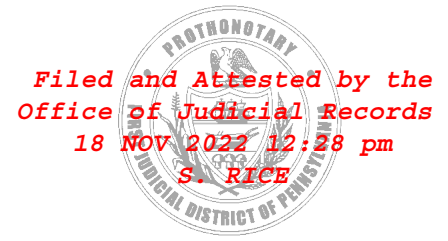


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**IN THE COURT OF COMMON PLEAS OF  
PHILADELPHIA COUNTY, PENNSYLVANIA  
FIRST JUDICIAL DISTRICT  
CIVIL ACTION - EQUITY**

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<b>COMMONWEALTH OF PENNSYLVANIA</b>	:	
<b>BY Attorney General JOSH SHAPIRO</b>	:	
	:	
<b>Plaintiff,</b>	:	_____ Term, 2022
	:	
<b>v.</b>	:	<b>Case No.</b> _____
	:	
<b>GRUBHUB HOLDINGS INC. and GRUBHUB INC.</b>	:	
	:	
<b>Defendants.</b>	:	
	:	

---

**NOTICE TO DEFEND**

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action **within twenty (20) days** after this Complaint and notice are served, by entering an appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you, and a judgment may be entered against you

without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

**YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICES SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.**

**IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.**

Lawyer Referral and Information Service  
Philadelphia County Bar Association  
1101 Market Street, 11<sup>th</sup> Floor  
Philadelphia, Pennsylvania 19107  
(215) 238-6300  
[www.philadelphiabar.org](http://www.philadelphiabar.org)  
PA Bar Association: [www.pabar.org](http://www.pabar.org)

**AVISO**

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las páginas siguientes, usted tiene veinte (20) días de plazo al partir de la fecha de la demanda y la notificación. Hace falta asentar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objections a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomará medidas y puede continuar la demanda en contra suya sin previo aviso o notificación. Además, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

**USTED LE DEBE TOMAR ESTA NOTA A SU ABOGADO  
INMEDIATAMENTE. SI USTED NO TIENE A UN ABOGADO NI NO PUEDE  
PROPORCIONAR UNO, IR A NI TELEFONEAR EL CONJUNTO DE LA OFICINA  
(OFICINAS) ADELANTE ABAJO. ESTA OFICINA LO PUEDE PROPORCIONAR  
CON INFORMACION ACERCA DE EMPLEAR A UN ABOGADO.**

**SI USTED NO PUEDE PROPORCIONA PARA EMPLEAR UN ABOGADO,  
ESTE MAYO DE LA OFICINA ES CAPAZ DE PROPORCIONARLO CON  
INFORMACION ACERCA DE AGENCIAS ESA OFERTA DE MAYO LOS SERVICIOS  
LEGALES A PERSONAS ELEGIBLES EN UN HONORARIO REDUCIDO.**

**SERVICIO DE REFERIDO DE ABOGADOS  
Philadelphia County Bar Asociación  
1101 Market Street, 11<sup>th</sup> Floor  
Philadelphia, Pennsylvania 19107  
(215) 238-6300  
[www.philadelphiabar.org](http://www.philadelphiabar.org)  
PA Bar Association: [www.pabar.org](http://www.pabar.org)**

THIS IS NOT AN ARBITRATION CASE-  
This case has been brought by the  
Commonwealth of Pennsylvania  
under the Pennsylvania  
*Unfair Trade Practices and Consumer  
Protection Law, 73 P.S. §§ 201-1 to 201-10*  
AN ASSESSMENT OF DAMAGES  
HEARING IS REQUIRED

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**IN THE COURT OF COMMON PLEAS OF  
PHILADELPHIA COUNTY, PENNSYLVANIA  
FIRST JUDICIAL DISTRICT  
CIVIL ACTION - EQUITY**

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<b>COMMONWEALTH OF PENNSYLVANIA</b>	:	
<b>BY Attorney General JOSH SHAPIRO</b>	:	
	:	
<b>Plaintiff,</b>	:	_____ Term, 2022
	:	
<b>v.</b>	:	<b>Case No.</b> _____
	:	
<b>GRUBHUB HOLDINGS INC. and GRUBHUB INC.</b>	:	
	:	
<b>Defendants.</b>	:	
	:	

---

**COMPLAINT**

**AND NOW**, comes the Commonwealth of Pennsylvania, by Attorney General Josh Shapiro (“Commonwealth” or “Plaintiff”), and brings this action pursuant to the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. §§ 201-1 to 201-10. (“Consumer Protection Law”) to restrain, by temporary or permanent injunction, unfair methods of competition or unfair or deceptive acts or practices in the conduct of any trade or commerce declared unlawful by Section 201-3 of the Consumer Protection Law. 73 P.S. §§ 201-4, 201-3.

The Commonwealth believes that the public interest is served by seeking a permanent injunction from this Honorable Court to restrain the methods, acts and practices of the Defendants. The Commonwealth believes that the citizens of the Commonwealth are suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

In support of this action, the Commonwealth respectfully represents the following:

**JURISDICTION**

1. This Court has original jurisdiction over this action pursuant to Section 931 of the Judicial Code. 42 Pa. C.S.A. § 931(a).

**VENUE**

2. Venue lies with this Court pursuant to Pa. R.C.P. 1006(a)(1).

**THE PARTIES**

3. Plaintiff is the Commonwealth of Pennsylvania, acting by Attorney General Josh Shapiro, which has offices located at 1600 Arch Street, Third Floor, Philadelphia, Pennsylvania, 19103.

4. Defendant Grubhub Inc. is a Delaware corporation with a principal place of business located at 111 W. Washington Street, Suite 2100, Chicago, Illinois 60602. Defendant Grubhub Inc. is registered with the Pennsylvania Department of State as a foreign corporation, with Entity Number 3893477.

5. Defendant Grubhub Holdings Inc. (doing business as Grubhub), a wholly owned subsidiary of Grubhub Inc., is a Delaware corporation with its headquarters and principal place of business at 111 W. Washington Street, Suite 2100, Chicago, IL 60602. Defendant Grubhub Holdings Inc. is registered with the Pennsylvania Department of State as a foreign corporation, with Entity Number 3893477.

6. Defendants Grubhub Inc. and Grubhub Holdings Inc. (collectively, “Grubhub” or “Defendants”) both participated in the conduct described herein. Both Defendants acted to carry out, participated in, ratified, and controlled the practices below.

### **BACKGROUND**

7. At all times relevant and material hereto, Defendants engaged in trade and commerce within the Commonwealth of Pennsylvania, including in Philadelphia, by accepting food orders from consumers, communicating the food orders to restaurants, and, for many of the orders, arranging for drivers to deliver the food from the restaurants to the consumers.

8. Grubhub is a technology company, which describes itself as an “online food delivery marketplace,” connecting consumers, restaurants, and drivers through its online presence and its mobile applications. Grubhub, About Us, <https://about.grubhub.com/about-us/what-is-grubhub/default.aspx>.

9. Grubhub has agreements with partner restaurants, which pay Grubhub fees and commissions on orders placed through the Grubhub platform, in addition to marketing fees and

delivery fees. Grubhub also charges consumers fees, including delivery fees, service fees, small order fees, and Grubhub+ membership fees, for orders placed through the platform (“Partner Restaurants”).

10. In addition to the Grubhub fees, in many instances, consumers pay higher prices for food items that they order through the Grubhub platform than the consumers would pay for the same items if they ordered directly from the restaurant.

11. During the relevant time period, Grubhub did not clearly inform consumers that food item prices may be higher on its platform, nor did Grubhub prevent restaurants listing higher food prices on Grubhub’s platform. For many years, Grubhub ignored violations of its own pricing contract terms. Consumers who were already paying additional fees to Grubhub for ordering and delivery services may not have been aware that the item prices were also higher on the platform.

12. Since at least January 1, 2019, consumers in the Commonwealth complained to Grubhub upon learning that they were being charged higher prices on the Grubhub platform, after placing their orders on Grubhub’s platform or through a website created and controlled by Grubhub for restaurants (“Microsite”) and learning of the price differences.

13. At all times relevant and material hereto, Grubhub created and used telephone numbers controlled and operated by Grubhub (“Routing Telephone Numbers”), Microsites, and undisclosed partnerships, which had a likelihood to confuse and mislead consumers. By not clearly identifying the business or affiliations, Grubhub misrepresented which entity a consumer was interacting with when the consumer called a Routing Telephone Number, visited a Microsite, or accessed information on third-party websites, which have undisclosed partnerships with Grubhub.

14. Grubhub's misrepresentation obfuscated Grubhub's role in publishing restaurant information and pushing consumers towards Grubhub ordering. As such, Grubhub's misrepresentation undermined consumers' ability to shop around, compare prices, or make choices about how they spend their money and which businesses they support. A consumer who called a Grubhub Routing Telephone Number may have wanted to order from a restaurant directly and may have believed that they were calling the restaurant directly, but instead the consumer reached a Grubhub customer service representative, and may have paid higher prices, along with Grubhub's additional fees. A consumer may have believed they were interacting with a website owned by the restaurant as they are shopping around, but instead, they were reading Grubhub-generated menu content on a Grubhub Microsite that the restaurant was not aware of. A consumer may have believed they were looking at restaurant information on a neutral online directory, but in fact they were only seeing Grubhub-generated content about the restaurants, so the consumer may have believed that the restaurant had partnered with, preferred, or only delivered through Grubhub, and may not have realized that restaurants offered self-delivery or partnered with other delivery companies.

15. The Commonwealth believes the public interest is served by seeking a permanent injunction before this Honorable Court to restrain the operations, methods, acts, and practices of Grubhub as set forth herein, as well as seeking restitution, civil penalties and other equitable relief for violations of the law. The Commonwealth believes that the citizens of the Commonwealth are suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.



## FACTS

### Grubhub and Restaurants

16. Grubhub displays restaurant information, including contact information, hours, menu, and delivery or pickup options, for Partner Restaurants and non-partner restaurants on the Grubhub platform and other online locations.

17. Grubhub Partner Restaurants are restaurants which have signed Grubhub's Restaurant Agreement ("Agreement"). The Agreement is a short form contract between Grubhub and the Partner Restaurant, which includes fields for the individual restaurant's commission rate, optional delivery services and certain key terms. The Agreement refers to the Grubhub Restaurant Terms, a longer contract which is posted online, and incorporated by reference into the Agreement. Grubhub, Grubhub Restaurant Terms, <https://get.grubhub.com/legal/restaurant-terms/>.

18. Grubhub also posts information from non-partner restaurants ("Place and Pay Restaurants") on the Grubhub platform. These restaurants do not have a signed agreement with Grubhub and Grubhub does not communicate to these restaurants to let them know that the restaurant has been added to the platform. These restaurants may not be aware that their menu and contact information have been published by Grubhub, or that Grubhub is soliciting consumers to place delivery orders with the Place and Pay Restaurants through Grubhub.

19. Grubhub publishes menus from Partner Restaurant and Place and Pay Restaurants on their platform, primarily through Grubhub's phone app and website, and solicits consumer orders for Partner Restaurants and Place and Pay Restaurants.

20. Grubhub sends consumer orders to the restaurant and arranges for delivery in some cases. For Partner Restaurants, Grubhub will send the order in the restaurant's preferred

format, which may be integrated into the restaurant's order management system. For Place and Pay Restaurants, Grubhub tasks delivery drivers with placing an order as though they were a consumer.

21. For Partner Restaurants, Grubhub transmits consumer payments to the restaurant, after deducting its commissions and fees, pursuant to the Agreement.

22. For Place and Pay Restaurants, Grubhub provides the delivery driver with a Grubhub-issued card to pay the restaurant.

23. In the Agreement, a Partner Restaurant agrees to a marketing commission rate, a delivery commission rate (if applicable), and an order processing fee, all of which are deducted by Grubhub from order revenue transmitted to the restaurant.

#### **Grubhub and Consumers**

24. Since at least January 1, 2019, Grubhub has been charging fees to consumers who place food orders through the Grubhub platform, including delivery fees, service fees, small order fees, and Grubhub+ membership fees. Consumers who pay these fees may reasonably believe that the fees represent the cost of using the Grubhub platform, and are not likely to expect that item prices are also higher than direct restaurant prices.

25. Grubhub has added Place and Pay Restaurants to its platform, accepted consumer orders for those restaurants, placed the orders with the Place and Pay Restaurants through Delivery Drivers and delivered the orders to the consumer. Grubhub does not provide any disclosures to inform consumers that the restaurant does not have an Agreement with Grubhub.

#### **Grubhub's Phone Numbers, Microsites, and Third-Party Sites**

26. Between 2016 and September 2021, Grubhub created and published Routing Telephone Numbers for Partner Restaurants that did not use Grubhub delivery services (including Partner Restaurants which offered Self Delivery and Partner Restaurants which were

pickup-only), but did not do this for Partner Restaurants which used Grubhub delivery. Routing Telephone Numbers are phone numbers owned and controlled by Grubhub, which are assigned to a restaurant on the platform, allowing Grubhub to monitor all consumer contact with the restaurant through that number.

- a. During the relevant time period, on the Grubhub platform and other Grubhub-sourced online listings, the Grubhub Routing Telephone Number was listed next to the name of the restaurant and appeared to be the restaurant's phone number. There was no disclosure to the consumer that this phone number was owned and operated by Grubhub.
- b. When the consumer called the Routing Telephone Number, they reached a brief automated message before being connected to a Partner Restaurant. Since 2004, these messages have informed the consumer that the call may be recorded, but did not inform the consumer that they were calling a Grubhub phone number, other than for 3 days in 2019.
- c. Calls to the Routing Telephone Number were routed to the Partner Restaurant, so the consumer would not have any way of knowing they had not called the restaurant directly.
- d. Grubhub charged Partner Restaurants a fee for customer phone calls to the Routing Telephone Number, calculated as a commission based on the average order subtotal over the last 60 days.
- e. During the relevant time period, consumers were harmed by Grubhub's use of Routing Telephone Numbers because the consumer was deprived of the information needed to make choices about how to spend their money and

which business they supported. For example, if a consumer wanted to order directly from a restaurant, in an effort to ensure that their money would all go to support the restaurant, they might decide to call a phone number for the restaurant to place their order, rather than placing their order through a delivery app. Grubhub posted Routing Telephone Numbers for Partner Restaurants not only throughout the Grubhub platform, but also on Microsites and on third-party partner websites, which increased the likelihood of the Routing Telephone Number appearing higher in search results than the restaurant's direct phone number.

27. Between September 2021 and May 2022, all restaurants on the Grubhub platform, including Grubhub delivery restaurants, had Routing Telephone Numbers assigned and published online. Consumers who called the Routing Telephone Numbers were **not only** likely to have been misled about which entity they are contacting, **but also** were sometimes paying higher prices for their food, in addition to Grubhub fees, and were not seeing sufficient pricing disclosures in advance.

28. Grubhub has created Microsites which list Partner Restaurants' menus and Grubhub Routing Telephone Numbers, but the url and webpage title refer only to the restaurant name. At the very bottom of the page, the websites have a copyright note at the bottom "© 2022 Grubhub Holdings Inc." but nowhere else on the website or in the url is Grubhub's name. These websites list the Grubhub version of the restaurant's menu and pricing, and direct a consumer to order exclusively via Grubhub.

29. Although Grubhub has stated that it stopped creating these websites in 2018, it continues to operate an unknown number of these websites. Grubhub has a webform through

which restaurants can request that a website be deactivated or turned over to the restaurant, but upon information and belief, Grubhub has never contacted the restaurants directly to inform them about the creation of these websites or to provide them with the urls of websites which were created and may be still online.

30. Grubhub lists restaurant menus and Routing Telephone Numbers on websites that it owns, including menu aggregator websites, like [menupages.com](http://menupages.com) and [Allmenus.com](http://Allmenus.com). Through these websites, Grubhub directs consumers to place an order exclusively via Grubhub. Often the only mention of Grubhub is at the very bottom of the webpage, “Powered by Grubhub” and “© 2022 Grubhub Holdings Inc.”

31. The “About Us” section of the Menupages website describes the business as an online restaurant menu directory:

MenuPages is here to help you find online menus from your favorite restaurants nationwide. You can search for restaurants and see their menus, prices, hours, locations, and more.

Menupages.com, “About Us,” <https://menupages.com/info/about-us>.

32. Although the “About us” section of the website discloses that Menupages is owned by Grubhub, it does not disclose that item prices are higher, Grubhub is the exclusive ordering partner listed, or that the phone numbers are routing phone numbers. There are no disclosures on the restaurant menu pages or during the ordering process.

33. The “About Us” section of the Allmenus website describes the business as an online restaurant menu directory:

Allmenus is the leading online restaurant menu guide, featuring the largest number of restaurants in the United States.

With over 425,000 menus, we enable hungry people across the nation to discover local restaurants and to order takeout via Grubhub or Seamless’s online and mobile ordering platforms. Our

extensive network improves the online presence of more than 345,000 restaurants, helping them reach new customers and grow their businesses.

AllMenus.com, “About Us,” <https://www.allmenus.com/about-us/>

34. Although the “About us” section of the website discloses that Allmenus is owned by Grubhub, it does not disclose that item prices may be higher, Grubhub is the exclusive ordering partner, or that the phone numbers are Routing Telephone Numbers. There are no disclosures on the restaurant menu pages or during the ordering process, although the Grubhub logo is visible and consumers are given the option to “order with Grubhub.”

35. Grubhub lists restaurant menus and routing phone numbers on third-party partner websites, including Yelp and TripAdvisor. There are no disclosures about the exclusive partnership with Grubhub, the restaurant information originating from Grubhub (the menu and phone number), or the fact that prices are higher on this platform. Only after a consumer clicks “order” at the final checkout can they see that the order is “Fulfilled by Grubhub.”

### **Grubhub’s Higher Prices, Confusing Websites and Phone Numbers, and Lack of Adequate**

#### **Disclosures Have a Likelihood to Harm Consumers**

36. IGrubhub not only charges consumers higher prices for food items that they order through the Grubhub platform than the consumers would pay for those items in the restaurant in many instances, but it also fails to adequately disclose the increased prices to consumers despite knowing that consumers are confused about this from consumer complaints.

37. Grubhub earns a marketing commission from each consumer’s order as a percentage of the order total, so Grubhub benefits from consumers paying higher prices.

38. Pennsylvania consumers complain when they learn that they are paying higher item prices through Grubhub than they would if they ordered directly from the restaurant.

39. Prior to November 2021, although the Grubhub Agreement specifically prohibited restaurants from charging higher item prices on the Grubhub platform than they charged for orders placed directly with the restaurant, Grubhub permitted violation of this term.

40. During the relevant time period, Partner Restaurants countered the high commission fees by listing higher item prices on Grubhub's platform than they charge customers placing direct orders, despite the Agreement's term about pricing prior to November 2021. Grubhub has benefited and continues to benefit from the higher prices charged by restaurants, since Grubhub receives a marketing commission on each order as a percentage of the order total, which removed any incentive for Grubhub to police its own pricing policy.

41. Grubhub does not adequately disclose to consumers that they may pay higher item prices on the Grubhub platform compared to direct restaurant pricing.

- a. Prior to December 14, 2021, there was no disclosure to consumers about higher item prices anywhere on Grubhub's platform.
- b. Grubhub added a consumer disclosure about higher item prices in their consumer Terms of Service on December 14, 2021. Grubhub "Terms of Use," <https://www.grubhub.com/legal/terms-of-use>. The consumer disclosure is buried in the middle of section with the heading "PAYMENT AND OUR CREDIT POLICY." This placement is likely to confuse consumers, since higher prices have nothing to do with payment policy or credit cards.
- c. During the relevant time period, Grubhub did not disclose that item prices are higher on the platform than direct restaurant orders anywhere on the Grubhub website or app restaurant listings, nor anywhere in the checkout process.

42. During the relevant time period, Grubhub offered consumers a misleading “Lowest Price Guarantee.”
- a. Grubhub advertising purports to guarantee the lowest price: “Your order comes with two guarantees. Lowest price guarantee. Find a lower price? Let us know, and we’ll give you the difference PLUS \$5 off your next order.\*” Grubhub “Guarantee,” <https://www.grubhub.com/guarantee>.
  - b. At the very bottom of the webpage, in very small font, is the disclaimer, which reads in part:

\* The Grubhub Guarantee includes the Lowest Price Guarantee and the On-Time Delivery Guarantee. The Lowest Price Guarantee is a price match program that offers claimants Grubhub Guarantee Perks (“GHG Perks”) in connection with certain orders when a qualifying lower price is available for the same order on a competitor platform (DoorDash, Uber Eats, and Postmates only). Pricing will be determined based on food and beverage total plus tax and fees (excluding promos, tip and discretionary charges).”
  - c. Grubhub reiterates this guarantee in video ads: “On time, lowest price, or we’ll make it right.” *See, e.g.*, “Ensushiastic” and “Meatitation,” <https://www.youtube.com/c/grubhub/videos>.
  - d. Grubhub does not clearly communicate that they are offering consumers the price-matching guarantee and monitoring restaurant pricing only compared to other delivery services, not compared to the restaurant directly.

43. Grubhub has and continues to add Place and Pay Restaurants to its platform, accept consumer orders for those restaurants, place the orders with the Place and Pay Restaurants and arrange delivery, which causes a likelihood of confusion or misunderstanding to Pennsylvania Consumers. Grubhub does not provide any disclosures to inform Pennsylvania Consumers that the restaurant does not have an Agreement with Grubhub that the restaurant’s



information has not been verified, and Grubhub cannot guarantee that the consumer's order will be accepted by the restaurant.

44. Grubhub's Routing Telephone Numbers have likely created confusion and misunderstanding for many consumers in the Commonwealth. Due to Grubhub's action in creating and publishing the Routing Telephone Numbers only, the Routing Telephone Number may appear when a consumer searches for the restaurant's phone number. Consumers are harmed by the confusion about which phone numbers are affiliated with the restaurant directly and which phone numbers are controlled by Grubhub. Because consumers are not able to access clear information about who is operating a phone number, they are unable to effectively shop around and make choices about how to spend their money.

45. Grubhub's Microsites, which the restaurants may not be aware of, harm consumers by creating confusion. Grubhub's Microsites appear to be websites published by the restaurant, so consumers are likely to be confused about who owns and controls the content. Similarly, the Microsites only provide consumers the opportunity to order through Grubhub. Consumers are likely to misunderstand this, and believe that the restaurant prefers, or only accepts order through Grubhub.

46. Unlike consumers who have created Grubhub accounts and visited Grubhub's website, consumers who called Routing Telephone Numbers or visited Microsites were not subject to nor, likely were aware of Grubhub's Terms of Service.

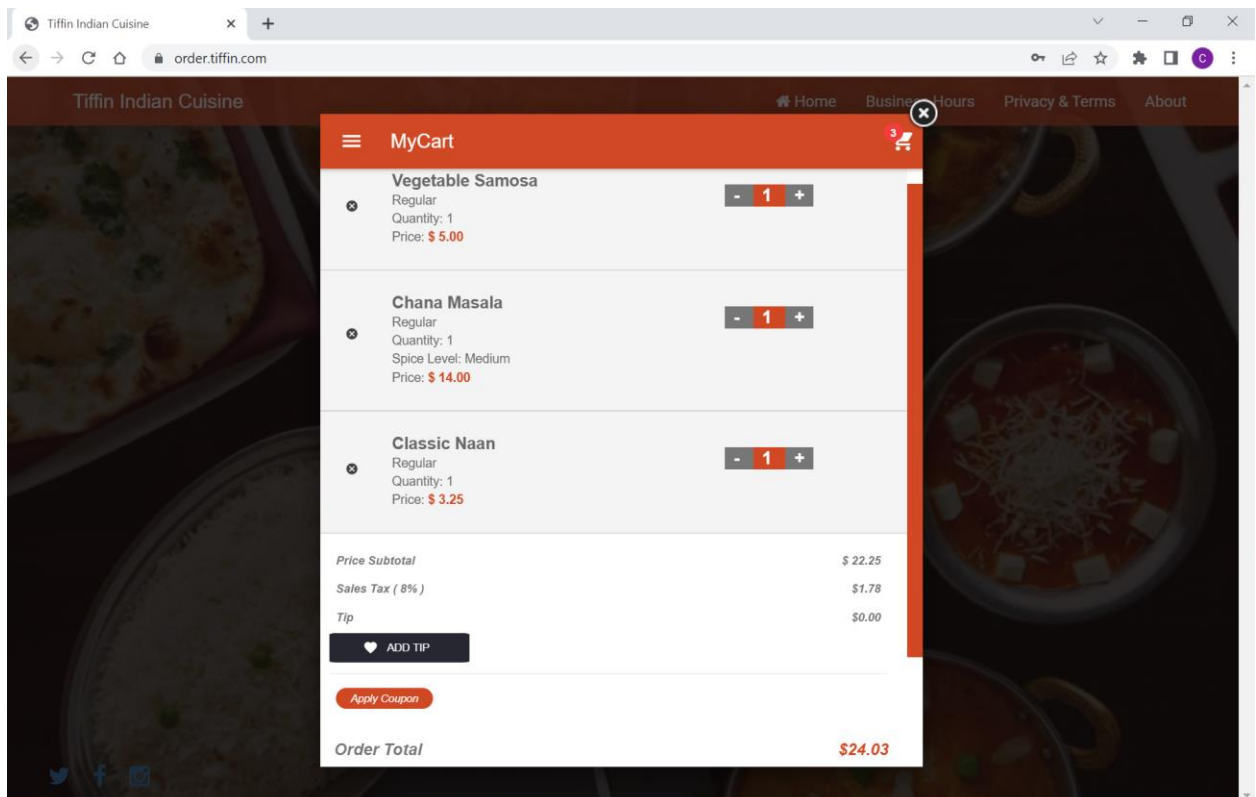
**COUNT I – VIOLATIONS OF THE CONSUMER PROTECTION LAW**

**GRUBHUB'S PRICES ARE LIKELY TO CONFUSE CONSUMERS  
AND CAUSE MISUNDERSTANDING**

47. The preceding paragraphs are incorporated herein as though the same were fully set forth herein.

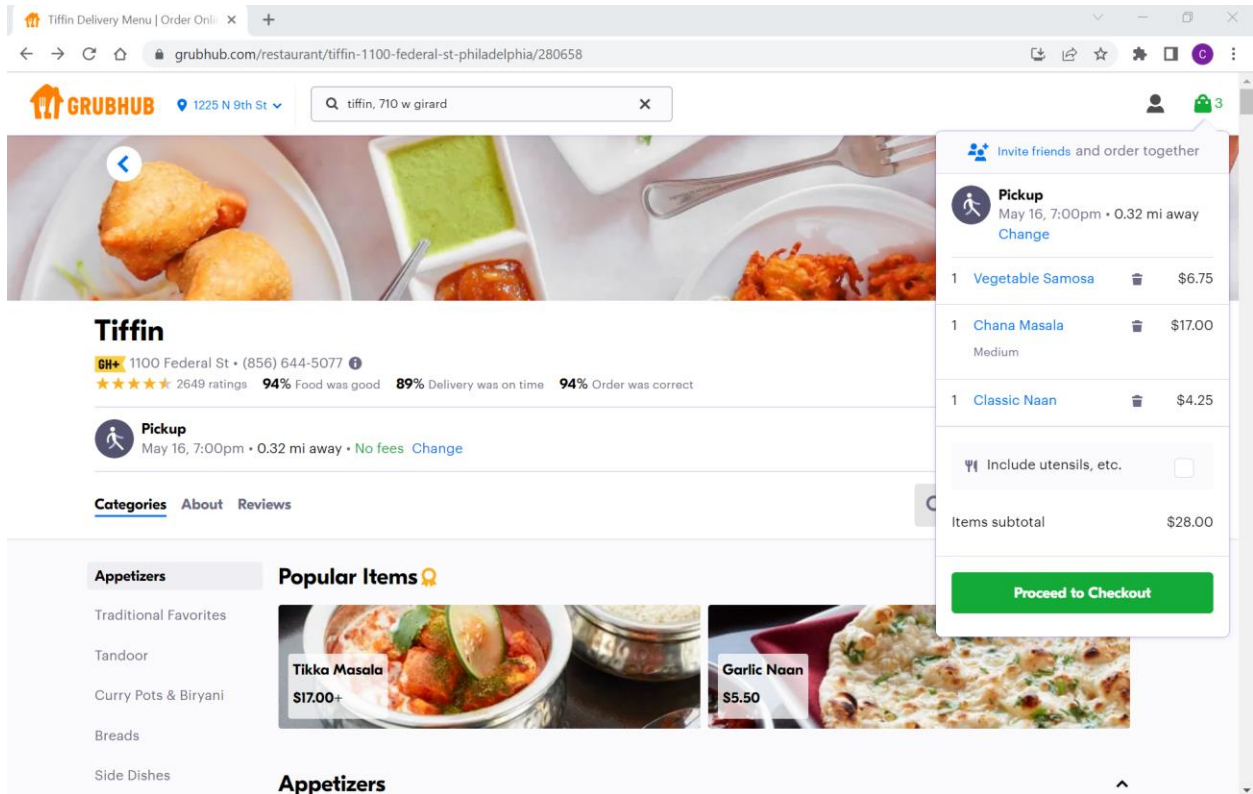
48. In many instances, Grubhub charges consumers higher prices for food items that they order through the Grubhub platform than the consumers would pay for those items in the restaurant. Although Grubhub is aware of the higher prices and has received customer complaints, Grubhub does not enforce their pricing policy nor does it adequately disclose to consumers that the prices on its own platform and Microsites may be higher than direct restaurant prices.

49. The screenshot below shows the prices charged by Tiffin, a Philadelphia restaurant, if a consumer orders on Tiffin's website. The item total is \$22.25.



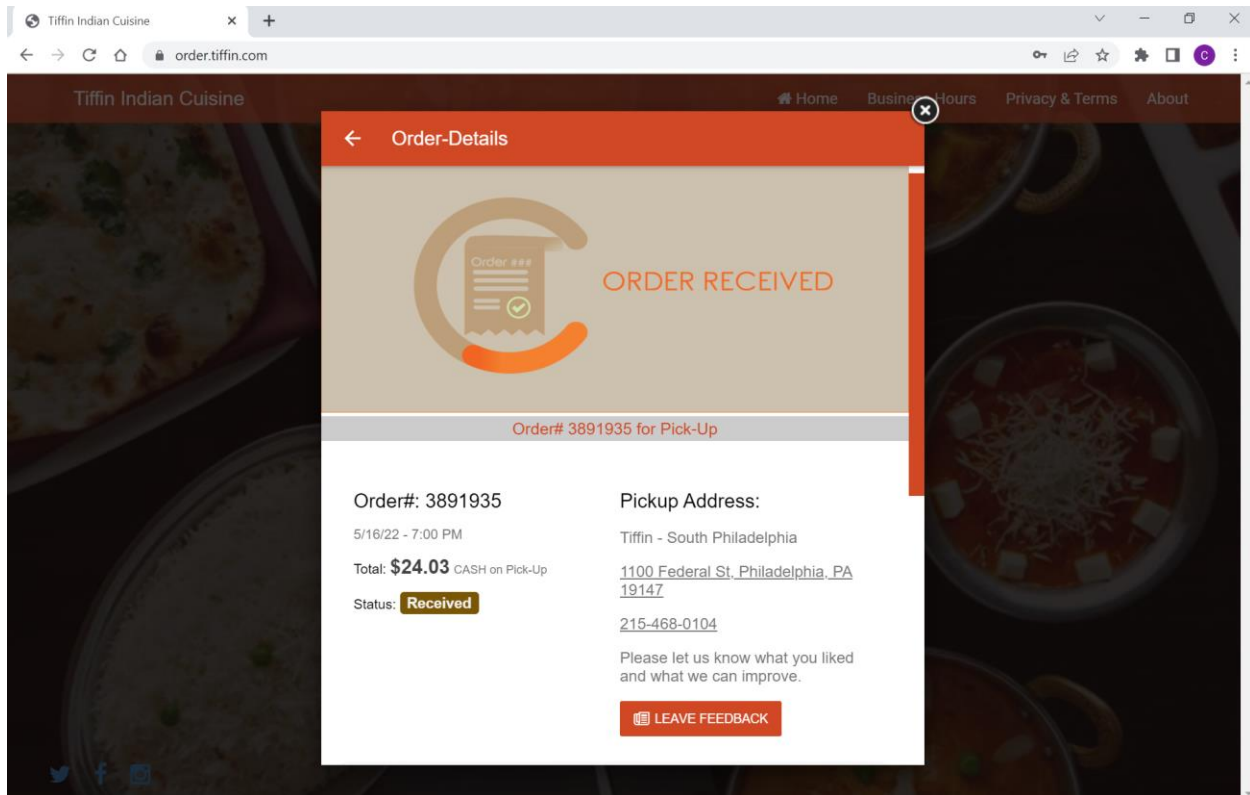
50. The screenshot below shows the prices charged to order from the same restaurant on Grubhub's platform. The same items, each of which costs more, cost a total of \$28. In this

case, ordering from Grubhub costs \$5.75 more in item costs alone, than ordering directly from the restaurant, before Grubhub's costs and fees.



51. Grubhub does not inform consumers about higher prices on the platform when the consumer is placing an order on the menu pages and at the checkout page. The following two screenshots show the same items as above a pick-up order.

- a. In the first example, a consumer who places a pickup order directly from Tiffin via Tiffin's website is charged \$22.25 for the item total. The order total, which adds \$1.78 tax, is \$24.03.



- b. In the second example, a consumer who places a pickup order through the Grubhub Platform is charged \$28 for the item total. The order total, which adds \$2.24 in tax, is \$30.24.

**Confirm your info.**  
Does everything below look correct?

**Contact**

Phone number required

By providing your phone number, you consent to receive text messages from Grubhub related to your order. Standard message rates may apply. See our [Terms of Use](#) for more information.

**Pickup instructions**

[Continue to payment method](#)

[Invite friends and order together](#)

**Your order from**  
Tiffin

1	Vegetable Samosa	\$6.75
1	Chana Masala Medium	\$17.00
1	Classic Naan	\$4.25
Items subtotal		\$28.00
Sales tax		\$2.24
<b>Total</b>		<b>\$30.24</b>

[< Modify your order](#)

**TOTAL \$30.24**

c. In this example, the consumer is picking up their food, so there is no delivery charge. The consumer pays \$6.21 more if they placed their order on the Grubhub platform than they would pay if they ordered directly from the restaurant.

52. As shown above, consumers who place a pick-up order directly with the restaurant may pay less than consumers who place a pick-up order through Grubhub due to the higher item prices alone. Although the consumer is not charged the Grubhub service fee, and is receiving no additional services from Grubhub they may be charged higher item prices, and they are not informed that prices may be higher. While the price difference charged for Grubhub orders may be small for each item, a family of four placing a Grubhub pickup order may be charged an increase on every food item, which can add up to a significant extra charge.

53. While the price increases may differ for every restaurant, Grubhub does nothing to prevent these price increases, since they are making a commission from restaurant based on the order subtotal. Grubhub has an incentive to permit higher prices, which is reflected in their decision not to police their original pricing policy and in their new policy of allowing restaurants to charge higher item prices on Grubhub as long as they charge the same on the other delivery apps. Since consumers are not informed about the higher item prices charged on Grubhub orders than on direct restaurant orders, Grubhub is less likely to lose consumers to the restaurants, and is simultaneously protecting itself from losing consumers to other delivery apps.

54. Rather than clearly communicating their higher prices, Grubhub's advertises its misleading "Lowest Price Guarantee" to consumers. The terms of this guarantee state that it only applies to Grubhub prices as compared to prices charged by three major delivery apps, not prices charged directly by the restaurant.

55. Consumers who pay the Grubhub fees, such as delivery fees, service fees, and small order fees, are likely to be confused and think that this is the only additional cost to the consumers for using the platform when placing orders. Consumers are likely to be misled when they pay these fees and not realize that they are also being charged higher item prices, in many instances, by using Grubhub's platform to place an order.

56. The aforementioned methods, acts and practices constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4) of said Law, including, but not limited to, the following:

- (a) Section 201-2(4)(iii), which prohibits causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another
- (b) Section 201-2(4)(v), which prohibits representing that goods or services have sponsorship, approval, characteristics, benefits, uses or quantities that they do not have or that a person has sponsorship, approval, status, affiliation, or connection that he does not have; and
- (c) Section 201-2(4)(xxi), which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(iii), (v), and (xxi).

57. At all times relevant and material hereto, the unlawful methods, acts and practices complained of have been willfully used by Grubhub.

58. The Commonwealth believes the public interest is served by seeking before this Honorable Court a permanent injunction to restrain the operations, methods, acts, and practices of the Defendants as hereinafter set forth, as well as seeking civil penalties for violations of the law and other equitable relief.

**WHEREFORE**, the Commonwealth respectfully requests that this Honorable Court order the following relief:

- A. Declaring the conduct of Defendants as described in the Complaint to be in violation of the Consumer Protection Law;
- B. Permanently enjoining Defendants and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and any amendments thereto,

including, but not limited to, the following:

- i. Causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another, in violation of Section 201-2(4)(iii) of the Consumer Protection Law;
- ii. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have, in violation of Section 201-2(4)(v) of the Consumer Protection Law; and
- iii. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, in violation of Section 201-2(4)(xxi) of the Consumer Protection Law.

73 P.S. § 201-2(4)(iii), (v) and (xxi).

C. Permanently enjoining Defendants, and their agents, employees and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and any amendments thereto;

D. Directing Defendants to pay restitution pursuant to Section 201-4.1 for any consumers who may have been harmed by Defendants' acts and practices as alleged herein;

E. Directing Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000) for each and every violation of the Consumer Protection Law;

F. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and



G. Granting such other general, equitable and/or further relief as this Court deems just and proper.

**COUNT II – VIOLATIONS OF THE CONSUMER PROTECTION LAW**

**GRUBHUB’S WEB PRESENCE IS LIKELY TO CAUSE  
CONFUSION OR MISUNDERSTANDING AMONG CONSUMERS**

59. The preceding paragraphs are incorporated herein as though the same were fully set forth herein.

60. Grubhub’s use of Routing Telephone Numbers, Microsites, undisclosed partnerships, and inclusion of Place & Pay restaurants on the Grubhub Platform have a likelihood to confuse and mislead consumers. By obscuring Grubhub’s control of the Routing Telephone Numbers, websites, and information on third-party websites, Grubhub is misrepresenting its identity to consumers. By adding Place and Pay Restaurants to its platform, accepting consumer orders for those restaurants, and placing the orders with the Place and Pay Restaurants and arranging delivery, without disclosing to consumers that Grubhub does not have an agreement with those restaurants, Grubhub causes a likelihood of confusion or misunderstanding to Pennsylvania Consumers. Further, Grubhub’s Lowest Price Guarantee has a likelihood to confuse and cause misunderstanding due to the limitations applied by Grubhub to what may prices are applicable to be compared to the Gubhub prices.

61. Grubhub’s misrepresentation undermines a consumer’s power to compare prices and vendors, and carries the misleading impression that the restaurant has chosen Grubhub as its preferred online ordering platform. Routing Telephone Numbers that appear next to a restaurant’s name, address, and menu, mislead consumers into believing that the phone number belongs to the restaurant. Websites that appear to belong to the restaurant have a likelihood to

mislead consumers by appearing to present Grubhub as the only or preferred ordering platform, and charging Grubhub's higher prices.

62. Consumers who place orders with Place & Pay Restaurants on the Grubhub platform are harmed by Grubhub's misrepresentation. By adding the restaurant to the Grubhub Platform, accepting customer orders, and arranging delivery, Grubhub is creating the incorrect impression to consumers that the restaurant's information (including menu items, pricing, and hours) is correct, that food is prepared and packed for delivery, and that the restaurant has consented to be listed on the Grubhub platform.

63. The aforementioned methods, acts and practices constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4) of said Law, including, but not limited to, the following:

- (a) Section 201-2(4)(iii), which prohibits causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another
- (b) Section 201-2(4)(v), which prohibits representing that goods or services have sponsorship, approval, characteristics, benefits, uses or quantities that they do not have or that a person has sponsorship, approval, status, affiliation, or connection that he does not have; and
- (c) Section 201-2(4)(xxi), which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(iii), (v), and (xxi).

64. At all times relevant and material hereto, the unlawful methods, acts and practices complained of have been willfully used by Grubhub.

65. The Commonwealth believes the public interest is served by seeking before this Honorable Court a permanent injunction to restrain the operations, methods, acts, and practices of the Defendants as hereinafter set forth, as well as seeking civil penalties for violations of the law and other equitable relief.

**WHEREFORE**, the Commonwealth respectfully requests that this Honorable Court order the following relief:

A. Declaring the conduct of Defendants as described in the Complaint to be in violation of the Consumer Protection Law;

B. Permanently enjoining Defendants and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and any amendments thereto, including, but not limited to, the following:

- i. Causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another, in violation of Section 201-2(4)(iii) of the Consumer Protection Law;
- ii. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have, in violation of Section 201-2(4)(v) of the Consumer Protection Law; and
- iii. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, in violation of Section

201-2(4)(xxi) of the Consumer Protection Law.

73 P.S. § 201-2(4)(iii), (v) and (xxi).

C. Permanently enjoining Defendants, and their agents, employees and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and any amendments thereto;

D. Directing Defendants to pay restitution pursuant to Section 201-4.1 for any consumers who may have been harmed by Defendants' acts and practices as alleged herein;

E. Directing Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000) for each and every violation of the Consumer Protection Law;

F. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

G. Granting such other general, equitable and/or further relief as this Court deems just and proper.

Respectfully Submitted,

COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO  
*Attorney General*

Date: 11/18/2022

By: /s/ Sarah A. E. Frasch

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**IN THE COURT OF COMMON PLEAS OF  
PHILADELPHIA COUNTY, PENNSYLVANIA  
FIRST JUDICIAL DISTRICT  
CIVIL ACTION- EQUITY**

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<b>COMMONWEALTH OF PENNSYLVANIA</b>	:	
<b>BY Attorney General JOSH SHAPIRO</b>	:	
	:	
<b>Plaintiff,</b>	:	_____ Term, 2022
	:	
<b>v.</b>	:	<b>Case No.</b> _____
	:	
<b>GRUBHUB HOLDINGS INC. and GRUBHUB INC.</b>	:	
	:	
<b>Defendants.</b>	:	
	:	

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**VERIFICATION**

I, Jessica Nelson, hereby state, hereby state that I am a Senior Civil Investigator with the Pennsylvania Office of Attorney General, Bureau of Consumer Protection and am authorized to make this verification on behalf of the Commonwealth in the within action. I hereby verify that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge, or information and belief. I understand that the statements contained herein are subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

DATE: 11/17/2022

By: *Jessica A Nelson*

Jessica Nelson  
Senior Civil Investigator