\$50M):**

- Platform Value Loss: Development costs since 2010 valued using standard industry metrics for social media, communications software and streaming platform intellectual property
- Market Entry Barrier: Cost to reenter market under current conditions with API restrictions
- Lost First-Mover Advantage: Value of early market position during critical 2010-2024 streaming growth period

### **Treble Damages (\$150M):**

- Mandatory under Clayton Act
- Standard in antitrust cases
- Reflects congressional intent to deter anticompetitive conduct
- Compensates for difficulty of proving full extent of losses

### **Punitive Damages (\$100M):**

- Reflects willful nature of API restrictions after monitoring development
- Addresses pattern of deceptive platform promises
- Considers Roku's systematic elimination of competition
- Based on documented reversal of public commitments

**Total Relief Sought: \$250,000,000**

**Roku Financial Context:**

- Q1 2024 Revenue: ~\$881.5 million (quarterly)
- Annual Revenue Run Rate: ~\$3.5 billion
- Market Position: 48.3% of U.S. smart TV OS market
- Active Accounts: 80+ million

**Damages as Percentage of Annual Revenue:**

- Base damages (\$50M) = 1.47%
- Treble damages (\$150M) = 4.41%
- Punitive damages (\$100M) = 2.94%
- Total damages (\$250M) = 7.35%

**This request is proportional because:**

- It represents only 7.35% of annual revenue for anticompetitive conduct spanning many years
- The amount reflects loss of early market position during critical industry formation
- Damages are modest compared to value created by eliminating competition
- Relief sought is reasonable given systematic nature of platform restrictions and API control

**Contact Info:**

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