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SUPERIOR COURT OF CA
COUNTY OF SANTA CLARA
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11 YAHOO HOLDINGS, INC., OATH (EMEA) LTD, and
12 YAHOO! SINGAPORE DIGITAL MARKETING PTE. LTD.

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 FOR THE COUNTY OF SANTA CLARA
15 UNLIMITED JURISDICTION

16 YAHOO HOLDINGS, INC.,
17 a Delaware corporation; OATH (EMEA)
18 LTD., an Ireland company; and YAHOO!
19 SINGAPORE DIGITAL MARKETING
20 PTE. LTD., a Singapore company,

21 Plaintiffs,

22 v.

23 MOZILLA CORPORATION,
24 a California corporation,

25 Defendant.

Case No. 17CV319921

COMPLAINT FOR:

- 1. BREACH OF CONTRACT
- 2. BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

PUBLIC

REDACTS MATERIALS FROM
CONDITIONALLY SEALED RECORD



1 **PARTIES**

2 1. Plaintiff Yahoo Holdings, Inc. is a corporation organized under the laws of the
3 State of Delaware, located at 701 First Avenue, Sunnyvale, California 94089, which has
4 conducted business in connection with this matter in various locations, including in Santa Clara
5 County, California.

6 2. Plaintiff Oath (EMEA) Ltd. (*fka* Yahoo EMEA Ltd.) is a company organized under
7 the laws of Ireland, located at 5-7 Point Square, North Wall Quay, Dublin 1, Ireland.

8 3. Plaintiff Yahoo! Singapore Digital Marketing Pte. Ltd. is a company organized
9 under the laws of Singapore, located at 60 Anson Road #13-01 Mapletree Anson, Singapore,
10 079914, Singapore.

11 4. Plaintiffs Yahoo Holdings, Inc.; Oath (EMEA) Ltd.; and Yahoo! Singapore Digital
12 Marketing Pte. Ltd. shall be collectively referred to as “Yahoo.”

13 5. Defendant Mozilla Corporation (“Mozilla”) is a corporation organized under the
14 laws of the State of California, located at 331 East Evelyn Avenue, Mountain View, California
15 94041, which has conducted business in connection with this matter in various locations, including
16 in Santa Clara County, California.

17 **JURISDICTION AND VENUE**

18 6. This Court has jurisdiction over this Complaint pursuant to California Code of Civil
19 Procedure Section 410.10.

20 7. Venue is proper in this Court pursuant to California Code of Civil Procedure Section
21 395 because Mozilla resides and has its principal place of business in this county.

22 **SUMMARY OF CLAIMS**

23 8. Following the sale of Yahoo’s operating business to Verizon Communications Inc.
24 (“Verizon”), Mozilla terminated a long-term strategic agreement with Yahoo, [REDACTED]

25 [REDACTED]

26 [REDACTED]

27 [REDACTED]

28 [REDACTED] Mozilla’s



1 termination and refusal now to perform is a breach of the plain terms of the parties' contract, [REDACTED]

2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]

12 [REDACTED] Yahoo now brings this action for breach of
13 contract and breach of the implied covenant of good faith and fair dealing to remedy Mozilla's
14 breaches and wrongful conduct.

15 **FACTS**

16 **The Strategic Agreement**

17 9. Mozilla offers a web browser called "Firefox." Firefox is a software application
18 hundreds of millions of people use globally to access information on the Internet through their
19 desktop computers and mobile devices.

20 10. Among other online services, Yahoo provides a search product ("Yahoo Search")
21 that people use globally to search the Internet.

22 11. [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]



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12. [REDACTED]

[REDACTED]

13. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

14. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] An

example of a user's desktop computer with Firefox set to Yahoo Search, showing Yahoo Search results, is depicted in Exhibit 4.

15. [REDACTED]

[REDACTED]

16. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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[Redacted text]

17. [Redacted text]

[Redacted text]

[Redacted text]

Mozilla’s Wrongful Conduct

18. On November 10, 2017, Mozilla sent a letter titled “Notice of Termination of the Strategic Agreement.” The letter stated in relevant part, “This letter serves as notice of termination of the Strategic Agreement . . . effective immediately. [Redacted text]

[Redacted text]

19. [Redacted text]

20. [Redacted text]

[Redacted text]



1 [REDACTED]
2 [REDACTED] Accordingly, Yahoo put Mozilla on notice of its material breaches [REDACTED]
3 and demanded that Mozilla take immediate steps to cure its breaches and rescind its termination
4 notice. Mozilla failed to do so.

5 21. Instead, Mozilla treated the Strategic Agreement as terminated and wrongfully
6 refused to perform, [REDACTED]

7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]

11 22. [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]

16 **First Cause of Action**

17 **Breach of Contract**

18
19 23. Yahoo incorporates the allegations contained in paragraphs 1 through 22 above, as
20 though set forth fully herein.

21 24. Yahoo (through its predecessor in interest and assignor) and Mozilla entered into a
22 binding written contract – the Strategic Agreement.

23 25. Yahoo met all, or substantially all, material obligations that the Strategic Agreement
24 imposed on it or were not otherwise excused or waived.

25 26. The conditions necessary for Mozilla’s performance of its obligations under the
26 Strategic Agreement occurred or were excused.

27 27. Mozilla materially breached the Strategic Agreement in several ways, including the
28 following:



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- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]

28. As a result, Yahoo has suffered and will continue to suffer competitive injury to its business and reputation, among other harm, and Mozilla’s material breaches and bad-faith conduct are a substantial factor in causing such harm.

Second Cause of Action

Breach of Covenant of Good Faith and Fair Dealing

29. Yahoo incorporates the allegations contained in paragraphs 1 through 28 above, as though set forth fully herein.

30. Yahoo (through its predecessor in interest and assignor) and Mozilla entered into a binding written contract – the Strategic Agreement.

31. Yahoo met all, or substantially all, material obligations that the Strategic Agreement imposed on it or were not otherwise excused or waived.

32. The conditions necessary for Mozilla’s performance of its obligations under the Strategic Agreement occurred or were excused.

///



1 33. Mozilla unfairly interfered with Yahoo's right to receive the benefits of the Strategic
2 Agreement in multiple ways, including the following:

3 a. [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 b. [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 34. As a result, Yahoo has suffered and will continue to suffer competitive injury to its
15 business and reputation, among other harm, and Mozilla's material breaches and bad-faith conduct
16 are a substantial factor in causing such harm.

17 **PRAYER FOR RELIEF**

18 Yahoo prays for judgment against Mozilla as follows:

19 A. [REDACTED]
20 [REDACTED]
21 [REDACTED]

22 B. [REDACTED]
23 [REDACTED]
24 [REDACTED]

- 25 C. For damages according to proof at trial;
- 26 D. For prejudgment interest;
- 27 E. For costs of suit; and

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F. For such other and further relief as the Court deems just and proper.

DATED: December 1, 2017

Respectfully submitted,

KILPATRICK TOWNSEND & STOCKTON LLP

By:



DENNIS L. WILSON
KOLLIN J. ZIMMERMANN

Attorneys for Plaintiffs
YAHOO HOLDINGS, INC., OATH (EMEA) LTD,
and YAHOO! SINGAPORE DIGITAL MARKETING
PTE. LTD.



EXHIBIT 1

**PUBLIC-REDACTS MATERIALS FROM
CONDITIONALLY SEALED RECORD**

EXHIBIT 2

**PUBLIC-REDACTS MATERIALS FROM
CONDITIONALLY SEALED RECORD**

EXHIBIT 3

**PUBLIC-REDACTS MATERIALS FROM
CONDITIONALLY SEALED RECORD**

EXHIBIT 4

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EXHIBIT 5

**PUBLIC-REDACTS MATERIALS FROM
CONDITIONALLY SEALED RECORD**

EXHIBIT 6

**PUBLIC-REDACTS MATERIALS FROM
CONDITIONALLY SEALED RECORD**