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18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

19 **COUNTY OF SAN FRANCISCO**

20 THE PEOPLE OF THE STATE OF
21 CALIFORNIA,

Plaintiff,

v.

22 AMAZON.COM, INC.,

23 Defendant.

CASE NO. CGC-22-601826

**DEFENDANT AMAZON.COM, INC.'S
ANSWER TO PLAINTIFF'S COMPLAINT**

Complaint Filed: September 14, 2022

Department: 304

Courtroom: Hon. Ethan P. Schulman

1 **PRELIMINARY STATEMENT**

2 The policies challenged in the Complaint directly promote, incentivize, and reward competition
3 by third-party sellers who sell in Amazon’s store. The core allegations in the Complaint, which the
4 California’s Office of the Attorney General (“OAG”) summarized as coercing merchants into
5 agreements that keep prices artificially high, are entirely false and misguided.

6 Prohibiting those policies, as the OAG seeks to do, would perversely require Amazon to promote
7 higher priced, lower quality offers; require it to tolerate abusive and in some instances illegal practices
8 in its store that are forbidden by those policies (such as price-gouging and price-fixing, two aspects of
9 misconduct forbidden by the policies at-issue); and forbid it from giving featured placement in its store
10 to the highest quality offers that are competitively priced and provide the fastest and most reliable
11 delivery. The Complaint’s assertion that such practices violate California’s antitrust law are meritless.

12 **AMAZON’S ANSWER TO PLAINTIFF’S COMPLAINT¹**

13 Amazon responds to the allegations in the Complaint as set forth below. Any allegation
14 not expressly and explicitly admitted is denied. To the extent substantive factual allegations
15 embodied in the boldface headings from the Complaint reproduced below require a response, Amazon
16 denies them.

17 1. Amazon admits that it seeks to provide the best possible “customer experience” to
18 shoppers in its store, including by taking steps to ensure its customers see offers with low, competitive
19 prices. The remaining allegations in Paragraph 1 are legal conclusions and characterizations to which no
20 responsive pleading is required. Insofar as any responsive pleading is required, except to the extent
21 expressly admitted, Amazon denies the allegations in Paragraph 1.

22 2. Amazon denies that the intent or effect of any agreement it has entered into with third-
23 party sellers or vendors is to insulate itself from price competition, entrench any position of
24 “dominance” that it also denies having, prevent competition, harm consumers, or harm the California
25 economy. The remaining allegations in Paragraph 2 are legal conclusions and characterizations, to
26

27 ¹ To the extent a response admits any matter, that admission is limited to facts applicable to
28 Amazon’s United States store and policies, and should not be construed as admitting any facts applicable
outside the United States.

1 which no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies
2 the allegations in Paragraph 2.

3 3. Amazon denies the allegations in the first and third sentences of Paragraph 3. The
4 allegations in the second sentence of Paragraph 3 are legal conclusions and characterizations, to which
5 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
6 allegations in the second sentence of Paragraph 3.

7 4. Amazon admits that it enters into a Business Solutions Agreement (“BSA”) with third-
8 party sellers; the BSA speaks for itself and Amazon denies any attempt to characterize it. Amazon
9 admits that the BSA formerly contained a price parity provision, which was removed in March 2019.
10 Amazon further admits that Paragraph 4 purports to partially quote from a 2013 Report from the German
11 Federal Cartel Office, which speaks for itself, and Amazon denies any attempt to characterize that
12 document. Amazon also admits that Senator Blumenthal wrote a letter to the FTC dated December
13 2018. The remaining allegations in Paragraph 4 are legal conclusions and characterizations to which no
14 response is required. Except to the extent expressly admitted, Amazon denies the allegations in
15 Paragraph 4.

16 5. Amazon admits that the second sentence of Paragraph 5 purports to partially quote from
17 an internal Amazon document. The document speaks for itself and Amazon denies any attempt to
18 characterize it. Amazon admits that it maintains policies with the names Seller Code of Conduct,
19 Marketplace Fair Pricing Policy and Standards for Brands Selling in the Amazon Store that are
20 incorporated into the BSA; the policies speak for themselves, and Amazon denies any attempt to
21 characterize them. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph
22 5.

23 6. Amazon admits that it enters into guaranteed minimum margin (“GMM”) agreements
24 with certain vendors; those agreements speak for themselves, and Amazon denies any attempt to
25 characterize them. Amazon further admits that Paragraph 6 purports to partially quote from an internal
26 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
27 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 6.
28

1 7. The allegations in Paragraph 7 purport to allege the reasoning for alleged pricing actions
2 taken by unspecified third-party sellers. The allegations lack the specificity necessary for Amazon to
3 admit or deny whether the alleged pricing actions were taken, and on that basis denies them. Amazon is
4 without the knowledge necessary to admit or deny the reasoning of any third-party sellers that took the
5 actions described in Paragraph 7, if any exist, and on that basis denies the allegations about their
6 reasoning. Amazon admits that its competitors include, but are not limited to, “direct-to-consumer sites”
7 and “numerous online retailers.” Amazon denies the remaining allegations in Paragraph 7.

8 8. Amazon admits that Paragraph 8 purports to partially quote or refers to internal Amazon
9 documents and Amazon’s correspondence with the U.K.’s Office of Fair Trading, all of which speak for
10 themselves, and Amazon denies any attempt at characterizing the documents. Amazon denies the
11 allegations in the third sentence of Paragraph 8. Except to the extent expressly admitted, Amazon denies
12 the allegations in Paragraph 8.

13 9. Amazon admits that Paragraph 9 purports to partially quote an internal Amazon
14 document, which speaks for itself, and Amazon denies any attempt at characterizing the document.
15 Amazon further admits that it maintains a policy named Standards for Brands Selling in the Amazon
16 Store, which policy speaks for itself, and Amazon denies any attempt at characterizing the policy.
17 Amazon admits that certain third-party sellers “can and do sell their own products directly to consumers
18 through their own websites,” but denies the legal conclusion in the remaining portions of that sentence.
19 The remaining allegations in Paragraph 9 are legal conclusions and characterizations to which no
20 responsive pleading is required. To the extent a response is required, Amazon denies the allegations.

21 10. Amazon is without knowledge to form a belief as to the truth or falsity of the allegations
22 that “[f]or hundreds of thousands of third-party sellers” sales on Amazon comprise “effectively their
23 entire business” or that “for larger brands” and wholesalers, “sales on Amazon regularly represent 20-
24 30% or more of their total sales,” and on that basis denies the allegations. Amazon denies the remaining
25 allegations in Paragraph 10.

26 11. Amazon denies the allegations in Paragraph 11.
27
28

1 12. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 12 regarding statements made by various parties to the Office of the Attorney
3 General and, on that basis, denies them. Amazon denies the remaining allegations in Paragraph 12.

4 13. Amazon denies the allegations in Paragraph 13.

5 14. Amazon admits that Paragraph 14 purports to partially quote from an internal Amazon
6 document, which speaks for itself, and Amazon denies any attempt at characterizing the document.
7 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 14.

8 15. The allegations in Paragraph 15 are legal conclusions and characterizations, to which no
9 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
10 allegations in Paragraph 15.

11 16. The allegations in Paragraph 16 are legal conclusions and characterizations, to which no
12 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
13 allegations in Paragraph 16.

14 17. The allegations in Paragraph 17 are legal conclusions and characterizations, to which no
15 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
16 allegations in Paragraph 17.

17 18. The allegations in Paragraph 18 are legal conclusions and characterizations, to which no
18 responsive pleading is required. Insofar as any responsive pleading is required, Amazon admits that it
19 does business in the State of California. Except to the extent expressly admitted, Amazon denies the
20 allegations in Paragraph 18.

21 19. The allegations in Paragraph 19 are legal conclusions and characterizations, to which no
22 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
23 allegations in Paragraph 19. Notwithstanding the foregoing response, Amazon does not intend to
24 contest venue in the City and County of San Francisco.

25 20. Amazon admits that Rob Bonta is the Attorney General of the State of California (“the
26 Attorney General”). The remaining allegations in Paragraph 20 are legal conclusions and
27 characterizations, to which no responsive pleading is required. Insofar as any responsive pleading is
28 required, Amazon denies the allegations in Paragraph 20.

1 21. The allegations in Paragraph 21 are legal conclusions and characterizations, to which no
2 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
3 allegations in Paragraph 21.

4 22. Amazon admits that it operates a store where third-party sellers sell or resell products
5 directly to consumers and where Amazon resells products purchased wholesale from vendors to
6 consumers. Amazon further admits that it has advertised, marketed, promoted, offered for sale, and sold
7 goods and services in California. Except to the extent expressly admitted, Amazon denies the
8 allegations in Paragraph 22.

9 23. Amazon admits that it began its business as an online bookseller and that it earns profits
10 both through the retail sale of items purchased wholesale and through the collection of fees. Amazon
11 further admits that more than half of sales by volume in the Amazon store are by third-party sellers.
12 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 23.

13 24. Amazon admits that third-party sales occur in its store. Amazon further admits that third-
14 party sellers pay Amazon in exchange for services, including optional services, provided by Amazon.
15 The last sentence in Paragraph 24 is a legal conclusion, to which no responsive pleading is required.
16 Amazon also admits that Paragraph 24 purports to include an image of depicting the complaints' defined
17 terms but lacks sufficient knowledge or information to form a belief of the truth or accuracy of the
18 image. Amazon denies the remaining allegations in Paragraph 24.

19 25. Amazon admits that Amazon Prime is a paid membership program that entitles
20 customers to certain benefits and that such benefits have grown since the program was initially offered.
21 Amazon further admits that Amazon Prime membership was offered at a standard annual fee of \$79 in
22 2005 and was offered at a standard annual fee of \$139 in 2022. Amazon also admits that a Prime badge
23 is used to identify products that are eligible for the Prime fast speed shipping at no additional cost to
24 Prime Members, and that non-Prime members may also qualify for free shipping. Amazon denies that
25 there are currently more than 160 million paid Prime memberships in the United States, and denies any
26 characterization of the number of Prime subscribers as a static number. Except to the extent expressly
27 admitted, Amazon denies the allegations in Paragraph 25.

28

1 26. Amazon admits that it offers the Fulfilled by Amazon (“FBA”) program to third-party
2 sellers. Amazon admits that, when measured by units (which is not specified in the Complaint, and is
3 not the only way of measuring the alleged statistic), as of 2020, the share of third-party orders that were
4 FBA was approximately the percentage alleged in the text of Paragraph 26. Amazon denies the
5 remaining allegations in Paragraph 26.

6 27. Amazon admits that the services offered through FBA include packing, shipping, and the
7 provision of customer service. Amazon further admits that it offers a “Multi-Channel Fulfillment”
8 service for third-party sellers. Except to the extent expressly admitted, Amazon denies the allegations in
9 Paragraph 27.

10 28. Amazon admits that it presently has a “Seller Fulfilled Prime” (“SFP”) program “where
11 sellers could fulfill orders for their products themselves and still receive the Prime badge” and denies
12 that SFP has been discontinued, “effectively” or otherwise. Amazon admits that Paragraph 28 purports
13 to quote a third-party seller. Amazon lacks knowledge or information sufficient to form a belief as to
14 the truth of the allegations in Paragraph 28 regarding sellers’ perceptions and on that basis, denies them.
15 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 28.

16 29. Amazon admits that it displays advertising in its store, the amount of which is determined
17 by sellers’ desire for advertising. Amazon denies the remaining allegations in Paragraph 29.

18 30. Amazon admits that shoppers in Amazon’s store may search for products and receive
19 search results, but denies that there is any single process by which Amazon shoppers identify or
20 purchase a product in its store. Amazon also admits that Paragraph 30 purports to include an image
21 from Amazon’s Desktop U.S. Store but lacks sufficient knowledge or information to form a belief of the
22 truth or accuracy of the image, and Amazon specifically denies the annotations overlaid on the image.
23 Amazon denies the remaining allegations in Paragraph 30.

24 31. Amazon admits that Paragraph 31 purports to partially quote from internal Amazon
25 correspondence, which speaks for itself, and Amazon denies any attempt at characterizing those
26 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 31.

27 32. Amazon admits that it has a Competitor Monitoring Team and a tool that it refers to
28 internally with the phrase alleged in Paragraph 32, and denies any attempt at characterizing the purpose

1 of them. Amazon further admits that it monitors prices listed by certain competitors for purposes of
2 competing against them, and otherwise denies those allegations. Except to the extent expressly
3 admitted, Amazon denies the allegations in Paragraph 32.

4 33. Amazon admits that Paragraph 33 purports to partially quote from an internal Amazon
5 document, which speaks for itself, and denies any attempt to characterize that document. Except to the
6 extent expressly admitted, Amazon denies the allegations in Paragraph 33.

7 34. Amazon admits that it offers its Marketplace Automated Repricing Service, or “MARS,”
8 that third-party sellers voluntarily may choose to use. Amazon further admits that Paragraph 34 purports
9 to partially quote from or incorporates portions of its seller communications, which speak for
10 themselves, and Amazon denies any attempt at characterizing those communications. Except to the
11 extent expressly admitted, Amazon denies the allegations in Paragraph 34.

12 35. The allegations in Paragraph 35 are legal conclusions and characterizations, to which no
13 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
14 allegations in Paragraph 35.

15 36. Amazon admits that Paragraph 36 purports to include images depicting Amazon’s gross
16 profits, revenues, and gross profit margins 2014-2020, but Amazon lacks sufficient knowledge or
17 information to form a belief of the truth or accuracy of the images. Amazon denies the remaining
18 allegations in Paragraph 36.

19 37. Amazon admits that Paragraph 37 purports to quote another retailer. Amazon lacks
20 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37
21 regarding another retailer’s profitability, and on that basis denies them. Amazon denies the allegations
22 in Paragraph 37.

23 38. Amazon admits that Paragraph 38 purports to quote or refer to several articles. Amazon
24 lacks knowledge or information sufficient to form a belief as to the truth of the allegations concerning
25 the surveys and conclusions of one of Amazon’s competitors and, on that basis, denies them. Amazon
26 denies the remaining allegations in Paragraph 38.

27 39. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 39, and on that basis, denies them.

1 40. Amazon admits that Paragraph 40 purports to quote an electronics device brand. Amazon
2 lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph
3 40 regarding the brand’s sales distribution, and on that basis, denies them. Except to the extent
4 expressly admitted, Amazon denies the allegations in Paragraph 40.

5 41. Amazon admits that Paragraph 41 purports to quote or refer to an article. Amazon lacks
6 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 41
7 regarding third-party sellers’ sales distribution, and on that basis, denies them. Except to the extent
8 expressly admitted, Amazon denies the allegations in Paragraph 41.

9 42. Amazon admits that Paragraph 42 purports to quote third-party sellers. Amazon lacks
10 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 42
11 regarding sellers’ business operations, and on that basis, denies them. Except to the extent expressly
12 admitted, Amazon denies the allegations in Paragraph 42.

13 43. Amazon admits that Paragraph 43 purports to quote an ecommerce consultant. Amazon
14 lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph
15 43 regarding sellers’ actions in other channels, and on that basis, denies them. Except to the extent
16 expressly admitted, Amazon denies the allegations in Paragraph 43.

17 44. Amazon admits that Paragraph 44 purports to quote third-party sellers in an Amazon
18 competitor’s internal document. Amazon lacks knowledge or information sufficient to form a belief as
19 to the truth of the allegations in Paragraph 44 regarding sellers’ business operations, and on that basis,
20 denies them. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 44.

21 45. Amazon denies the allegations in Paragraph 45.

22 46. Amazon admits that Paragraph 46 purports to partially quote or refer to an internal
23 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
24 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 46.

25 47. Amazon admits that Paragraph 47 purports to quote an article, which speaks for itself,
26 and Amazon denies any attempt at characterizing the article.

27 48. Amazon admits that Paragraph 48 purports to quote an article. Amazon lacks knowledge
28 or information sufficient to form a belief as to the truth of the allegations in Paragraph 48 regarding

1 sellers' business operations. Amazon also admits that Paragraph 48 purports to include an image
2 depicting average fees paid to Amazon as a percentage of sales revenue 2014-Q1 2021, but Amazon
3 lacks sufficient knowledge or information to form a belief of the truth or accuracy of the image. Except
4 to the extent expressly admitted, Amazon denies the allegations in Paragraph 48.

5 49. To the extent the allegations in Paragraph 49 are legal conclusions and characterizations,
6 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
7 allegations in Paragraph 49.

8 50. Amazon admits that Paragraph 50 purports to partially quote or refers to an internal
9 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
10 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 50.

11 51. Amazon admits that Paragraph 51 purports to partially quote or refers to a House
12 Subcommittee Report and internal Amazon documents, which speak for themselves, and Amazon denies
13 any attempt at characterizing the documents. Except to the extent expressly admitted, Amazon denies
14 the allegations in Paragraph 51.

15 52. Amazon admits that Paragraph 52 purports to quote third-party sellers. Amazon lacks
16 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 52
17 regarding sellers' business operations. Except to the extent expressly admitted, Amazon denies the
18 allegations in Paragraph 52.

19 53. Amazon admits that Paragraph 53 purports to partially quote or refer to an internal
20 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
21 document. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 53 regarding sellers' business operations. Except to the extent expressly
23 admitted, Amazon denies the allegations in Paragraph 53.

24 54. The allegations in Paragraph 54 are legal conclusions and characterizations, to which no
25 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
26 allegations in Paragraph 54.

27 55. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 55, and on that basis denies them.

1 56. Amazon admits that Paragraph 56 purports to partially quote or refer to an internal
2 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
3 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 56.

4 57. Amazon admits that Paragraph 57 purports to quote or incorporate an article, which
5 speaks for itself, and Amazon denies any attempt at characterizing the article. Amazon lacks knowledge
6 or information sufficient to form a belief as to the truth of the allegations in Paragraph 57 regarding
7 sellers' actions in other channels. The allegations in the final sentence of Paragraph 57 state legal
8 conclusions to which no response is required. To the extent a response is required, the allegation is
9 ambiguous as to the intended meaning of the undefined terms "effective fulfillment fees" and
10 "premium." Amazon accordingly is without knowledge sufficient to admit or deny the allegations of
11 that sentence, and on that basis denies them. Except to the extent expressly admitted, Amazon denies
12 the allegations in Paragraph 57.

13 58. Amazon admits that Paragraph 58 purports to quote a third-party seller. Amazon lacks
14 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 58
15 regarding a seller's actions in other channels. Except to the extent expressly admitted, Amazon denies
16 the allegations in Paragraph 58.

17 59. Amazon admits that Paragraph 59 purports to quote a third-party seller. Amazon lacks
18 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59
19 regarding a seller's actions in other channels. Except to the extent expressly admitted, Amazon denies
20 the allegations in Paragraph 59.

21 60. Amazon admits that Paragraph 60 purports to partially quote or refer to internal Amazon
22 documents, which speak for themselves, and Amazon denies any attempt to characterize those
23 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 60.

24 61. Amazon admits that Paragraph 61 purports to quote an ecommerce consultant. Amazon
25 lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph
26 61 regarding sellers' actions. Except to the extent expressly admitted, Amazon denies the allegations in
27 Paragraph 61.

28

1 62. Amazon admits that Paragraph 62 purports to quote an article, which speaks for itself,
2 and Amazon denies any attempt at characterizing the article. Amazon lacks knowledge or information
3 sufficient to form a belief as to the truth of the allegations in Paragraph 62 regarding suppliers' business
4 operations. Amazon denies the characterizations that it is a "platform for wholesale suppliers," that
5 there are generally applicable "fees" in the percentages alleged that are independent of the "wholesale
6 cost" it agrees to pay individual vendors, or that any particular profit margin can be generalized as one
7 Amazon "routinely" earns on first-party sales. Except to the extent expressly admitted, Amazon denies
8 the allegations in Paragraph 62.

9 63. Amazon denies the allegations in Paragraph 63.

10 64. Amazon denies the allegations in the first sentence of Paragraph 64. The remaining
11 allegations in Paragraph 64 are legal conclusions and characterizations, to which no responsive pleading
12 is required. To the extent any responsive pleading is required, Amazon denies the allegations in
13 Paragraph 64.

14 65. Amazon admits that Paragraph 65 purports to partially quote or refers to internal Amazon
15 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
16 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 65.

17 66. Amazon admits that Paragraph 66 purports to quote a third-party seller. Amazon lacks
18 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 66
19 regarding sellers' perceptions. Except to the extent expressly admitted, Amazon denies the allegations
20 in Paragraph 66.

21 67. Amazon admits that Paragraph 67 purports to quote a third-party seller. Amazon lacks
22 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 67
23 regarding sellers' perceptions. Except to the extent expressly admitted, Amazon denies the allegations
24 in Paragraph 67.

25 68. Amazon admits that Paragraph 68 purports to quote third-party sellers. Amazon further
26 admits that Paragraph 68 purports to partially quote or refer to an internal Amazon document, which
27 speaks for itself, and Amazon denies any attempt at characterizing the document. Amazon lacks
28 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 68

1 regarding sellers' perceptions. Except to the extent expressly admitted, Amazon denies the allegations
2 in Paragraph 68.

3 69. The allegations in Paragraph 69 are legal conclusions and characterizations, to which no
4 responsive pleading is required. To the extent any responsive pleading is required, Amazon denies the
5 allegations in Paragraph 69.

6 70. The allegations in Paragraph 70 are legal conclusions and characterizations, to which no
7 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
8 allegations in Paragraph 70.

9 71. The allegations in Paragraph 71 are legal conclusions and characterizations, to which no
10 responsive pleading is required. Amazon admits that Paragraph 71 purports to quote a third-party seller,
11 and denies the characterization and legal conclusion embedded in the quotation. Amazon denies any
12 characterization of a Prime "attrition rate" that is based on comparing the number of Prime members
13 with the annual cost of a membership, and further denies that it "lower[ed] [the] quality" of a Prime
14 membership during the years referenced in Paragraph 71. Amazon denies the remaining allegations in
15 Paragraph 71.

16 72. Amazon admits that Paragraph 72 purports to partially quote or refer to internal Amazon
17 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
18 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 72.

19 73. Amazon admits that Paragraph 73 purports to partially quote or refer to internal Amazon
20 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
21 documents. To the extent the allegations in Paragraph 73 are legal conclusions and characterizations, no
22 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
23 remaining allegations in Paragraph 70.

24 74. Amazon denies the allegations in Paragraph 74.

25 75. Amazon admits that Paragraph 75 purports to quote a third-party seller. Amazon lacks
26 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 75
27 regarding sellers' perceptions. Except to the extent expressly admitted, Amazon denies the allegations
28 in Paragraph 75.

1 76. Amazon admits that Paragraph 76 purports to partially quote or refer to an internal
2 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
3 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 76.

4 77. Amazon admits that Paragraph 77 purports to partially quote or refer to an internal
5 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
6 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 77.

7 78. Amazon admits that Paragraph 78 purports to partially quote or refer to internal Amazon
8 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
9 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 78.

10 79. Amazon admits that Paragraph 79 purports to partially quote or refer to an internal
11 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
12 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 79.

13 80. Amazon admits that Paragraph 80 purports to partially quote or refer to internal Amazon
14 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
15 document. To the extent the allegations in Paragraph 80 are legal conclusions and characterizations, no
16 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
17 remaining allegations in Paragraph 80. Except to the extent expressly admitted, Amazon denies the
18 allegations in Paragraph 80.

19 81. To the extent the allegations in Paragraph 81 are legal conclusions and characterizations,
20 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
21 remaining allegations in Paragraph 81. The allegations in Paragraph 81 are insufficient to ascertain what
22 the source of the alleged “estimated” renewal rate is or the manner in which it was “estimated,” and
23 Amazon accordingly has insufficient information to admit or deny the accuracy of the “estimate[,]” and
24 on that basis denies it. Amazon denies the remaining allegations in Paragraph 81.

25 82. Amazon denies the allegations in Paragraph 82.

26 83. To the extent the allegations in Paragraph 83 are legal conclusions and characterizations,
27 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
28 remaining allegations in Paragraph 83.

1 84. To the extent the allegations in Paragraph 84 are legal conclusions and characterizations,
2 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
3 allegations in Paragraph 84.

4 85. To the extent the allegations in Paragraph 85 are legal conclusions and characterizations,
5 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
6 allegations in Paragraph 85.

7 86. Amazon admits that there is a category of competitors that it refers to internally by the
8 name quoted in the first sentence of Paragraph 86. Amazon admits that the second and third sentences
9 of Paragraph 86 purport to partially quote or refer to an internal Amazon document, which speaks for
10 itself, and Amazon denies any attempt at characterizing the document. Except to the extent expressly
11 admitted, Amazon denies the allegations in Paragraph 86.

12 87. Amazon admits that Paragraph 87 purports to partially quote or refer to internal Amazon
13 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
14 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 87.

15 88. Amazon admits Paragraph 88 purports to partially quote or refer to internal Amazon
16 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
17 documents. Amazon admits that, pursuant to policies which speak for themselves, third-party sellers'
18 offers may be ineligible to be presented as a "featured offer" under various circumstances. Amazon
19 denies any attempt at characterizing those policies. Except to the extent expressly admitted, Amazon
20 denies the allegations in Paragraph 88.

21 89. To the extent the allegations in Paragraph 89 are legal conclusions and characterizations,
22 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
23 allegations in Paragraph 89.

24 90. To the extent the allegations in Paragraph 90 are legal conclusions and characterizations,
25 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
26 allegations in Paragraph 90.

27 91. To the extent the allegations in Paragraph 91 are legal conclusions and characterizations,
28 no responsive pleading is required. Amazon admits that Paragraph 91 purports to partially quote or refer

1 to an internal Amazon document, which speaks for itself, and Amazon denies any attempt at
2 characterizing the document. Except to the extent expressly admitted, Amazon denies the allegations in
3 Paragraph 91.

4 92. To the extent the allegations in Paragraph 92 are legal conclusions and characterizations,
5 no responsive pleading is required. Amazon admits that Paragraph 92 purports to partially quote or refer
6 to Amazon's 2020 Annual Report, which speaks for itself. Except to the extent expressly admitted,
7 Amazon denies the allegations in Paragraph 92.

8 93. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
9 allegations in Paragraph 93, and on that basis, denies them.

10 94. Amazon admits that Paragraph 94 purports to quote a third-party seller. Amazon lacks
11 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 94
12 regarding sellers' perceptions. Except to the extent expressly admitted, Amazon denies the allegations
13 in Paragraph 94.

14 95. Amazon admits that Paragraph 95 purports to partially quote or refer to an internal
15 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
16 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 95.

17 96. Amazon admits that Paragraph 96 purports to partially quote or refer to an internal
18 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
19 document. To the extent the allegations in Paragraph 96 are legal conclusions and characterizations, no
20 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
21 remaining allegations in Paragraph 96.

22 97. To the extent the allegations in Paragraph 97 are legal conclusions and characterizations,
23 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
24 allegations in Paragraph 97.

25 98. To the extent the allegations in Paragraph 98 are legal conclusions and characterizations,
26 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
27 allegations in Paragraph 98.

28 99. Amazon denies the allegations in Paragraph 99.

1 100. The allegations in Paragraph 100 are legal conclusions and characterizations, to which no
2 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
3 allegations in Paragraph 100.

4 101. The allegations in Paragraph 101 are legal conclusions and characterizations, to which no
5 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
6 allegations in Paragraph 101.

7 102. Amazon admits that it operates and has employees within the United States and in
8 countries outside the United States, and that certain policies and practices differ within and outside the
9 United States. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 102.
10 The remaining allegations in Paragraph 102 are legal conclusions and characterizations, to which no
11 responsive pleading is required.

12 103. Amazon admits that it operates an online retail store in the United States. Except to the
13 extent expressly admitted, Amazon denies the allegations in Paragraph 103.

14 104. Amazon admits Paragraph 104 purports to partially quote or refers to internal Amazon
15 documents, which speak for themselves, and Amazon denies any attempt at characterizing the
16 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 104.

17 105. To the extent the allegations in Paragraph 105 are legal conclusions and
18 characterizations, no responsive pleading is required. Insofar as any responsive pleading is required,
19 Amazon denies the allegations in Paragraph 105.

20 106. To the extent the allegations in Paragraph 106 are legal conclusions and
21 characterizations, no responsive pleading is required. Amazon admits that Paragraph 106 purports to
22 refer to an Amazon competitor's internal document. Except to the extent expressly admitted, Amazon
23 denies the allegations in Paragraph 106.

24 107. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
25 allegations in Paragraph 107 and, on that basis, denies them. To the extent the allegations in Paragraph
26 107 are legal conclusions and characterizations, no responsive pleading is required.

27 108. Amazon admits that it has invested in the development of a strong logistics and
28 fulfillment network, benefiting consumers. Amazon admits that, when measured by units (which is not

1 specified in the Complaint, and is not the only way of measuring the alleged statistic), as of 2020, the
2 share of third-party orders that were FBA was approximately the percentage alleged in the text of
3 Paragraph 108. Amazon denies that there is any static number of transactions fulfilled by Amazon as
4 Paragraph 108 purports to allege. Except to the extent expressly admitted, Amazon denies the
5 allegations in Paragraph 108.

6 109. Amazon denies the allegations in Paragraph 109.

7 110. Amazon denies the allegations in Paragraph 110.

8 111. Amazon denies the allegations in Paragraph 111.

9 112. To the extent the allegations in Paragraph 112 are legal conclusions and
10 characterizations, no responsive pleading is required. Insofar as any responsive pleading is required,
11 Amazon denies the allegations in Paragraph 112.

12 113. Amazon admits that it enters into a Business Solutions Agreement (“BSA”) with third-
13 party sellers who offer products for sale in Amazon’s U.S. store that describes the terms and conditions
14 under which third-party sellers may sell their products in Amazon’s U.S. store. Except to the extent
15 expressly admitted, Amazon denies the allegations in Paragraph 113.

16 114. Amazon admits that the BSA formerly contained a parity provision. Amazon further
17 admits that Paragraph 114 purports to partially quote or incorporates a section of an outdated BSA,
18 which speaks for itself. Amazon lacks knowledge or information sufficient to form a belief as to the
19 truth of the allegations in Paragraph 114 regarding the Complaint’s referenced sellers’ understanding of
20 the policy. Amazon admits that Paragraph 114 purports to include an incomplete image from an
21 outdated BSA, and denies any attempt at characterizing the image or the former terms of the BSA.
22 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 114.

23 115. Amazon admits that Paragraph 115 purports to quote a portion of Amazon’s website and
24 a third-party seller, and Amazon denies any attempt at characterization. Except to the extent expressly
25 admitted, Amazon denies the allegations in Paragraph 115.

26 116. Amazon admits that Paragraph 116 purports to partially quote or incorporates a section of
27 Amazon’s program policies titled “Standards for Brands Selling in the Amazon Store,” which speaks for
28 itself, and Amazon denies any attempt at characterization. Amazon admits that the BSA requires

1 sellers' adherence to the Standards for Brands Selling in Amazon's store policy. Amazon admits that
2 Paragraph 116 purports to include an image from Amazon's program policies titled "Standards for
3 Brands Selling in the Amazon Store," and denies any attempt at characterization. Except to the extent
4 expressly admitted, Amazon denies the allegations in Paragraph 116.

5 117. Amazon admits that Paragraph 117 purports to partially quote or refers to Amazon
6 internal documents and the unverified² testimony of an Amazon corporate witness, which speak for
7 themselves, and Amazon denies any attempt at characterization. Except to the extent expressly
8 admitted, Amazon denies the allegations in Paragraph 117.

9 118. Amazon admits that the BSA requires third-party sellers to follow the Marketplace Fair
10 Pricing Policy ("MFPP"). Amazon further admits that Paragraph 118 purports to partially quote or
11 incorporates a section of Amazon's program policies titled "Amazon Marketplace Fair Pricing Policy,"
12 which speaks for itself. Amazon admits that Paragraph 118 purports to include an image from
13 Amazon's Marketplace Fair Pricing Policy, and denies any attempt at characterization. Except to the
14 extent expressly admitted, Amazon denies the allegations in Paragraph 118.

15 119. Amazon admits that Paragraph 119 purports to partially quote or refers to the unverified
16 testimony of Amazon's corporate witness, Amazon's written response to investigative questions, and
17 Amazon's correspondence with the U.K.'s Office of Fair Trading, all of which speak for themselves,
18 and Amazon denies any attempt at characterization. Except to the extent expressly admitted, Amazon
19 denies the allegations in Paragraph 119.

20 120. Amazon admits that Paragraph 120 purports to quote an ecommerce consultant's website.
21 Amazon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
22 Paragraph 120 regarding sellers' understanding of the policy and, on that basis, denies them. Except to
23 the extent expressly admitted, Amazon denies the allegations in Paragraph 120.

24 121. Amazon admits that the BSA requires third-party sellers to follow the Seller Code of
25 Conduct. Amazon further admits that Paragraph 121 purports to partially quote or incorporates a section
26 of Amazon's program policies titled "Selling Policies and Seller Code of Conduct," which speaks for

27 _____
28 ² Testimony of Amazon witnesses here and throughout is identified as "unverified" because the CA AG
denied Amazon access to review the transcripts for accuracy at the time that they were prepared.

1 itself. Amazon admits that Paragraph 121 purports to include an image from the Seller Code of Conduct,
2 and denies any attempt at characterization. Except to the extent expressly admitted, Amazon denies the
3 allegations in Paragraph 121.

4 122. Amazon admits that it issued a clarification to the Seller Code of Conduct in November
5 2021. Amazon further admits that Paragraph 122 purports to partially quote or incorporates a section of
6 Amazon's program policies titled "Clarification of Amazon's Policy on Rebates, Coupons, and other
7 Marketing incentives," which speaks for itself. Amazon admits that Paragraph 122 purports to include
8 an image of a section of Amazon's program policies titled "Clarification of Amazon's Policy on
9 Rebates, Coupons, and other Marketing incentives," and denies any attempt at characterization.
10 Amazon admits that Paragraph 122 purports to quote third-party sellers. Amazon lacks knowledge or
11 information sufficient to form a belief as to the truth of the allegations in Paragraph 122 regarding these
12 sellers' understanding of the policy and, on that basis, denies them. Except to the extent expressly
13 admitted, Amazon denies the allegations in Paragraph 122.

14 123. Amazon admits that Paragraph 123 purports to partially quote or incorporates a section of
15 Amazon's program policies titled "Circumventing the Sales Process," which speaks for itself. Amazon
16 admits that Paragraph 123 purports to include an image of a section of Amazon's program policies titled
17 "Circumventing the Sales Process," and denies any attempt at characterization. Except to the extent
18 expressly admitted, Amazon denies the allegations in Paragraph 123.

19 124. Amazon admits that it updated the BSA to address the Account Health Rating (AHR)
20 feature for the U.S. store in August 2022. Amazon further admits that Paragraph 124 purports to
21 partially quote or incorporates sections of Amazon's program policies titled "Policies included in
22 Account Health Rating" and "Account Health Rating program policy," which speak for themselves.
23 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 124.

24 125. Amazon admits that the BSA formerly contained a parity provision, which was removed
25 for EU stores in 2013 and removed for the U.S. store in 2019. Amazon further admits that the parity
26 provision was the subject of investigations conducted by agencies of the United Kingdom and Germany
27 in 2013. Amazon admits that Paragraph 125 purports to partially quote or refers to a Bundeskartellamt
28 case report, an Amazon internal document, and the unverified testimony of a former Amazon's

1 executive, all of which speak for themselves, and Amazon denies any attempt at characterization.

2 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 125.

3 126. Amazon admits that Paragraph 126 purports to quote third-party sellers. Amazon lacks
4 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 126
5 regarding the unidentified sellers' understanding of the policy and, on that basis, denies them. Except to
6 the extent expressly admitted, Amazon denies the allegations in Paragraph 126.

7 127. Amazon denies the allegations in Paragraph 127.

8 128. Amazon admits that Paragraph 128 purports to partially quote or refers to an Amazon
9 internal document, which speaks for itself, and Amazon denies any attempt at characterizing the
10 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 128.

11 129. Amazon admits that Paragraph 129 purports to partially quote or refers to a notice on
12 Seller Central, which speaks for itself, and Amazon denies any attempt at characterization. Except to
13 the extent expressly admitted, Amazon denies the allegations in Paragraph 129.

14 130. Amazon admits that Paragraph 130 purports to partially quote or refers to the unverified
15 testimony of an Amazon corporate witness and a section of Amazon's program policies, which speak for
16 themselves, and Amazon denies any attempt at characterization. Except to the extent expressly
17 admitted, Amazon denies the allegations in Paragraph 130.

18 131. Amazon admits that Paragraph 131 purports to partially quote or refers to the unverified
19 testimony of a former Amazon executive and an Amazon corporate witness, which speak for
20 themselves, and Amazon denies any attempt at characterization. Except to the extent expressly
21 admitted, Amazon denies the allegations in Paragraph 130.

22 132. Amazon admits that Paragraph 132 purports to partially quote or refers to a seller
23 notification, which speaks for itself, and Amazon denies any attempt at characterization. Amazon lacks
24 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 132
25 regarding sellers' interpretation of the notice. Except to the extent expressly admitted, Amazon denies
26 the allegations in Paragraph 132.

27 133. Amazon admits that Paragraph 133 purports to quote a third-party seller. Amazon further
28 admits that Paragraph 133 purports to partially quote or refers to the unverified testimony of an Amazon

1 executive, which speaks for itself, and Amazon denies any attempt at characterization. Except to the
2 extent expressly admitted, Amazon denies the allegations in Paragraph 133.

3 134. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 134 regarding sellers' understanding of its notices and, on that basis, denies
5 them.

6 135. Amazon admits that it uses prices charged by a category of competitors internally
7 referred to by the name used in the second and third sentences of Paragraph 135, among a variety of
8 competitor prices it considers, in evaluating the competitiveness of offers in its store. Amazon admits
9 that prices listed on the marketplace identified in the third sentence of Paragraph 135 have been used to
10 evaluate price competitiveness, but denies the accuracy of the time periods alleged in Paragraph 135.
11 Amazon denies the remaining allegations in Paragraph 135.

12 136. Amazon admits that Paragraph 136 purports to partially quote or refers to internal
13 Amazon correspondence, which speaks for itself. Except to the extent expressly admitted, Amazon
14 denies the allegations in Paragraph 136.

15 137. Amazon admits that in March 2021, it began using the category of competitors identified
16 in the first sentence of Paragraph 137 to evaluate price competitiveness, except for marketplace sellers.
17 Amazon admits that Paragraph 137 purports to partially quote or refers to internal Amazon
18 correspondence, which speaks for itself, and Amazon denies any attempt at characterization. Except to
19 the extent expressly admitted, Amazon denies the allegations in Paragraph 137.

20 138. Amazon admits that in January 2022 it began using the category of competitor identified
21 in the first sentence of Paragraph 138 in its evaluation of price competitiveness, and that it implemented
22 means of preventing the disqualification of a given seller's offer from being the featured offer on
23 Amazon based upon the circumstance described in the second sentence of Paragraph 138. Amazon
24 denies the remaining allegations in Paragraph 138.

25 139. Amazon denies the allegations in Paragraph 139.

26 140. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
27 allegations in Paragraph 140 regarding sellers' actions in other channels. Amazon denies the allegations
28 in Paragraph 140.

1 141. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 141 regarding a third party's actions in other channels and, on that basis, denies
3 them. Amazon admits that Paragraph 141 purports to include images of a third-party seller's product,
4 but Amazon lacks sufficient knowledge or information to form a belief of the truth or accuracy of the
5 images. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 141.

6 142. Amazon admits that Paragraph 142 purports to quote an ecommerce consultant. Except
7 to the extent expressly admitted, Amazon denies the allegations in Paragraph 142.

8 143. Amazon admits that Paragraph 143 purports to quote a third-party seller. Amazon lacks
9 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 143
10 regarding a third party's actions in other channels and, on that basis, denies them. Except to the extent
11 expressly admitted, Amazon denies the allegations in Paragraph 143.

12 144. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
13 allegations in Paragraph 144 regarding the actions of other marketplaces and, on that basis, denies them.

14 145. Amazon admits that Paragraph 145 purports to partially quote or refers to Amazon
15 program policies and internal Amazon correspondence, which speak for themselves, and Amazon denies
16 any attempt at characterization. Except to the extent expressly admitted, Amazon denies the allegations
17 in Paragraph 145.

18 146. Amazon admits that Paragraph 146 purports to partially quote or refers to unverified
19 Amazon corporate witness testimony, which speaks for itself, and Amazon denies any attempt at
20 characterization. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph
21 146.

22 147. Amazon admits that Paragraph 147 purports to quote an article. Except to the extent
23 expressly admitted, Amazon denies the allegations in Paragraph 147.

24 148. Amazon admits that Paragraph 148 purports to partially quote or refers to internal
25 Amazon documents, which speak for themselves, and Amazon denies any attempt at characterizing the
26 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 148.
27
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1 149. Amazon admits that Paragraph 149 purports to partially quote or refers to internal
2 Amazon documents, which speak for themselves, and Amazon denies any attempt at characterizing the
3 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 149.

4 150. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
5 allegations in Paragraph 150 regarding sellers' actions in other channels. Amazon admits that Paragraph
6 150 purports to partially quote or refers to an internal Amazon document, which speaks for itself.
7 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 150.

8 151. Amazon admits that Paragraph 151 purports to quote an ecommerce consultant. Except
9 to the extent expressly admitted, Amazon denies the allegations in Paragraph 151.

10 152. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
11 allegations in Paragraph 152 regarding sellers' actions in other channels and, on that basis, denies them.
12 Insofar as any responsive pleading is required, Amazon denies the allegations in Paragraph 152.

13 153. Amazon admits that Paragraph 153 purports to quote a third-party seller. Amazon lacks
14 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 153
15 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon denies the
16 allegations in Paragraph 153.

17 154. Amazon admits that Paragraph 154 purports to quote a third-party seller. Amazon lacks
18 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 154
19 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon denies the
20 allegations in Paragraph 154.

21 155. Amazon denies the allegations in Paragraph 155.

22 156. Amazon admits that Paragraph 156 purports to partially quote or refers to internal
23 Amazon documents and a former Amazon employee's unverified testimony, which speak for
24 themselves, and Amazon denies any attempt at characterization. Except to the extent expressly
25 admitted, Amazon denies the allegations in Paragraph 156.

26 157. Amazon admits that Paragraph 157 purports to partially quote or refers to internal
27 Amazon correspondence, which speaks for itself. Except to the extent expressly admitted, Amazon
28 denies the allegations in Paragraph 157.

1 158. Amazon admits that Paragraph 158 purports to partially quote or refers to internal
2 Amazon correspondence, which speaks for itself, and Amazon denies any attempt at characterization.
3 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 158.

4 159. Amazon admits that Paragraph 159 purports to quote an ecommerce consultant. Amazon
5 lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph
6 159 regarding consultant's advice or sellers' actions in other channels. Except to the extent expressly
7 admitted, Amazon denies the allegations in Paragraph 159.

8 160. Amazon admits that Paragraph 160 purports to quote a third-party seller. Amazon lacks
9 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 160
10 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon denies the
11 allegations in Paragraph 160.

12 161. Amazon admits that Paragraph 161 purports to partially quote or refers to internal
13 Amazon correspondence, which speaks for itself. Except to the extent expressly admitted, Amazon
14 denies the allegations in Paragraph 161.

15 162. Amazon admits that Paragraph 162 purports to partially quote or refers to internal
16 Amazon correspondence, which speaks for itself, and Amazon denies any attempt at characterization.
17 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 162.

18 163. Amazon admits that Paragraph 163 purports to partially quote or refers to internal
19 Amazon correspondence and unverified Amazon corporate witness testimony, which speak for
20 themselves, and Amazon denies any attempt at characterization. Except to the extent expressly
21 admitted, Amazon denies the allegations in Paragraph 163.

22 164. Amazon admits that Paragraph 164 purports to partially quote or refers to internal
23 Amazon correspondence, which speaks for itself, and Amazon denies any attempt at characterization.
24 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 164.

25 165. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 165 regarding sellers' actions in other channels and, on that basis, denies them.

27 166. Amazon admits that Paragraph 166 purports to quote a supplier and retailer. Amazon
28 lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph

1 166 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon
2 denies the allegations in Paragraph 166.

3 167. Amazon admits that Paragraph 167 purports to quote a brand and retailer. Amazon lacks
4 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 167
5 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon denies the
6 allegations in Paragraph 167.

7 168. Amazon admits that Paragraph 168 purports to quote a third-party seller. Amazon lacks
8 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 168
9 regarding a seller's action in other channels. Except to the extent expressly admitted, Amazon denies
10 the allegations in Paragraph 168.

11 169. Amazon admits that Paragraph 169 purports to quote a third-party seller. Amazon lacks
12 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 169
13 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon denies the
14 allegations in Paragraph 169.

15 170. Amazon admits that Paragraph 170 purports to quote an ecommerce consultant. Amazon
16 lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph
17 170 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon
18 denies the allegations in Paragraph 170.

19 171. Amazon admits that Paragraph 171 purports to refer to statements by another online
20 marketplace and to quote its internal documents. Amazon lacks knowledge or information sufficient to
21 form a belief as to the truth of the allegations in Paragraph 171 regarding operation of another online
22 marketplace or sellers' actions in other channels. Except to the extent expressly admitted, Amazon
23 denies the allegations in Paragraph 171.

24 172. Amazon admits that Paragraph 172 purports to refer to statements by another
25 marketplace. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 172 regarding sellers' actions in other channels. Except to the extent expressly
27 admitted, Amazon denies the allegations in Paragraph 172.
28

1 173. Amazon admits that Paragraph 173 purports to quote an article. Amazon lacks
2 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 173
3 regarding sellers' actions in other channels. Except to the extent expressly admitted, Amazon denies the
4 allegations in Paragraph 173.

5 174. To the extent the allegations in Paragraph 174 are legal conclusions and
6 characterizations, no responsive pleading is required. Insofar as any responsive pleading is required,
7 Amazon denies the allegations in Paragraph 174.

8 175. To the extent the allegations in Paragraph 175 are legal conclusions and
9 characterizations, no responsive pleading is required. Amazon admits that it enters into agreements with
10 certain wholesale suppliers that it refers to as "Guaranteed Minimum Margin agreements" which
11 provide a contractual right to true-up payments under certain circumstances. Except to the extent
12 expressly admitted, Amazon denies the allegations in Paragraph 175.

13 176. Amazon admits that it controls retail pricing for items purchased from wholesale
14 suppliers that it sells. Amazon further admits that Paragraph 176 purports to quote an article. Except to
15 the extent expressly admitted, Amazon denies the allegations in Paragraph 176.

16 177. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
17 allegations in Paragraph 177 regarding vendors' actions in other channels. Amazon admits that
18 Paragraph 177 purports to partially quote or refers to an internal Amazon document, which speaks for
19 itself, and Amazon denies any attempt at characterizing the document. Except to the extent expressly
20 admitted, Amazon denies the allegations in Paragraph 177.

21 178. Amazon admits that it has a program called the "Matching Compensation Program."
22 Amazon admits that Paragraph 178 purports to partially quote or refers to internal Amazon documents,
23 which speak for themselves. Except to the extent expressly admitted, Amazon denies the allegations in
24 Paragraph 178.

25 179. Amazon admits that Paragraph 179 purports to partially quote or refers to internal
26 Amazon documents, which speak for themselves. Except to the extent expressly admitted, Amazon
27 denies the allegations in Paragraph 179.
28

1 180. Amazon admits that Paragraph 180 purports to partially quote or refers to internal
2 Amazon documents, which speak for themselves. Except to the extent expressly admitted, Amazon
3 denies the allegations in Paragraph 180.

4 181. Amazon admits that Paragraph 181 purports to partially quote or refers to internal
5 Amazon documents, which speak for themselves, and Amazon denies any attempt at characterizing the
6 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 181.

7 182. Amazon admits that Paragraph 182 purports to partially quote or refers to an internal
8 Amazon document, which speaks for itself, and Amazon denies any attempt at characterizing the
9 document. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 182.

10 183. Amazon admits that Paragraph 183 purports to partially quote or refers to an internal
11 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
12 allegations in Paragraph 183.

13 184. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 184 regarding suppliers' actions in other channels and, on that basis, denies
15 them.

16 185. Amazon admits that Paragraph 185 purports to quote or refer to the statements of an
17 ecommerce consultant. Except to the extent expressly admitted, Amazon denies the allegations in
18 Paragraph 185.

19 186. Amazon admits that Paragraph 186 purports to quote a video. Except to the extent
20 expressly admitted, Amazon denies the allegations in Paragraph 186.

21 187. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 187 regarding suppliers' actions in other channels and, on that basis, denies
23 them.

24 188. Amazon admits that Paragraph 188 purports to quote or refer to the statements of a
25 supplier. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 188.

26 189. Amazon admits that Paragraph 189 purports to quote or refer to the statements of a
27 supplier. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 189.
28

1 190. Amazon admits that Paragraph 190 purports to quote or refer to the statements of a
2 supplier. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 190.

3 191. Amazon admits that Paragraph 191 purports to quote or refer to the statements of a
4 supplier. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 191.

5 192. Amazon denies the allegations in Paragraph 192.

6 193. Amazon admits that Paragraph 193 purports to partially quote or refers to an internal
7 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
8 allegations in Paragraph 193.

9 194. Amazon admits that Paragraph 194 purports to partially quote or refers to an internal
10 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
11 allegations in Paragraph 194.

12 195. Amazon admits that Paragraph 195 purports to partially quote or refers to an internal
13 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
14 allegations in Paragraph 195.

15 196. Amazon admits that Paragraph 196 purports to partially quote or refers to an internal
16 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
17 allegations in Paragraph 196.

18 197. Amazon admits that Paragraph 197 purports to partially quote or refers to an internal
19 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
20 allegations in Paragraph 197.

21 198. Amazon admits that Paragraph 198 purports to partially quote or refers to an internal
22 Amazon document, which speaks for itself. Except to the extent expressly admitted, Amazon denies the
23 allegations in Paragraph 198.

24 199. Amazon lacks knowledge or information sufficient to form a belief as to the truth of the
25 allegations in Paragraph 199 regarding suppliers' actions in other channels and, on that basis, denies
26 them. Amazon admits that Paragraph 199 purports to include images of a supplier's product, but
27 Amazon lacks sufficient knowledge or information to form a belief of the truth or accuracy of the image.
28 Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 199.

1 200. Amazon admits that Paragraph 200 purports to partially quote or refers to internal
2 Amazon documents, which speaks for themselves, and Amazon denies any attempt at characterizing the
3 documents. Except to the extent expressly admitted, Amazon denies the allegations in Paragraph 200.

4 201. Amazon admits that Paragraph 201 purports to quote a consultant. Amazon further
5 admits that Paragraph 201 purports to partially quote or refers to an internal Amazon document, which
6 speaks for itself. Amazon denies that there is any generally applicable statement that characterizes how
7 any party in a negotiated agreement wanted or did not want any particular term of a multi-part
8 agreement such as those referenced in Paragraph 201. Except to the extent expressly admitted, Amazon
9 denies the allegations in Paragraph 201.

10 202. Amazon denies the allegations in Paragraph 202.

11 203. Amazon admits that it enters into minimum margin agreements with some suppliers.
12 Those agreements speak for themselves, and Amazon denies any attempt at characterizing them.
13 Amazon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
14 Paragraph 203 regarding the behavior of competitors. Except to the extent expressly admitted, Amazon
15 denies the allegations in Paragraph 203.

16 204. The allegations in Paragraph 204 are legal conclusions and characterizations, to which no
17 responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
18 allegations in Paragraph 204.

19 205. The allegations in Paragraph 205 are legal conclusions and characterizations, to which no
20 responsive pleading is required. To the extent a response is required, Amazon denies the allegations in
21 Paragraph 205.

22 206. Amazon admits that Paragraph 206 purports to quote a third-party seller. The remaining
23 allegations in Paragraph 206 are legal conclusions and characterizations, to which no responsive
24 pleading is required. To the extent a response is required, Amazon denies them. Except to the extent
25 expressly admitted, Amazon denies the allegations in Paragraph 206.

26 207. Amazon admits that Paragraph 207 purports to quote a third-party seller. Amazon further
27 admits that Paragraph 207 purports to partially quote or refers to internal Amazon documents, which
28

1 speaks for themselves, and Amazon denies any attempt at characterizing the documents. Except to the
2 extent expressly admitted, Amazon denies the allegations in Paragraph 207.

3 208. Amazon denies the allegations in Paragraph 208.

4 209. To the extent the allegations in Paragraph 209 are legal conclusions and
5 characterizations, no responsive pleading is required. Amazon admits that Paragraph 209 purports to
6 partially quote or refers to internal Amazon documents, which speaks for themselves. Amazon lacks
7 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 209
8 regarding sellers' determination of prices. Except to the extent expressly admitted, Amazon denies the
9 allegations in Paragraph 209.

10 210. To the extent the allegations in Paragraph 210 are legal conclusions and
11 characterizations, no responsive pleading is required. Insofar as any responsive pleading is required,
12 Amazon denies the allegations in Paragraph 210.

13 211. To the extent the allegations in Paragraph 211 are legal conclusions and
14 characterizations, no responsive pleading is required. Insofar as any responsive pleading is required,
15 Amazon denies the allegations in Paragraph 211.

16 212. Amazon admits that Paragraph 212 purports to partially quote or refers to internal
17 Amazon documents, which speaks for themselves, and Amazon denies any attempt at characterizing the
18 documents. To the extent the allegations in Paragraph 212 are legal conclusions and characterizations,
19 no responsive pleading is required. Insofar as any responsive pleading is required, Amazon denies the
20 allegations in Paragraph 212.

21 213. To the extent the allegations in Paragraph 213 are legal conclusions and
22 characterizations, no responsive pleading is required. Amazon admits that Paragraph 213 purports to
23 include an image of Amazon Online Store Sales in California, 2014–2020, which speaks for itself, and
24 Amazon denies any attempt at characterization. Except to the extent expressly admitted, Amazon denies
25 the allegations in Paragraph 213.

26 214. Amazon reasserts and hereby incorporates by reference its responses to each paragraph of
27 Plaintiff's Complaint, as though fully set forth herein.

28

1 215. To the extent the allegations in Paragraph 215 are legal conclusions and
2 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 215.

3 216. To the extent the allegations in Paragraph 216 are legal conclusions and
4 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 216.

5 217. To the extent the allegations in Paragraph 217 are legal conclusions and
6 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 217.

7 218. To the extent the allegations in Paragraph 218 are legal conclusions and
8 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 218.

9 219. Amazon reasserts and hereby incorporates by reference its responses to each paragraph of
10 Plaintiff's Complaint, as though fully set forth herein.

11 220. To the extent the allegations in Paragraph 220 are legal conclusions and
12 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 220.

13 221. To the extent the allegations in Paragraph 221 are legal conclusions and
14 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 221.

15 222. To the extent the allegations in Paragraph 222 are legal conclusions and
16 characterizations, no responsive pleading is required. Amazon denies the allegations in Paragraph 222.

17 **AFFIRMATIVE DEFENSES**

18 1. Amazon asserts the following defenses to Plaintiff's alleged causes of action.

19 2. By alleging the matters set forth below, Amazon does not allege or admit that it has the
20 burden of proof with respect to any such matter, or that Plaintiff has adequately stated any cause of
21 action against Amazon. Nothing herein shall be construed as Amazon assuming the burden of proof as
22 to any matter for which such burden properly resides with Plaintiff.

23 3. Amazon has not knowingly or intentionally waived any applicable defense and explicitly
24 reserves the right to assert and rely on such other defenses as may become available or apparent during
25 discovery.

26 4. Amazon explicitly reserves the right to amend this Answer and/or its Affirmative
27 Defenses.

28 **FIRST ADDITIONAL OR AFFIRMATIVE DEFENSE**

1 **(Failure to State a Claim)**

2 5. Plaintiff's causes of action fail to state a claim upon which relief can be granted.

3 **SECOND ADDITIONAL OR AFFIRMATIVE DEFENSE**

4 **(Lack of *Parens Patriae* Standing)**

5 6. Plaintiff's claims are barred, in whole or in part, to the extent Plaintiff lacks *parens*
6 *patriae* standing to sue for the injuries alleged in the Complaint.

7 **THIRD ADDITIONAL OR AFFIRMATIVE DEFENSE**

8 **(Duplication)**

9 7. Plaintiff's claims are barred, in whole or in part, to the extent Plaintiff seeks to redress
10 injuries, or seeks a recovery, that is duplicative of any injury that has been, or will have been, redressed
11 by the time any judgment in this matter is entered, or any recovery that has been, or will have been,
12 made by the time any judgment in this matter is entered.

13 **FOURTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

14 **(Waiver and Estoppel)**

15 8. Plaintiff's claims are barred, in whole or in part, by the doctrines of waiver and/or
16 estoppel.

17 **FIFTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

18 **(Unclean Hands)**

19 9. Plaintiff's claims are barred, in whole or in part, by the equitable doctrine of unclean
20 hands.

21 **SIXTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

22 **(Statute of Limitations)**

23 10. Plaintiff's claims are barred, in whole or in part, by the applicable statute(s) of
24 limitations.

25 **SEVENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

26 **(Laches)**

27 11. Plaintiff's claims are barred, in whole or in part, by the equitable doctrine of laches.

28 **EIGHTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

1 **(Procompetitive Conduct)**

2 12. Plaintiff's claims are barred, in whole or in part, because the conduct, policies, contracts,
3 and other matters over which Plaintiff is suing are lawful, justified, procompetitive, and carried out for
4 legitimate business reasons.

5 **NINTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

6 **(Lack of Harm to Competition)**

7 13. Plaintiff's claims are barred, in whole or in part, because Amazon's actions did not harm
8 competition in any relevant market as to which Plaintiff has standing to sue.

9 **TENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

10 **(Lack of Antitrust Injury)**

11 14. Plaintiff's claims are barred, in whole or in part, because there is no antitrust injury
12 attributable to Amazon.

13 **ELEVENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

14 **(Lack of Proximate Cause)**

15 15. Plaintiff's claims are barred, in whole or in part, due to the absence of proximate
16 causation.

17 **TWELFTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

18 **(Umbrella Damages)**

19 16. Plaintiff's claims are barred, in whole or in part, because Plaintiff seeks damages based
20 on purchases from entities other than Amazon for which Amazon is not responsible.

21 **THIRTEENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

22 **(Comparative Fault)**

23 17. Plaintiff's claims are barred, in whole or in part, because any and all injuries alleged in
24 the Complaint, the fact and extent of which Amazon denies, were directly and proximately caused or
25 contributed to by the statements, acts, and/or omissions of third parties or entities other than Amazon.

26 **FOURTHEENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

27 **(Intervening or Superseding Acts of Third Parties)**

28

1 18. Plaintiff's claims are barred, in whole or in part, because any and all injuries alleged in
2 the Complaint, the fact and extent of which Amazon denies, resulted from the statements, acts, and/or
3 omissions of third parties or entities over whom Amazon had no control.

4 **FIFTEENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

5 **(Injury or Damages Offset by Benefits Received)**

6 19. Plaintiff's claims are barred, in whole or in part, because any claimed injury or damage
7 has been offset by the benefits received as a result of the challenged conduct.

8 **SIXTEENTH ADDITIONAL OR AFFIRMATIVE DEFENSE**

9 **(Adequate Remedy at Law)**

10 20. Plaintiff's claims for injunctive relief are barred, in whole or in part, because Plaintiff has
11 an adequate remedy at law.

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DATED: May 30, 2023

COVINGTON & BURLING LLP

By: /s/ Jeffrey M. Davidson
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Attorneys for Amazon.com, Inc.

Respectfully submitted,

WILLIAMS & CONNOLLY LLP

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1 **VERIFICATION**

2 I, Nathan Sutton, declare that I have been authorized by Amazon.com, Inc. to verify the
3 foregoing “Verified Answer of Defendant Amazon.com, Inc. to Complaint” and know its contents.
4 I am informed and believe and allege, based on the facts and information that have been supplied to
5 me by counsel and others, that the matters stated in the document described are true to the best of
6 my knowledge, information, and belief.

7 I declare under penalty of perjury under the laws of the State of California that the foregoing
8 is true and correct.

9
10 Executed on May 30, 2023, in Seattle, Washington.

11
12
13 By: /s/ Nathan Sutton
14 Nathan Sutton
15 VP and Associate General Counsel
16 Amazon.com, Inc.
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