



Skyhook Wireless is Google's Netscape -- Googleopoly VII: Monopolizing Location Services

Skyhook Wireless' [anticompetitive complaints](#) are to Google's antitrust problems what Netscape's complaints were to DOJ's anti-monopolization [case against Microsoft](#) -- i.e. the most blatant, understandable, and strategically-important example of abusing monopoly power to monopolize a linchpin technology in order to extend the monopoly into other strategic markets.

- Simply, **Skyhook Wireless is the poster child victim of Google monopoly abuse.**

I. Why is Skyhook-Google analogous to Netscape-Microsoft ?

Of all the many claims of anti-competitive behavior against Google that I have reviewed over the last four years, I believe **the Skyhook complaints are the charges that Google should be most worried about and that the DOJ/EU should be most interested in.**

- **First, Skyhook's technology is strategically analogous to Netscape's browser technology.**
 - Netscape's browser-software was the *virtual location-finding technology* to enable a user to locate any information on the web via a URL or domain address. The browser was integral to enabling the World Wide Web that made the Internet what it is today.
 - Analogously, Skyhook's software is the *actual location-finding technology* to enable a smartphone/tablet app or a business to locate, serve, and advertise to a user/device via WiFi location signals.
 - Skyhook invented and patented this foundational technology, and the accuracy and instantaneity of Skyhook's technology is what can enable a vast new mobile/local online advertising/services market to develop for smartphones and tablets much like the browser enabled much of the PC-based Internet we know today.

- The open question Skyhook's anticompetitive complaints raise for the DOJ and the EU, is will they look the other way and allow Google to snuff out Skyhook/competition and monopolize mobile/local services, or will the the DOJ or EU sue/act to prevent Google from monopolizing the vast vertical markets of mobile and local services?
- Second, Skyhook has the best overall case of anticompetitive behavior against Google, based on all the cases against Google that I have reviewed over the last four years.
 - See Skyhook's complaint against Google [here](#) for unfair trade practices and [here](#) for patent infringement.
- Third, this is not small potatoes; Google's liabilities here are potentially in the billions of dollars given the egregiousness of the offenses, treble damages, and the vast value of the market Skyhook's technology has singularly-enabled.
- Fourth, Skyhook is undeniably a direct head-on competitor to Google in a strategic and highly-concentrated market.
 - There is no -- we don't compete against Skyhook defense -- like Google is trying to employ in [Google-ITA](#).
- Fifth, Skyhook essentially invented (and patented) this technology and market, and Google is trying to monopolize this space by absconding with Skyhook's trade secrets and patents and by thuggishly blocking key device suppliers from offering Skyhook technology installed on their devices.
 - (This last act is eerily similar to what Microsoft did to keep Netscape off of shipped PCs dominated by Microsoft's operating system monopoly.)
- Sixth, Skyhook has caught Google red-handed with some of the most obviously damning, thuggish, and hard-to-explain-away monopolistic behavior evidence against Google in the public domain.
- Finally, Skyhook is also Google's only real competitor in the critical linchpin technology of location-based services, just like Netscape was Microsoft's main rival in the critical linchpin technology of browsers.
 - This is highly problematic for Google because **both the EU and the DOJ are looking for a case and set of facts that is emblematic of Google's monopolization strategy.**
 - Every big monopolization case needs a quintessential and clear example and set-of-facts of monopoly abuse to organize their broader monopolization case around.
 - In other cases Google has been smarter to cover its tracks.
 - Here however, in the Skyhook case, Google's behavior was classic bread-and-butter monopoly thuggery that would offend most any investigator, prosecutor, judge or jury.
- (For more background on Skyhook vs. Google see my previous detailed post: "[Google WiSpy Was an Intentional Plan to Beat Skyhook Wireless.](#)")

II. Why is the Skyhook-Google clash highly strategic like Netscape-Microsoft was?

- **Skyhook effectively has the world's most accurate "location engine"** which enables smartphone/tablet apps to pinpoint near exactly and near instantaneously where a given mobile device is at any given time, because Skyhook has the most sophisticated patented mobile location engine algorithms and the world's most comprehensive database of WiFi signals -- over 250 million.
 - This is so valuable commercially, because the more accurately and instantaneously a provider can pinpoint a mobile user's location, from hundreds or tens of meters to meters, the more valuable advertising, referrals, and coupons are (think Groupon, and "[contextual discovery](#)"), and the more advanced a provider's supplemental products and services can be.
 - Simply, an advertiser is willing to pay a lot more to advertise to, or interact with, a specific user, if they are confident that they know how close the user is to actual place, product or service that the advertiser wants to sell at a given time.
- So if Google can diminish or eliminate Skyhook as a location engine competitor, Google can leverage its search and search advertising monopoly with its own technically-inferior location engine and mapping dominance to dominate the vast emerging markets of mobile and local online services.
 - (For those adept in connecting-the-dots of Google's behavior to other verticals, like travel, Google's predation of Skyhook is accomplishing the same thing as Google's proposed acquisition of ITA Software (the world's best airfare search engine), would -- i.e. extending Google's search advertising monopoly power into a vertical market.

III. The allegations in the case in a nutshell.

- Skyhook invented and patented the "location engine" technology that enables mobile/local apps to leverage and monetize location of a user/device.
- Google licensed Skyhook's technology with a confidentiality/terms of service agreement.
- Google asked Skyhook to give it access to Skyhook's confidential and proprietary database, Skyhook declined.
- Google secretly shifted from a licensed client of Skyhook to direct competitor to Skyhook, and is alleged to have violated Skyhook's trade secrets and patents, in in secretly developing their competitive service to Skyhook by [WiSpy wardriving](#) and collecting WiFi signals and private information in over 30 countries.

- Google represented Android as an "Open Platform," but shut Skyhook out of participating on the "Open platform."
- Google tied its own location engine to Android to shut Skyhook out of the Android-supplier market.
- Google pressured Motorola to help it learn confidential info about Skyhook's service.
- Google called Motorola and demanded that Motorola stop shipping devices with Skyhook software and demanded Motorola break its contract with Skyhook in order to continue serving Google Android.
- Google called a second company, "Company X" (likely Samsung) to drop Skyhook from its devices as well.
- Google is leveraging its search advertising monopoly to subsidize operation of an expensive-to-build-and-maintain location-engine in order to offer a *free* Skyhook-like service that Skyhook, the patent owner of the technology, can't possibly compete with.

IV. Conclusion

In sum, if the DOJ or the EU are looking for: a case with a story line that a judge/jury could "get" and be offended by; a devastating set of red-handed facts; and a strategically critical antitrust fight to protect a competitive mobile/local online services market from monopolization by Google -- the Skyhook Wireless complaints against Google are it.

- Every big anti-monopolization case needs a high-profile, obvious example of monopoly thuggery, that offends the sensibilities of the fair-minded.
- What Google has done to Skyhook Wireless is the ultimate in anticompetitive duplicity and monopoly thuggery.