

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

I/P ENGINE, INC.

Plaintiff,

v.

Civil Action No. 2:11-cv-512

AOL, INC., *et al.*,

Defendants.

**DECLARATION OF MICHAEL HOCHBERG IN SUPPORT OF PLAINTIFF'S AND
DEFENDANTS' MOTIONS TO SEAL**

I, Michael Hochberg, declare as follows:

1. I am an Engineering Director at Google Inc. ("Google") where I have been employed since November 1, 2004. As part of my duties at Google, I manage the Ads Quality team.
2. I understand that in this litigation the Court has issued Orders to Show Cause why certain litigation materials should not be unsealed and filed in the public record.
3. I am providing this declaration to describe the extraordinarily sensitive and valuable nature of information regarding specifically how Google AdWords and AdSense for Search determine which advertisements to display, how Google computes costs to advertisers, and the potential risk of this type of information being shared with the public, including Google's advertisers and competitors. This declaration is based on my personal knowledge.

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4. Google offers a variety of services that can be accessed by anyone with an Internet connection and an Internet browser. A user accessing www.google.com may input a search query, and Google will return search results (e.g., links to web pages, videos, or images). Additionally, for some queries, Google serves targeted advertisements to the right of (or sometimes above or below) search results.
5. AdWords is the online advertising auction system used to display advertisements next to search results on www.google.com. Some third-party and Google-owned websites (e.g., Google Maps and the search function for the online auction site eBay) show advertisements provided by a Google system called AdSense For Search ("AFS"). Those websites typically show AFS-provided ads on the "result" page for a search function.
6. Each time an end user enters an eligible search query on Google.com, AdWords runs an auction for the ad space available on the search results page displayed to the end user. To enter the auction, advertisers submit advertisements, identify keywords they wish to associate with the advertisements, and provide their bids: usually in the form of a maximum cost-per-click, which indicates the maximum price an advertiser is willing to pay if an end-user clicks on its ad. [REDACTED]

7. [REDACTED]

[REDACTED]

[REDACTED]

8. [REDACTED]

[REDACTED]

[REDACTED]

9. The attributes used by Google are listed out in Google's source code and are kept strictly confidential. If Google's source code or discussions regarding Google's source code become public information, [REDACTED]

[REDACTED]

10. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

11. Moreover, because Google has so many users, a high placement in Google's search results and/or Sponsored Links is valuable to those seeking to attract people to their web sites or other online content. As a result, there are numerous instances of people attempting to manipulate or "game" Google's systems in order to improve the position of their content in search results or Sponsored Links. For example, individuals have manipulated Google's search results for political purposes, to protest, or for self promotion. See, e.g., http://www.nytimes.com/2006/10/26/us/politics/26googlebomb.html?_r=1&oref=slogin; <http://news.bbc.co.uk/2/hi/science/nature/1868395.stm>.

12. If the factors that Google uses to determine which ads to serve and how they should be ranked became publically available, advertisers could use that information to game the system. Indeed, an entire industry has developed aimed at improving the placement of search results and Sponsored links on Google. Search Engine Optimization (SEO) services seek to improve the placement of their customers' websites in search results and Sponsored Links. Search Engine Marketers (SEMs) are companies that provide, among other things, SEO services.

13. [REDACTED]

14. [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
15. In a third instance, an advertiser used Google's method for determining unique visible URLs to fill an entire search results page with his own ads, preventing any of his competitors from advertising on that search results page. See <http://www.shoemoney.com/2007/11/17/lycell-ring-tones-adwords-domination/>.
16. These activities hurt consumers by increasing the rankings of lower quality advertisements. These tactics also hurt other advertisers by making it more difficult for their advertisements to be displayed. Accordingly, teams of engineers at Google are devoted to combating these abusive tactics. Today, participants in this industry can only guess the particular methods by which Google determines which ads are served and how they are ranked. But with access to confidential Google information regarding how Google determines which advertisements to display, those wishing to game the system would have unique insight into Google's techniques, and be better at artificially boosting their search results and Sponsored Links ahead of those that would properly have appeared. This, in turn, would decrease the quality of Google search and AdWords services because users would begin to see low-quality ads because SEOs were able to manipulate Google's system.
17. A lack of Court protection of the aforementioned information would also severely harm Google because the information could also be used by Google's competitors to attempt to mimic Google's unique, successful, and, thus far, confidential details of its advertising systems.

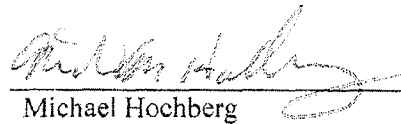
18. Only by keeping the information regarding specifically how Google selects which ads to display, and thus the position and pricing of ads, in the strictest of confidence can Google protect the legitimacy of its search and AdWords systems.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed this Seventeenth day of September, 2012 in Mountain View, California.

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct.

Dated: September 17, 2012


Michael Hochberg

DATED: September 24, 2012

/s/ Stephen E. Noona

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CERTIFICATE OF SERVICE

I hereby certify that on September 24, 2012, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will send a notification of such filing (NEF) to the following:

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