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16 **UNITED STATES DISTRICT COURT**  
17 **NORTHERN DISTRICT OF CALIFORNIA**  
18 **SAN FRANCISCO DIVISION**

19 STUBHUB, INC.,

20 Plaintiff,

21 vs.

22 GOLDEN STATE WARRIORS, LLC AND  
23 TICKETMASTER L.L.C.,

24 Defendants.

Case No.

**COMPLAINT FOR VIOLATION OF  
SHERMAN ACT §§ 1-2 (15 U.S.C. §§1-2);  
CALIFORNIA CARTWRIGHT ACT AND  
BUSINESS & PROFESSIONS CODE § 17200**

**JURY TRIAL DEMAND**



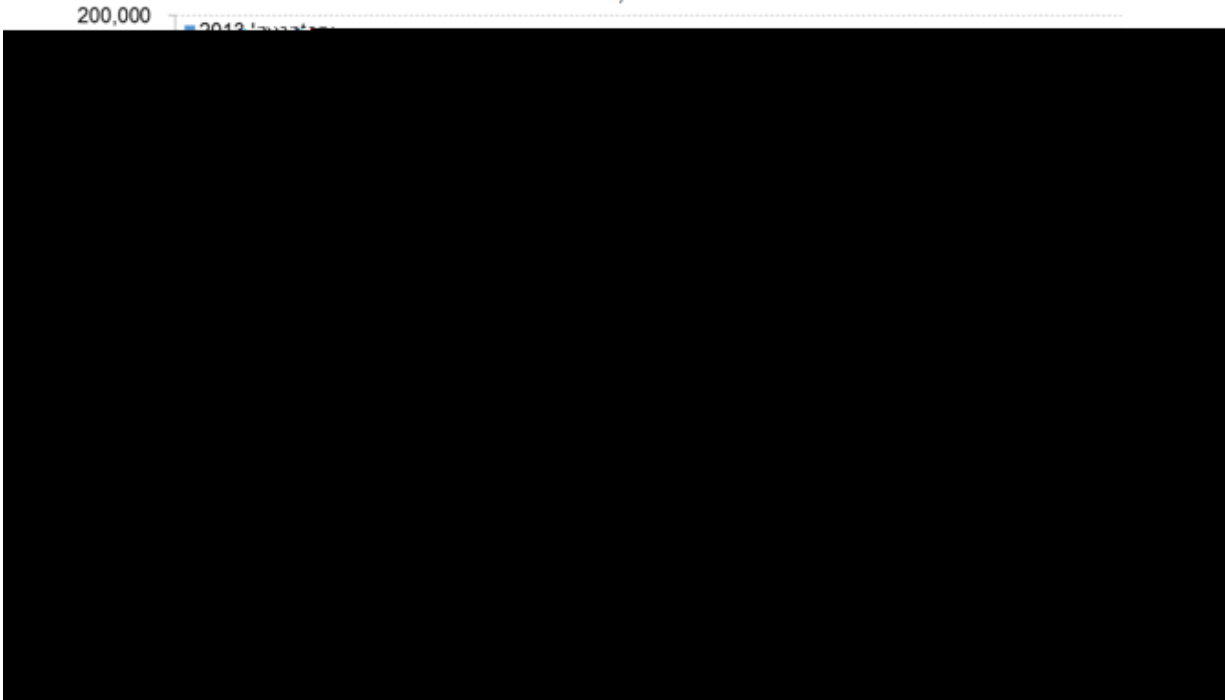
1 at all. Defendants have reinforced and exacerbated the impact of this exclusionary conduct by  
2 misleading consumers about the authenticity of Warriors tickets sold on reputable, competing  
3 Secondary Ticket Exchanges and by engaging in other conduct that is intended to, and has had the  
4 effect of, artificially raising the costs of competing exchanges for no legitimate competitive purpose.

5 4. As a result of Defendants' anticompetitive campaign, there has been substantial  
6 foreclosure in the market for Secondary Ticket Exchange services, harming consumers, competition  
7 and StubHub. Until recently, StubHub has been a robust competitor in providing efficient  
8 Secondary Ticket Exchange services for Warriors tickets. Numerous Warriors fans historically have  
9 chosen to utilize StubHub for Secondary Ticket Exchange services because of its superior customer  
10 service, substantial brand equity, competitive pricing, customer protection and guarantees of timely  
11 ticket delivery and validity. However, Defendants' anticompetitive conduct, as more fully alleged  
12 herein, has precluded StubHub from continuing to provide Secondary Ticket Exchange services to  
13 an ever-expanding number of Warriors fans. The graph below demonstrates just how substantial the  
14 impact of Defendants' anticompetitive practices has been, causing the number of listings for  
15 Warriors tickets on StubHub to decrease by approximately **80%** in the last year alone.

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**Daily Number of Listings**  
GS Warriors, 2013 versus 2014



5. StubHub’s listings of Warriors tickets, and the listings of Warriors tickets offered through other Secondary Ticket Exchanges, will drop even further if Defendants’ anticompetitive scheme is not stopped. Indeed, if Defendants are not prevented from continuing their anticompetitive practices, Ticketmaster will become the only Secondary Ticket Exchange through which Warriors tickets will be sold – just as it has been the only Primary Ticket Platform through which Warriors tickets (and tickets to most other large events in the United States) have been sold for years.

6. What this means for both buyers and sellers of secondary Warriors tickets is fewer and more costly options for Secondary Ticket Exchange services and, ultimately, only a single option for such services – Ticketmaster. It also means, and has already led to, reduced output for the resale of Golden State Warriors tickets. And it means, and has already led to, higher Secondary Ticket Exchange service fees imposed on Warriors fans and fewer innovations in the delivery of these services.

7. Ticketmaster also has engaged in a number of other unfair practices to deprive consumers of access to Secondary Ticket Exchanges other than its own. It has, for example, refused

1 to deliver tickets to fans who have purchased them over Ticketmaster's Primary Ticket Platform  
2 until only a few days before the relevant event, delaying the delivery of their tickets for weeks or  
3 even months. Ticketmaster has done this to prevent these fans from reselling their tickets on  
4 competing Secondary Ticket Exchanges.

5 8. There are no legitimate or offsetting procompetitive benefits that justify Defendants'  
6 conduct in harming competition in Secondary Ticket Exchange services.

7 9. StubHub challenges this conduct as a violation of Sections 1 and 2 of the Sherman  
8 Act and of California's Cartwright Act. StubHub also challenges it as involving unlawful and/or  
9 unfair business acts or practices under California Business and Professions Code Section 17200, as  
10 well as tortious interference with prospective economic advantage. Through this action, StubHub  
11 seeks to permanently enjoin Defendants from continuing to engage in this anticompetitive scheme  
12 and to recover treble damages for the injuries it has suffered therefrom.

13 10. If the anticompetitive actions complained of herein are not stopped, Ticketmaster is  
14 likely to seek to replicate them with other teams and entertainment venues throughout the United  
15 States, restricting more consumers to a single Secondary Ticket Exchange and forcing competitors  
16 and innovators, such as StubHub, to exit the business. As a result, millions of Americans will find  
17 themselves captive to a monopoly Secondary Ticket Exchange unconstrained in its ability to charge  
18 supra-competitive prices for lower quality services.

## 19 **II. JURISDICTION AND VENUE**

20 11. StubHub brings this action under Sections 4 and Section 16 of the Clayton Act, 15  
21 U.S.C. §§ 15 and 16, for violations of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2.  
22 This Court has subject matter jurisdiction over this claim pursuant to 28 U.S.C. §§ 1331 and 1337.

23 12. StubHub also brings this action under California's Cartwright Act, Cal. Bus. & Prof.  
24 Code § 16720, *et seq.* and Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et seq.*, to  
25 obtain restitution, recover statutory damages, and injunctive relief. And StubHub brings this action  
26 under state law prohibiting tortious interference with prospective economic advantage. This Court  
27 has supplemental jurisdiction over these pendant California state law claims under  
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1 28 U.S.C. §§ 1332(d) and 1367 because the claims arise from the same nucleus of operative facts as  
2 the federal antitrust law claims.

3 13. Venue is proper in this District under Section 12 of the Clayton Act, 15 U.S.C. § 22,  
4 and 28 U.S.C. § 1391 because a substantial part of the events giving rise to StubHub's claims  
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1                   **C. Co-conspirators**

2           21. Upon information and belief, various persons, firms, corporations, organization  
3 and/or other business entities, have participated as co-conspirators in the violations alleged herein  
4 and have performed acts in furtherance of these conspiracies.

5 **IV. FACTUAL BACKGROUND**

6                   **A. Primary Ticket Platform Services**

7           22. Primary Ticket Platform providers, such as Ticketmaster, contract with teams to  
8 provide distribution and support services for primary ticket sales. These are sales made at “face  
9 value” directly by the team to fans on a season ticket or individual game basis. The majority of these  
10 sales are made over the Internet, but they may also be made through the phone, mobile devices,  
11 ticket outlets, and the box office. Primary Ticket Platforms are responsible for managing all aspects  
12 of the primary ticket sale and distribution process.

13           23. Fans who seek to buy Warriors season tickets virtually always buy them through the  
14 Ticketmaster Primary Ticket Platform, as it is extremely difficult to find resellers that supply season  
15 ticket packages. Approximately 75% of Warriors tickets are sold as season ticket packages and  
16 virtually all of these are sold through Ticketmaster’s Primary Ticket Platform. The remaining  
17 Warriors tickets are sold as part of more limited packages, group sales and individual tickets - all  
18 through Ticketmaster.

19           24. The overall price a consumer pays for a primary Warriors ticket generally includes  
20 the face value of the ticket plus any number of “service,” “convenience,” “processing,” and/or  
21 “delivery” fees added on by Ticketmaster. These additional Primary Ticket Platform fees can  
22 constitute a substantial portion of the overall cost of the ticket to the consumer.

23           25. Primary Ticket Platform providers typically enter into multi-year contracts with the  
24 leagues, teams or venues hosting the events. In return for the right to sell their tickets, the Primary  
25 Ticket Platform provider shares with them a portion of the Primary Ticket Platform fees that it  
26 collects on the ticket sale.

27           26. Ticketmaster, through its participation in a contract negotiated by the NBA on behalf  
28 of its members teams, has been the only provider of Primary Ticket Platform services for Warriors



1 tickets for many years. Warriors' fans cannot purchase primary tickets to Warriors regular season or  
2 playoff games without conducting the transaction through Ticketmaster. Ticketmaster is also the  
3 only provider of Primary Ticket Platform services for 25 other NBA teams; for all 32 NFL teams;<sup>1</sup>  
4 for 25 or the 30 NHL teams; and for the majority of major concert venues.

5 27. Ticketmaster has had long-standing dominance in Primary Ticket Platform markets.  
6 In fact, a principal reason that the U.S., California and sixteen other states sued to block the merger  
7 between Ticketmaster and Live Nation in January 2010 was because of Ticketmaster's dominance in  
8 providing these services. In its complaint to enjoin the transaction, the government emphasized that  
9 "[f]or over two decades, Ticketmaster has been the dominant [Primary Ticket Platform] service  
10 provider in the U.S." One of the government's chief concerns was that the merged entity would  
11 leverage Ticketmaster's market power in Primary Ticket Platform services to large concert venues to  
12 require these venues to use Live Nation for concert promotion services. As part of its agreement to  
13 allow the merger to proceed, the government prohibited the merged entity from leveraging  
14 Ticketmaster's market power in this way.

15 28. This was not the only run-in Ticketmaster has had with the government in connection  
16 with Ticketmaster's actual or threatened abuse of its dominance in various Primary Ticket Platform  
17 services. In 2010, the Federal Trade Commission sued Ticketmaster for leveraging its market power  
18 in certain Primary Ticket Platform services to unfairly and deceptively steer consumers to use  
19 Ticketmaster for overpriced Secondary Ticket Exchange services. Specifically, when consumers  
20 sought to purchase primary tickets from Ticketmaster for certain concerts, Ticketmaster directed  
21 them unknowingly to Ticketmaster's Secondary Ticket Exchange site where it sold tickets at  
22 substantially higher prices – up to quadruple the face value. Ticketmaster ultimately settled with the  
23 government after, among other things, agreeing to pay refunds to the affected consumers and stop  
24 engaging in the challenged "bait and switch" activity.

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28 <sup>1</sup> Ticketmaster only provides Primary Ticket Platform services to the Detroit Lions for season ticket sales.

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**B. Secondary Ticket Exchange Services**

29. Secondary Ticket Exchange services providers, such as StubHub, Ticketmaster and Vivid Seats—provide network distribution and support services for ticket resales. Ticket resales are not made by the team or entity hosting the event, but by a person or entity that already has purchased the ticket. The overall payment made for the resale ticket is based on the price for the ticket – determined by the reseller and not the Exchange, plus any service fees that the Secondary Ticket Exchange charges. Depending on the popularity of the particular team, game or event, the resale ticket price may be substantially lower or substantially higher than the face value price paid for the primary ticket.

30. There are many reasons why purchasers of Warriors tickets may want to resell their tickets. They may be unable to attend the game because of an unexpected scheduling conflict or illness. They may no longer want to attend the game because of a lack of enthusiasm or interest if the team is performing poorly. Or they may simply want to resell the tickets to earn a profit or otherwise subsidize or allow for their purchase of additional tickets, as is often the case with season ticket holders.

31. There are likewise many reasons why consumers choose to purchase Warriors tickets by resale. The game might be sold out or the desired tickets might otherwise be unavailable from the Primary Ticket Platform. Or the purchaser might have been unable to purchase tickets from

1 They do this by offering resellers the widest possible audience of potential purchasers and, at the  
2 same time, offering potential purchasers the widest inventory of tickets available for resale.

3 33. The network services offered by a particular Secondary Ticket Exchange, such as  
4 StubHub, becomes more valuable to potential ticket buyers as the number and quality of tickets  
5 listed on that Exchange by resellers increases. Moreover, the network services offered by that  
6 Exchange becomes more attractive to resellers to the extent that more potential ticket buyers  
7 frequent the Exchange. Conversely, the network benefits offered both to potential ticket buyers and  
8 sellers that utilize a given Secondary Ticket Exchange are reduced when fewer would-be sellers and  
9 buyers visit the site, resulting in reduced quantities and varieties of available seats and fewer  
10 purchasers interested in obtaining them.

11 34. The innovations offered by Secondary Ticket Exchanges and StubHub in particular  
12 have not always been available to fans. Prior to the turn of the century, many states had what were  
13 referred to as “anti-scalping” laws, which barred the reselling of primary tickets or restricted the  
14 terms under which they could be resold. Virtually all states have since rescinded these rules,  
15 recognizing the many consumer benefits of allowing ticket resales.

16 35. After the repeal of these reseller prohibition laws, the majority of ticket resales were  
17 made by small resellers with limited ticket inventory. Secondary sales, at this time, were not robust  
18 because sellers confronted substantial costs for advertising their inventory, and purchasers had to  
19 invest substantial costs into finding secondary tickets that they wanted to buy.

20 36. Then StubHub came along. StubHub helped to solve these cost issues for buyers and  
21 resellers and, in turn, helped to spark substantial growth in secondary sales. Through StubHub’s  
22 strong Internet presence, its consumer-oriented approach, and its various innovations that  
23 substantially reduce fraud and increase consumer confidence in its Secondary Ticket Exchange  
24 transactions, consumers came to trust and rely upon StubHub for Secondary Ticket Exchange  
25 services. StubHub helped to transform reselling from an often unreliable and economically  
26 dangerous activity to a legitimate and safe one.

27 37. With the growing consumer demand for conducting secondary ticket transactions  
28 through Secondary Ticket Exchanges that StubHub has been in the forefront of establishing, and

1 concerned with the threat that StubHub posed to Ticketmaster’s longtime control of ticketing,  
2 Ticketmaster entered the Secondary Ticket Exchange business during the last decade. Ticketmaster  
3 is now a substantial and growing provider of Secondary Ticket Exchange services. However, that  
4 growth has not been the result of innovation or price competition. Rather, as explained hereafter,  
5 Ticketmaster’s growth has come from its efforts to force consumers to use Ticketmaster exclusively  
6 for online ticket resale. This is particularly true for Warriors’ tickets, where the Warriors and  
7 Ticketmaster jointly have engaged in various tactics to foreclose Secondary Ticket Exchange  
8 competition.

9 **C. Defendants’ Foreclosure of Secondary Ticket Exchange Competition for**  
10 **Warriors Tickets**

11 38. Since 2012, the Warriors and Ticketmaster have had an exclusive arrangement  
12 pursuant to which they share service fees for secondary ticket transactions completed over  
13 Ticketmaster’s Secondary Ticket Exchange. Hence, Ticketmaster and the Warriors get two bites at  
14 collecting services fees associated with Warriors ticket sales – once when the ticket is originally  
15 sold, and again when the primary purchaser resells the ticket over the Secondary Ticket Exchange  
16 operated by Ticketmaster.

17 39. The Warriors and Ticketmaster have set out to capture additional supra-competitive  
18 profits from their exclusive Secondary Ticket Exchange relationship, but not by offering a superior  
19 product or lower prices. Instead, they have taken a series of interconnected, anticompetitive actions  
20 with the intended purpose, and resulting effect, of excluding competing Secondary Ticket Exchange  
21 providers such as StubHub.

22 40. In particular, as an integral part of this anticompetitive scheme, Defendants have  
23 begun to contractually require that any resale of Warriors season tickets be done only through the  
24 Secondary Ticket Exchange operated by Ticketmaster on behalf of the Warriors. To enforce and  
25 reinforce that contractual commitment, Defendants have (1) explicitly precluded, or threatened to  
26 preclude, season ticket holders from purchasing primary season tickets or playoff tickets unless they  
27 agree to resell exclusively on Ticketmaster’s Secondary Ticket Exchange; (2) begun monitoring  
28 season ticket holders’ resales and cancelling season ticket subscriptions for those ticket holders that





1           47. Other season ticket holders who similarly complained to the Warriors about its  
2 restrictive practices also have confirmed that the Warriors would not agree to rescind the policy  
3 when faced with ticket holder complaints. To the contrary, in these conversations, the Warriors  
4 forced season ticket holders to acknowledge that they were complying with this restrictive policy.  
5 Specifically, the Warriors forced ticket holders to confirm that they had removed resale listings for  
6 Warriors tickets that they formerly had posted on Secondary Ticket Exchange sites that competed  
7 with the Warriors/Ticketmaster Exchange.

8           2. *Defendants' Monitoring of Secondary Sales to Enforce Compliance with Their*  
9 *Restrictive Resale Policy.*

10           48. In order to ensure that their season ticket holders are complying with these restrictive  
11 ticketing practices, the Warriors and Ticketmaster now closely monitor secondary ticket transactions  
12 to identify and take action against those selling through StubHub and other competing Secondary  
13 Ticket Exchanges. The Warriors have been very open with their season ticket holders about this  
14 new "Big Brother" tactic so they are fully aware that if they sell outside of Ticketmaster, the  
15 Warriors and Ticketmaster will know about it and bar them from future transactions.

16           49. This open and pervasive monitoring effort has been confirmed by numerous season  
17 ticket holders in their communications, including their direct communications with the Warriors. In  
18 those communications, it was stated that the Warriors wanted season ticket holders to resell through  
19 the Warriors/Ticketmaster Exchange and that the Warriors did not want to see tickets posted on  
20 other sites such as StubHub. Moreover, the Warriors explicitly informed season ticket holders that  
21 both they and Ticketmaster would be monitoring resales throughout the season and again threatened  
22 that they "reserve[d] the right" not to offer 2015/16 renewals and 2015 playoff ticket access to ticket  
23 holders that did not comply with the Defendants' restrictive sales policy. For example, ticket  
24 holders reported in writing that:

25           The Golden State Warriors stated that by using actual seat data from  
26 [Ticketmaster's] TM+, where they were able to see exact seat numbers,  
27 section, row and the price of tickets that were sold, they were able to see how  
28 many tickets we had sold via TM+. This combined with sales data from  
StubHub . . . allowed them to cross reference how much inventory had been  
sold by each account. . . . [The] Warriors stated that if this number didn't

1 improve . . . to close to 100% [Ticketmaster], we would not be given playoff  
2 invoices and not have the option to renew our seats for the upcoming season.

3 The [Warriors/Ticketmaster] plan was to coerce season ticket holders into  
4 listing exclusively on the Warriors Ticketmaster exchange. Their primary  
5 tactic will be to monitor Stubhub and some other exchanges, and when they  
6 see tickets on site, they will (and I paraphrase here) “Call the STH with a  
warning, and should the infractions continue, refuse to sell the STH any  
playoff tickets, and possibly not renew the following season.”

7 50. The concerted efforts in which the Warriors and Ticketmaster have engaged to force  
8 ticket holders to use Ticketmaster exclusively for Secondary Ticket Exchange sales has had a direct  
9 and immediate impact on StubHub’s ability to compete in the Secondary Ticket Exchange market  
10 for Warriors tickets. There has been an approximate 80 percent drop in StubHub’s Warriors  
11 inventory since Ticketmaster and the Warriors began imposing – by threats and monitoring and now  
12 contract – their exclusionary rule on the majority of their ticket holders.

13 51. If this practice is allowed to continue, it likely will force StubHub and other providers  
14 of Secondary Ticket Exchange services to exit from the relevant Warriors Secondary Ticket  
15 Exchange services market altogether.

16 3. *Defendants’ Actions That Reinforce the Foreclosing Effect of Their Restrictive Resale*  
17 *Policy.*

18 52. Defendants also have taken additional steps to reinforce and exacerbate the  
19 exclusionary impact of their restrictive sales policy, including through deceptive communications  
20 aimed at competitors and further actions that have artificially inflated their costs of doing business.

21 53. Under their exclusive arrangement, Ticketmaster is the only provider of Secondary  
22 Ticket Exchange services that the Warriors will market and promote to those seeking to buy or sell  
23 secondary tickets. The marketing and promotion of Ticketmaster’s Secondary Ticket Exchange in  
24 this regard is substantial. The official Warriors ticketing website  
25 (<http://www.nba.com/warriors/tickets/single>), states that it contains “the only **100% guaranteed**  
26 **official resale tickets** posted by Warriors Season Ticket Holders in one place” (emphasis in  
27 original).



1           54.     The Warriors and Ticketmaster have employed their joint marketing activities in an  
2 effort to mislead consumers into believing that Ticketmaster is the only safe or effective Secondary  
3 Ticket Exchange option they have, or the only one that can be trusted to provide a “guaranteed” or  
4 “official” Warriors ticket. For example, on August 13, 2014, the Warriors issued a “fraud alert” for  
5 the 2013-14 season “warning fans about the potential dangers of purchasing single-game tickets for  
6 the 2014-15 season from a non-verified third party” and advising consumers to use only their  
7 “official” resale marketplace—Ticketmaster. These actions reinforce and exacerbate the foreclosing  
8 effect of Defendants’ consumer

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1 security. Were the Warriors genuinely concerned with security and authenticity issues, they could  
2 and would take steps to allow other networks to integrate technologically with its primary ticket  
3 platform. But they do not. Instead, they have agreed with Ticketmaster to leverage Ticketmaster's  
4 position as the Primary Ticket Platform for the Warriors solely for the purpose of raising their rivals'  
5 costs of providing these security services.

6 **V. RELEVANT MARKETS**

7 58. There are two relevant antitrust markets in this case: the market for Warriors tickets  
8 sold through Primary Ticket Platforms, and the market for Secondary Ticket Exchange services for  
9 the resale of Warriors tickets. Defendants have used their control over the former market to exclude  
10 competition and raise prices and reduce output in the latter market.

11 **A. Warriors Tickets Sold Through Primary Ticket Platforms**

12 59. The sale of Warriors tickets through Primary Ticket Platforms is a relevant market in  
13 this case. There are no economic substitutes for Warriors tickets for Warriors fans, as these tickets  
14 provide entry into NBA games featuring the Warriors that are held at Oracle Arena. Warriors' fans  
15 who root for the likes of particular Warriors players – such as Stephen Curry, David Lee, or Klay  
16 Thompson – do not deem other NBA team tickets, such as tickets for the Sacramento Kings, to be a  
17 substitute for Warriors tickets, as those fans primarily root for the success of the Warriors. Warriors  
18 fans would pay (and have paid) a small, but significant, non-transitory increase in price for Warriors  
19 tickets. Indeed, the Warriors have increased season ticket prices by approximately 30% for next  
20 season, evidencing their confidence in the fact that Warriors fans will not substitute Warriors tickets  
21 for other entertainment products.

22 60. Moreover, there are no economic substitutes for buying or selling Warriors tickets  
23 through Primary Ticket Platforms. Primary Ticket Platforms offer a convenient medium through  
24 which fans purchase tickets directly from the Warriors. Notably, all sales of Warriors season ticket  
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61. In addition, from the Warriors' perspective, Primary Ticket Platforms offer the only cost-effective way to reasonably manage and support the sale and distribution of primary Warriors tickets. This is especially so given the volume of tickets and ticketholders associated with the typical Warriors game and season, the technology and hardware involved in running and maintaining the ticketing system, and the significant level of customer support necessary to handle problems, complaints, and inquiries from the thousands of ticketholders per game.

62. Accordingly, both the Warriors selling the tickets, and the fans buying the tickets,

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**B. Secondary Ticket Exchange Services for Warriors Tickets**

65. The provision of Secondary Ticket Exchange services for Warriors tickets is also a



1 geographic dimension of this market is local or national, Defendants' conduct has caused substantial  
2 anticompetitive effects, including the significant foreclosure of competition, reduced output and  
3 increased prices.

4 **VI. MARKET POWER**

5 72. The Warriors wield substantial market power over consumers seeking to purchase  
6 Warriors tickets sold through Primary Platform Services, including season ticket subscriptions.

7 73. The Warriors – the issuer of all Warriors tickets and the entity responsible for putting  
8 the Warriors basketball team on the court – has substantial market power over the sale of Warriors  
9 tickets through Primary Ticket Platforms. As stated above, there are no economic substitutes for  
10 Warriors games for fans of the Warrior

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1 compliance with their exclusive arrangement; their deceptive marketing and promotion; and their  
2 exclusive marketing, promotion and technical integration – has harmed competition, and threatens to  
3 harm competition even further.

4 76. Defendants’ conduct has significantly limited, and threatens to significantly limit  
5 even further, the number of Secondary Ticket Exchange providers through which Warriors ticket  
6 holders can resell their tickets. In the words of one season ticket holder whom the Warriors “forced  
7 [] to sell on the TM exchange only . . . [t]his is of course an attempt to control the market.”

8 77. If Defendants have their way, there will be only one Secondary Ticket Exchange –  
9 Ticketmaster. By reducing the Secondary Ticket Exchanges on which their Warriors ticket  
10 inventory may be listed, the Defendants are significantly limiting the ability of resellers to sell their  
11 tickets: far fewer eyeballs review a reseller’s inventory when it is limited to posting such inventory  
12 on one, as opposed to, multiple exchanges. Resellers have reported that they have suffered  
13 substantial, adverse economic consequences as a result of having their ticket inventory available  
14 only to potential buyers that visit Ticketmaster’s single (and inferior) Secondary Ticket Exchange.

15 78. Indeed, by precluding resellers from using competitive Secondary Ticket Exchanges  
16 to sell their tickets – particularly, by limiting resellers from using StubHub, a trusted and superior  
17 distribution source – Defendants have caused resellers of Warriors tickets to lose sales altogether.  
18 This has reduced the output of Warriors ticket resales, including Warriors ticket resales that are  
19 completed through Secondary Ticket Exchanges.

20 79. The reduced or complete lack of competition resulting from Defendants’ misconduct  
21 also subjects Warriors season ticket holders and other secondary ticket sellers to Ticketmaster’s  
22 supra-competitive Secondary Ticket Exchange service fees and associated charges. As one season  
23 ticket holder, whom the Warriors cut off for selling through StubHub, so starkly put it: “This is  
24 creating a very scary monopoly and eliminating competition that will only drive prices higher for the  
25 consumer.”

26 80. This is especially true when one considers StubHub’s efforts to compete on price in  
27 order to attract resellers to its Secondary Ticket Exchange. As *The Wall Street Journal* reported on  
28 March 25, 2014, StubHub has “lowered the fee it charges sellers.” Due to Defendants’ forcing,

1 Warriors season ticket holders and other resellers cannot take advantage of StubHub’s lower fees,  
2 but must pay the artificially high Ticketmaster fees that are unconstrained by competition.

3 81. This conduct also has harmed buyers of secondary Warriors tickets. Defendants’  
4 conduct has significantly limited, and threatens to significantly limit even further, the number of  
5 Secondary Ticket Exchange providers through which buyers of secondary Warriors tickets can make  
6 their secondary ticket purchases. Again, if Defendants have their way, there will be only one such  
7 source of resale tickets – Ticketmaster. Like the resellers of these tickets, purchasers of Warriors  
8 resale tickets are also subject to increased Secondary Ticket Exchange service fees and associated  
9 charges because of the reduced or complete lack of competition resulting from Defendants’  
10 misconduct. StubHub, on the other hand, attempts to vigorously compete on price in order to attract  
11 purchasers of secondary tickets to its Secondary Ticket Exchange. In this regard, the *Wall Street*  
12 *Journal* article noted above stated that “StubHub has slashed buyer’s fees to as little as 2% from  
13 10% of the base ticket price.” Due to Defendants’ forcing, purchasers of Warriors resale tickets  
14 cannot take advantage of StubHub’s lower fees, but rather must pay Ticketmaster’s substantially  
15 higher fees that are unconstrained by competition.

16 82. Not only has Defendants’ exclusionary conduct harmed and distorted network  
17 competition in general, it also has harmed StubHub and other Secondary Ticket Exchange services  
18 providers specifically. Defendants have foreclosed them from competing against Ticketmaster on  
19 the merits and have substantially increased their costs of attempting to compete on a level playing  
20 field.

21 83. The benefits of the network “matchmaking” services that StubHub is able to provide  
22 to prospective resellers and buyers have been artificially diminished as a result of Defendants’  
23 conduct. This conduct has caused resellers to list a substantially smaller number of Warriors tickets  
24 on StubHub despite its superior pricing, service and reputation for offering a wide and desirable  
25 range of choices to purchasers. This, in turn, has caused potential purchasers of Warriors tickets to  
26 frequent Stub Hub less often since these purchasers now find a substantially smaller volume and  
27 variety of Warriors tickets on the StubHub exchange. In other words, Secondary Ticket Exchanges,  
28 such as StubHub, have incurred substantial harm as a direct result of the negative network effects



1 flowing from Defendants' restrictive conduct. These negative network effects will render it  
2 increasingly difficult, and ultimately impossible, for competing Secondary Ticket Exchanges to  
3 compete in offering Secondary Ticket Exchange se

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1 88. Defendants' conduct in foreclosing competition in Secondary Ticket Exchange  
2 services for Warriors tickets constitutes an illegal tying arrangement in violation of Section 1 of the  
3 Sherman Act, 15 U.S.C. § 1.

4 89. Warriors tickets sold over Primary Ticket Platforms and Secondary Ticket Exchange  
5 services for Warriors tickets are distinct and separate products that compete in distinct and separate  
6 markets.

7 90. The Warriors possess substantial market power over the sale of Warriors tickets sold  
8 through Primary Ticket Platforms. For those seeking to purchase primary Warriors tickets, there is  
9 no other option but to make these purchases through Ticketmaster's Primary Ticket Platform.

10 91. The Warriors and Ticketmaster have agreed to unlawfully tie the use of  
11 Ticketmaster's Secondary Ticket Exchange to the sale of Warriors tickets through Ticketmaster's  
12 Primary Ticket Platform. Defendants have actually cancelled or threatened to cancel season ticket  
13 subscriptions to the Warriors – which make up a large percentage of the Warriors' primary ticket  
14 purchasers – unless season ticket holders agree to use Ticketmaster exclusively for Secondary Ticket  
15 Exchange services. Defendants have also revoked, or threatened to revoke, their continued sale of  
16 Warriors primary tickets to season ticket holders if they are identified as reselling their primary  
17 tickets through any Secondary Ticket Exchange provider other than Ticketmaster. As a result of this  
18 tying arrangement, ticket holders of the Warriors have been forced to use Ticketmaster for  
19 Secondary Ticket Exchange services.

20 92. This tying arrangement – which has been reinforced and strengthened by the  
21 Warrior's exclusive marketing, promotion and integration of Ticketmaster for Secondary Ticket  
22 Exchange services – has substantially foreclosed StubHub and other Secondary Ticket Exchange  
23 providers from competing in the Secondary Ticket Exchange services market for Warriors tickets. It  
24 has harmed and will continue to harm competition in that market by forcing Secondary Ticket  
25 Exchange buyers and sellers to pay artificially high fees for Secondary Ticket Exchange services and  
26 by reducing the quantity and quality of secondary Warriors tickets available for sale. It has reduced  
27 output in that market as well.

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1 93. There are no legitimate business justifications or efficiencies for Defendants' tying  
2 arrangements that counterbalance their demonstrated anticompetitive effects.

3 94. This tying arrangement constitutes a violation of Section 1 of the Sherman Act,  
4 15 U.S.C. § 1, *per se*, under a "quick look" standard, and under the rule of reason.

5 95. As a result of Defendants' illegal tying arrangement, the fees on both the buyer and  
6 seller side for Warriors Secondary Ticket Exchange services as well as ticket prices for Warriors  
7 resale tickets have been artificially raised above competitive levels.

8 96. As a result of Defendants' illegal tying arrangement, StubHub has been and will  
9 continue to be injured in its business and property in an amount not presently known with precision  
10 but which is, at minimum, millions of dollars prior to trebling.

11 **SECOND CLAIM**

12 **Section 1 Restraint of Trade**  
13 **(*Per se or Rule of Reason*)**

14 97. StubHub repeats and realleges each and every allegation of this Complaint as if fully  
15 set forth herein.

16 98. Defendants have restrained trade through a series of coordinated agreements and acts,  
17 including: Defendants' actions to force Warriors season ticket holders to exclusively use  
18 Ticketmaster Secondary Ticket Exchange services and Defendants' agreement to exclusively market  
19 and promote Ticketmaster for Secondary Ticket Exchange services for Warriors tickets and for  
20 Ticketmaster to be the exclusive integrated provider of Secondary Ticket Exchange services to the  
21 Warriors.

22 99. There are no legitimate business justifications or efficiencies for Defendants'  
23 coordinated agreements and acts that would counterbalance their demonstrated anticompetitive  
24 effects.

25 100. Defendants' coordinated agreements and acts are being undertaken with the common  
26 design to exclude and eliminate competing Secondary Ticket Exchange providers, such as StubHub,  
27 and entrench Ticketmaster as the sole source of secondary Warriors tickets. They are also for the  
28

1 purpose of controlling the supply and prices of Warriors tickets available by resale and the fees that  
2 are charged for Secondary Ticket Exchange services.

3 101. These coordinated agreements and acts of Defendants constitute violations of Section  
4 1 of the Sherman Act, 15 U.S.C. § 1, *per se*, under a “quick look” standard, and under the rule of  
5 reason.

6 102. As a result of Defendants’ coordinated agreements and acts, competition in the  
7 market for Secondary Ticket Exchange services for Warriors tickets has been diminished and  
8 eliminated.

9 103. As a result of Defendants’ coordinated agreements and acts, the fees on both the  
10 buyer and seller side for Warriors Secondary Ticket Exchange services have been artificially raised  
11 above competitive levels.

12 104. As a result of Defendants’ coordinated agreements and acts, StubHub has been and  
13 will continue to be injured in its business and property in an amount not presently known with  
14 precision but which is, at minimum, millions of dollars prior to trebling.

15 **THIRD CLAIM**

16 **Conspiracy to Monopolize**

17 105. StubHub repeats and realleges each and every allegation of this Complaint as if fully  
18 set forth herein.

19 106. Defendants’ conduct in foreclosing competition in the Secondary Ticket Exchange  
20 services market for Warriors tickets constitutes a conspiracy to monopolize the Secondary Ticket  
21 Exchange services market for Warriors tickets in violation of Section 2 of the Sherman Act,  
22 15 U.S.C. § 2.

23 107. To foreclose competition in the market for Warriors tickets sold through Secondary  
24 Ticket Exchange services, Defendants have coordinated their efforts to force season ticket holders to  
25 use Ticketmaster as their exclusive provider of Secondary Ticket Exchange services; monitor  
26 compliance with their restrictive policies; exclusively and deceptively market and promote  
27 Ticketmaster; and/or preclude competitor Secondary Ticket Exchanges from integrating with the  
28 Warriors’ Primary Ticket Platform (i.e., Ticketmaster). Defendants have willfully, knowingly and

1 with specific intent to do so, combined or conspired to monopolize the Warriors Secondary Ticket  
2 Exchange services market.

3 108. If Defendants' exclusionary conduct is not enjoined, there is a dangerous likelihood  
4 that defendants will monopolize the market for Secondary Ticket Exchange services for Warriors  
5 tickets.

6 109. There are no legitimate efficiency benefits that counterbalance the demonstrated  
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1 115. Defendants' conspiracy to monopolize the Secondary Ticket Exchange services  
2 market for Warriors tickets also constitutes a violation of the Cartwright Act.

3 116. As a result of Defendants' violation of the Cartwright Act, StubHub has been and will  
4 continue to be injured in its business and property in an amount not presently known with precision  
5 but which is, at minimum, millions of dollars prior to trebling.

6 **FIFTH CLAIM**

7 **Violation of California UCL Section 17200**

8 117. StubHub repeats and realleges each and every allegation of this Complaint as if fully  
9 set forth herein.

10 118. Ticketmaster has used additional, unfair practices to make it difficult for ticket  
11 holders to sell their tickets on competitive Secondary Ticket Exchanges, such as StubHub.  
12 Ticketmaster has done this by leveraging its position as a dominant provider of Primary Ticket  
13 Platform

14 119. As found by the Department of Justice, Ticketmaster has historically dominated  
15 Primary Ticket Platform services. It has maintained its dominance in this business by entering into  
16 numerous multi-year, exclusive contracts with leagues, teams, and venues. Indeed, Ticketmaster's  
17 market power in Primary Ticket Platform services is evidenced by the high fees that it has charged  
18 and continues to charge for Primary Platform services – fees that are substantially higher than fees  
19 charged by other Primary Ticket Platform competitors.

20 120. Moreover, Ticketmaster's market power in Primary Ticket Platform services is  
21 buttressed by high barriers to entry and expansion in this business, including barriers created by  
22 Ticketmaster threats to enforce its multi-year, exclusive agreements. Ticketmaster has, for example,  
23 threatened action against StubHub for even approaching Ticketmaster business partners with offers  
24 to sell additional, unsold ticket inventory, claiming that such overtures would constitute tortiously  
25 interfering with Ticketmaster's exclusive contracts. Specifically, Ticketmaster cautioned StubHub  
26 that: "It has come to our attention that StubHub is approaching Ticketmaster clients seeking to sell  
27 our client's primary tickets. As is well known in the industry. . . Ticketmaster's client ticketing  
28 contracts are generally exclusive and therefore contain contractual commitments by our clients not to

1 sell primary tickets through any third-party.” Ticketmaster has likewise imposed contractual  
2 restrictions in its Primary Ticket Platform contracts that preclude teams, leagues, and venues from  
3 distributing any of their ticket inventory via actual or potential competitors.

4 121. Specifically, Ticketmaster exercised its dominance in Primary Ticket Platform  
5 services by delaying the delivery of the electronic copy of the originally purchased, primary ticket or  
6 the barcode associated with that ticket to the primary ticket purchaser. Ticketmaster has chosen to  
7 delay the delivery of PDF images or barcodes associated with original, primary tickets for numerous  
8 sporting events and musical concerts until weeks or months after the ticket was purchased and only a  
9 few days before the relevant event.

10 122. This practice makes it extremely difficult for a primary ticket purchaser to resell his  
11 or her ticket on competitive non-Ticketmaster Secondary Ticket Exchanges. Indeed, the delaying of  
12 the delivery of these tickets or bar codes effectively bars the reseller from selling that ticket on a  
13 competitive Secondary Ticket Exchange. This is b

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1           126. Another tactic in which Ticketmaster has engaged to leverage its dominance in  
2 Primary Ticket Platform services is its increased issuance of so-called paperless tickets. These  
3 virtual tickets allow entry to the game or event only upon showing at the gate picture identification  
4 and the credit card used for the purchase. Transferring or reselling these tickets is only possible  
5 through Ticketmaster’s Secondary Ticket Exchange platform. According to the independent  
6 American Antitrust Institute, “[i]nstead of benefiting consumers, the trend favoring paperless tickets

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1 140. That Defendants, their affiliates, successors, transferees, assignees, and the officers,  
2 directors, partners, agents and employees thereof, and all other persons acting or claiming to act on  
3 their behalf or in concert with them, be permanently enjoined and restrained from in any manner  
4 continuing, maintaining, or renewing the conduct alleged herein, or conduct having a similar purpose  
5 or effect;

6 141. That the Court enter an order enjoining Defendants from continuing to implement  
7 their coordinated efforts to foreclose competition in the market for Secondary Ticket Exchange  
8 services for Warriors tickets, and specifically enjoining them from taking any actions which force  
9 Warriors season ticket holders to use Ticketmaster exclusively for Secondary Ticket Exchange  
10 services for Warriors tickets or punish season ticket holders for using StubHub or any other  
11 Secondary Ticket Exchange provider for these services, or from entering into any contracts or  
12 agreements having a similar purpose or effect;

13 142. That StubHub be awarded money damages, in an amount to be proven at trial and to  
14 be trebled according to law, plus interest, to compensate StubHub for Defendants' violations of  
15 federal and state antitrust law;

16 143. That StubHub recover its cost of suit, including a reasonable attorneys' fee, and for  
17 such other and further relief as this Court may deem just and proper.

18 **X. DEMAND FOR JURY TRIAL**

19 144. Plaintiff demands a trial by jury.

20 Dated: March 29, 2015

Respectfully submitted,

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1 Dated: March 29, 2015

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7 Attorneys for Plaintiff StubHub, Inc.  
(*Pro Hac Vice* Admission Pending)

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