

1 ANTHONY J. ORSHANSKY, Cal. Bar No. 199364  
anthony@counselonegroup.com  
2 ALEXANDRIA KACHADOORIAN, Cal. Bar No. 240601  
alexandria@counselonegroup.com  
3 JUSTIN KACHADOORIAN, Cal. Bar No. 260356  
justin@counselonegroup.com  
4 COUNSELONE, P.C.  
9465 Wilshire Boulevard, Suite 300  
5 Beverly Hills, California 90212  
Telephone: (310) 277-9945  
6 Facsimile: (424) 277-3727

7 Attorneys for Plaintiff LAWRENCE KLEIN

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF SAN DIEGO  
10  
11

12 LAWRENCE KLEIN,  
13 Plaintiff,  
14 v.  
15 MICROSOFT CORPORATION,  
and DOES 1 to 50, inclusive,  
16 Defendants.

Case No.  
COMPLAINT FOR PUBLIC INJUNCTIVE  
RELIEF:  
(1) Violation of California Business &  
Professions Code section 17200, *et*  
*seq.* (Unfair Competition Law) – Public  
Injunctive Relief Only  
(2) Violation of California Business &  
Professions Code section 17500, *et*  
*seq.* (False Advertising Law) – Public  
Injunctive Relief Only  
(3) Violation of California’s Consumers Legal  
Remedies Act, California Civil Code  
section 1750, *et seq.*—Public Injunctive  
Relief Only  
(4) Declaratory and Injunctive Relief –Public  
Injunctive Relief Only

1 Plaintiff LAWRENCE KLEIN (hereinafter, “Plaintiff”) complains of Defendant  
2 MICROSOFT CORPORATION (“Defendant” or “Microsoft”), and Does 1 to 50, inclusive, as  
3 follows:

4 **NATURE OF ACTION**

5 1. Plaintiff brings this action against Defendant Microsoft Corporation (“Microsoft”)  
6 seeking public injunctive relief under California’s Unfair Competition Law (“UCL”), Business &  
7 Professions Code § 17200, *et seq.*; the California Consumer Legal Remedies Act (“CLRA”), Civil  
8 Code § 1750, *et seq.*; and the False Advertising Law (“FAL”), Business & Professions Code §  
9 17500, *et seq.*

10 2. Less than a year ago Microsoft announced that it would cease providing support for  
11 Windows 10 devices as of October 14, 2025. Microsoft made this decision even though Windows  
12 10 users represented more than half of the Windows operating system (OS) market share and a  
13 substantial number of devices in use today—estimated at around 240 million devices—lack the  
14 hardware specifications to upgrade to Windows 11. These consumers and businesses must now buy  
15 new devices capable of running Windows 11 or pay unanticipated sums for extended support of  
16 Windows 10, which is priced at \$30 per year for individuals and \$61 per device for businesses in  
17 the first year, increasing to \$244 by the third year. Neither Microsoft nor its original equipment  
18 manufacturers (OEMs) disclosed to customers the potential additional costs or the consequences of  
19 Microsoft’s decision to end support for all operating system versions compatible with the device.”

20 3. Microsoft’s decision to discontinue support for Windows 10 while most of its  
21 consumer base was still using it was part of the company’s larger strategy to force its customers to  
22 purchase new devices optimized to run Microsoft’s suite of generative artificial intelligence (AI)  
23 software such as Copilot, which comes bundled with Windows 11 by default. To run optimally,  
24 Microsoft’s AI must offload work from the cloud locally to neural processing units (NPU) installed  
25 in newer devices. Windows 10 devices generally lack NPUs. Microsoft’s stratagem was to use its  
26 dominant position in the OS market to achieve a dominant position in the market for generative AI.  
27 It did this by forcing customers to purchase new devices (or face financial repercussions if they did  
28 not) and running Windows 11, thereby ensuring a large user base that would access this product by

1 default. This conduct had the inevitable effect of decreasing trade in generative AI products of  
2 Microsoft's competitors, increasing the barriers to entry in the generative AI market, and dampening  
3 innovation and consumer choice.

4 4. Sadly, this tactic in Microsoft's attempt to monopolize the generative AI market has  
5 wide-reaching consequences beyond the race to achieve market dominance. With only three months  
6 until support ends for Windows 10, it is likely that many millions of users will not buy new devices  
7 or pay for extended support. These users—some of whom are businesses storing sensitive consumer  
8 data—will be at a heightened risk of a cyberattack or other data security incident, a reality of which  
9 Microsoft is well aware. In other words, Microsoft's long-term business strategy to secure market  
10 dominance will have the effect of jeopardizing data security not only of Microsoft's customers but  
11 also of persons who may not use Microsoft's products at all.

12 5. To remedy this state of affairs, Plaintiff seeks injunctive relief requiring Microsoft to  
13 continue providing support for Windows 10 without additional fees or conditions until the number  
14 of devices running the operating system falls below a reasonable threshold, thereby ensuring that  
15 consumers and businesses are not unfairly pressured into unnecessary expenditures and  
16 cybersecurity risks, and requiring Microsoft to provide clear disclosures to consumers purchasing a  
17 Windows OS license, whether directly through Microsoft or through OEMs when customers  
18 purchase their devices, clearly disclosing the length of support for Windows compatibility with such  
19 devices and the consequences of Microsoft's decisions to cease providing support.

20 **PARTIES**

21 6. Defendant Microsoft Corporation is a multinational technology company that operates  
22 in California.

23 7. At all times mentioned herein Plaintiff was and is a resident of the State of California.

24 8. The true names and capacities, whether individual, corporate, associate, or whatever  
25 else, of the defendants sued herein as Does 1 to 50, inclusive, are currently unknown to Plaintiff,  
26 who therefore sues these defendants by such fictitious names under Code of Civil Procedure § 474.  
27 Plaintiff is informed and believes and thereon alleges that each of the defendants designated herein  
28 as Does is legally responsible in some manner for the unlawful acts referred to herein. Plaintiff will

1 seek leave to amend this Complaint to reflect the true names and capacities of the defendants  
2 designated herein as Does when their identities become known.

3 9. Plaintiff is informed and believes and thereon alleges that each defendant acted in all  
4 respects pertinent to this action as the employee, agent, partner, alter-ego, and/or joint venturer of  
5 the other defendants; that defendants carried out a joint scheme, business plan, or policy in all  
6 respects pertinent hereto; and that the acts of each defendant are legally attributable to the other  
7 defendants.

8 10. Venue is proper in this judicial district pursuant to Code of Civil Procedure § 395.5  
9 because the obligations giving rise to liability occurred in the County of San Diego, State of  
10 California.

11 **FACTUAL ALLEGATIONS**

12 11. Microsoft is a software manufacturer and creator of the Windows operating system  
13 (OS), which it develops and distributes worldwide, including in California.

14 12. Windows is the most used operating system for desktops and laptops, holding about  
15 71% of the market share.

16 13. Windows comes pre-installed on many laptops, desktops, and tablets from  
17 manufacturers like Dell, HP, Lenovo, and ASUS. These companies license the Windows operating  
18 system from Microsoft under Original Equipment Manufacturer (OEM) agreements, ensuring users  
19 have a fully functional OS upon purchase.

20 ***Microsoft's Premature End of Windows 10 Support***

21 14. Windows 10 is the ninth major iteration of the Windows operating system, following  
22 Windows 8.1.

23 15. Windows 10 remains widely used, with estimates indicating that as of April 2025,  
24 approximately 52.94% of desktop Windows users still rely on Windows 10.

25 16. Late last year Microsoft announced that Windows 10 support will officially end on  
26 October 14, 2025. Just this year, as recently as April 2025, Microsoft provided the following notice  
27 to consumers booting up their devices:  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



## Outdated PCs put your business at risk

Thank you for using Windows 10. Now is the time to move to a new Windows 11 Pro PC for up-to-date protection against security threats. Your Windows 10 PC cannot be upgraded to Windows 11 and will no longer receive feature and security updates after October 14, 2025.

Click the link below to learn more about Windows 10 end of support.



**Image 1:** Notice of forced obsolescence presented to Windows users upon boot up in April 2025. Users with older devices that cannot upgrade to Windows 11 have reported seeing advertisements like the one above when booting.

17. After October 14, 2025, the operating system will no longer receive security updates, technical assistance, or software patches.

18. Although Microsoft is encouraging consumers to upgrade to Windows 11, many devices currently running Windows 10 lack the hardware requirements to make the transition such as Intel 8th Gen Coffee Lake or Zen 2 CPUs and up, TPM 2.0 (Trusted Platform Module) support, 4GB of RAM, and 64GB of storage. This is a departure from the hardware requirements for previous versions of Windows.<sup>1</sup>

19. Many individuals and businesses purchased or built devices with the expectation that they would be able to upgrade to a newer Windows operating system without purchasing new

---

<sup>1</sup> Tom Warren, "Windows 11 will leave millions of PCs behind, and Microsoft is struggling to explain why," *Verge*, Jun. 29, 2021, available at <https://www.theverge.com/2021/6/29/22555371/microsoft-windows-11-cpu-support-hardware-requirements-tpm-response>

1 hardware. In fact, unbeknownst to them, Microsoft was already making plans to update to Windows  
2 11 while devices that continued to run Windows 10 and that were incapable of the upgrade were  
3 being sold.

4 20. In a bid to induce customers to upgrade their devices, Microsoft actively blocked  
5 Windows 10 PCs released before late 2017 from receiving the Windows 11 update, forcing users to  
6 buy new laptops or desktops if they want the newest Microsoft OS.<sup>2</sup> Microsoft has actively sought  
7 to prevent workarounds to move ineligible hardware to Windows 11.

8 21. Microsoft itself has warned that approximately 240 million devices will be affected  
9 by the end of Windows 10 support, many of which cannot be upgraded to Windows 11. The  
10 worldwide numbers may be much larger.

11 22. At this writing close to half of Windows users are still running Windows 10. This  
12 number includes enterprise users that hold customer data. In fact, only 41 percent of endpoints in  
13 healthcare are running Windows 11 and 19 percent of endpoints will need to be replaced entirely.<sup>3</sup>

14 23. The decision to force hardware upgrades will have the effect of “bricking” millions  
15 of devices, creating substantial electronic waste (e-waste) that can have profound environmental  
16 consequences, as these discarded devices can release hazardous materials like lead, mercury, and  
17 cadmium into the environment.<sup>4</sup> “The end result will be an estimated 240 million PCs becoming e-  
18 waste, which is around a fifth of all Windows 10 devices. ... If these were all folded laptops, stacked  
19 one on top of another, they would make a pile 600km taller than the moon.”<sup>5</sup>

20 24. In its announcements about the end of support for Windows 10, Microsoft does not  
21 inform customers about options other than discarding their Windows 10 devices—like switching  
22 operating systems entirely.

---

23 <sup>2</sup> Michael Kan, “More PCs Can Upgrade to Windows 11 After Microsoft Drops ‘Compatibility Hold,’” *PC Magazine*,  
24 Apr. 15, 2024, available at <https://www.pcmag.com/news/more-pcs-can-upgrade-to-windows-11-after-microsoft-drops-compatibility>

25 <sup>3</sup> Richard Speed, “Critics blast Microsoft’s limited reprieve for those stuck on Windows 10,” *The Register*, Jul. 1, 2025,  
available at [https://www.theregister.com/AMP/2025/07/01/windows\\_10\\_updates\\_criticism/](https://www.theregister.com/AMP/2025/07/01/windows_10_updates_criticism/)

26 <sup>4</sup> “Electronic Waste (E-Waste),” World Health Organization, Oct. 1, 2024, available at <https://www.who.int/news-room/fact-sheets/detail/electronic-waste-%28e-waste%29;>

27 <sup>5</sup> Darren Allen, “Windows 10 support ending could be an environmental disaster that puts 240 million PCs on the  
28 scrapheap,” *TechRadar*, Dec. 21, 2023, available at <https://www.techradar.com/computing/windows/windows-10-support-ending-could-be-an-environmental-disaster-that-puts-240-million-pcs-on-the-scrapheap> (internal quotation marks omitted).



1 32. Moreover, estimates suggest that around 240 million Windows 10 devices may be  
2 incompatible with Windows 11, thus requiring a hardware upgrade or exposing users and others to  
3 risk.<sup>7</sup> The number of incompatible devices worldwide is even larger, closer to 500 million.<sup>8</sup>

4 33. Windows 11 is wildly unpopular, and absent the forced obsolescence, many Windows  
5 users simply would not upgrade to Windows 11. Windows 11 does not present many enticing  
6 features that warrant an upgrade, and consumers do not find the new interface appealing.<sup>9</sup> Microsoft  
7 has been unwilling to take consumer preference into account when designing or updating Windows  
8 11 because as the dominant firm in the OS market it does not have to.

9 34. “Microsoft and its hardware partners are facing a similar problem with AI PCs. For  
10 many users, there remains no application that demands the new hardware. Hence, they are unlikely  
11 to upgrade before the next hardware refresh, regardless of how loudly the company promotes  
12 Copilot.”<sup>10</sup>

13 35. This sluggish demand for Windows 11 presents a unique challenge to Microsoft in  
14 the race to corner the AI market. Without the forced obsolescence of Windows 10 many users  
15 simply would not use Microsoft’s native AI software and would turn to Microsoft’s competitors for  
16 alternative options.

17 36. Microsoft, either directly or through OEMs, did not provide adequate disclosures  
18 about the end of support for Windows 10. In fact, Microsoft did not announce firm end-of-support  
19 date until the end of 2024. Neither the end-of-support date nor the consequences of ending support  
20 for Windows 10 (e.g., the forced upgrade to new devices) were disclosed to consumers when they  
21 downloaded or updated their OS.

### 22 ***Cybersecurity Risks and Economic Harm***

23 37. Once Microsoft ends support for Windows 10, the OS will no longer receive security  
24 patches, bug fixes, or technical support. Microsoft knows this: “If your OS isn’t getting patched,

---

25 <sup>7</sup> Zak Doffman, “Microsoft Warns 240 Million Windows Users—Stop Using Your PC,” *Forbes*, Apr. 5, 2025,  
26 available at <https://www.forbes.com/sites/zakdoffman/2025/04/05/microsoft-warns-240-million-windows-users-stop-using-your-pc/>

27 <sup>8</sup> Ed Bott, “Microsoft still has a massive Windows 10 problem - and there’s no easy way out,” ZDNet, available at  
<https://www.zdnet.com/article/microsoft-still-has-a-massive-windows-10-problem-and-theres-no-easy-way-out/>

28 <sup>9</sup> Richard Speed, “Windows 11 poised to beat 10, mostly because it has to,” *The Register*, Apr. 4, 2025, available at  
[https://www.theregister.com/2025/04/04/windows\\_11\\_market\\_share/](https://www.theregister.com/2025/04/04/windows_11_market_share/)

<sup>10</sup> *Ibid.*

1 it's particularly susceptible to these attacks. This could lead to data breaches, identity theft, and  
2 other serious consequences. Not fun.”<sup>11</sup>

3 38. Unsupported systems are prime targets for cyberattacks, as hackers exploit  
4 unpatched vulnerabilities. Even a single hacker can exploit weakness and access sensitive data.<sup>12</sup>  
5 Just a few weeks ago, Microsoft experienced a hack affecting about 100 organizations—including  
6 the Department of Homeland Security headquarters, several of its component agencies and the  
7 Department of Health and Human Services.<sup>13</sup>

8 39. Businesses relying on Windows 10 may face compliance issues with security  
9 regulations such as HIPAA, PCI-DSS, and GDPR, exposing consumers to financial fraud, identity  
10 theft, and data breaches.

11 40. Even individuals who do not use Windows or own a computer are at risk of having  
12 their personal data compromised, as businesses that store customer information on Windows 10  
13 systems will be increasingly vulnerable to cyberattacks.

14 41. Cybersecurity incidents cost the U.S. economy between \$57 billion and \$109 billion  
15 annually, and the premature discontinuation of Windows 10 support will likely exacerbate these  
16 financial losses.<sup>14</sup>

17 ***Microsoft's Incentives for Ending Support for Windows 10 –***  
18 ***and the Costs to Consumers and Competition***

19 42. Recognizing that many individuals and businesses may be unable to transition to  
20 Windows 11 devices before October 2025, Microsoft has announced that it will offer extended  
21 support for \$30 per year for individuals and \$61 per device for businesses in the first year, increasing

---

22 <sup>11</sup> Microsoft, “Upgrade to Windows 11 to help keep your PC secure,” Mar. 19, 2025, available at  
23 <https://www.microsoft.com/en-us/windows/learning-center/upgrade-to-keep-your-pc-secure>

24 <sup>12</sup> James Pearson and Raphael Satter, “Microsoft server hack hit about 100 organizations, researchers say,” *Reuters*,  
25 Jul. 21, 2025, available at [https://www.reuters.com/sustainability/boards-policy-regulation/microsoft-server-hack-hit-](https://www.reuters.com/sustainability/boards-policy-regulation/microsoft-server-hack-hit-about-100-organizations-researchers-say-2025-07-21/)  
26 [about-100-organizations-researchers-say-2025-07-21/](https://www.reuters.com/sustainability/boards-policy-regulation/microsoft-server-hack-hit-about-100-organizations-researchers-say-2025-07-21/) (noting that the breach may have been the work of a single  
27 hacker).

28 <sup>13</sup> Margaret Brennan, *et al.*, “DHS and HHS among federal agencies hacked in Microsoft Sharepoint breach,” *CBS*  
29 *News*, Jul. 24, 2025, available at <https://www.cbsnews.com/news/microsoft-sharepoint-breach-dhs-hhs/>

30 <sup>14</sup> “The Cost of Malicious Activity to the U.S. Economy,” The Council of Economic Advisors, Feb. 2018, p. 1,  
31 available at <https://trumpwhitehouse.archives.gov/articles/cea-report-cost-malicious-cyber-activity-u-s-economy/>

1 to \$244 by the third year.<sup>15</sup> In addition, this paid support provides only security updates, not new  
2 features or bug fixes.

3 43. Thus, Microsoft has put individuals and businesses in the position of choosing  
4 whether to expend more money on new devices or spend additional sum propping up their  
5 obsolescent devices.

6 44. The costs to businesses resulting from the termination of support for Windows 10  
7 extend well beyond hardware replacement, which alone may be substantial. Numerous business-  
8 critical systems—including point-of-sale (POS) terminals and computer numerical control (CNC)  
9 machines—operate on custom software developed specifically for the Windows 10 operating  
10 environment. Businesses routinely invest significant sums, often in the millions of dollars, to  
11 procure and maintain such bespoke software. Once support for Windows 10 ceases, these programs  
12 may no longer function reliably or securely, particularly where they depend on Windows 10-specific  
13 drivers, libraries, or APIs. In such cases, businesses may be compelled to commission new software  
14 or replace existing hardware that cannot accommodate updated operating systems. These transitions  
15 may impose considerable costs, including expenditures for new devices, software development,  
16 systems integration, and personnel training, as well as losses associated with operational downtime.  
17 Businesses that are unwilling or unable to undertake such upgrades may opt to continue using  
18 unsupported Windows 10 systems, thereby exposing themselves to heightened cybersecurity risks,  
19 including data breaches, ransomware attacks, and other forms of system compromise.

20 45. Microsoft also stands to financially benefit from ending support for Windows 10.  
21 Microsoft sells its own Surface devices, which run Windows and generate hardware revenue. In  
22 fact, the image of blue wavy lines that it presented on the laptop next to the notice of forced  
23 obsolescence in Image 1 above is the official Windows 11 interface logo,<sup>16</sup> thus essentially  
24 functioning as an advertisement for users to upgrade their machines.

---

25 <sup>15</sup> Last month, in response to the continued lackluster Windows 11 uptake, Microsoft has stated that it will provide  
26 security updates to users who agree to use Windows Backup, which backs up settings to Microsoft’s cloud platform  
27 OneDrive. The idea is to make customers’ transition to a Windows 11 PC easier once it actually occurs. In this way, it  
28 is yet another advertisement for Windows 11 PCs and an attempt to further entrench consumers into the Windows  
ecosystem. The enrollment notification states, “Back up your PC Settings. Save your settings, apps, and credentials so  
you can move to your new Windows 11 PC.” Moreover, users only get about 5 GB of OneDrive storage and must pay  
for additional storage.

<sup>16</sup> <https://news.microsoft.com/june-24-2021/>

1           46. Microsoft enters into contracts with major computer manufacturers such as Dell, HP,  
2 Lenovo, Asus, and Acer, which pre-install Windows on their devices as authorized Original  
3 Equipment Manufacturer (OEM) distributors. These OEM agreements generate substantial revenue  
4 for Microsoft. While exact financial details are not publicly disclosed, Microsoft’s Windows  
5 segment generated approximately \$25 billion in revenue in 2022, with a significant portion coming  
6 from OEM sales.<sup>17</sup>

7           47. By phasing out Windows 10 prematurely, Microsoft incentivizes consumers and  
8 businesses to purchase new devices, either directly from Microsoft or through OEM partners, further  
9 boosting its revenue.

10           48. Moreover, Microsoft has invested billions of dollars developing its AI software,  
11 Copilot, including to obtain exclusive access to OpenAI’s GPT-3 language model.

12           49. Microsoft’s Azure was the exclusive cloud provider for OpenAI workloads. Hence,  
13 Microsoft controlled the compute layer powering its models. That meant any developer, enterprise,  
14 or consumer using OpenAI’s API was ultimately routed through Azure infrastructure.

15           50. By locking OpenAI’s workloads to Azure, Microsoft effectively denied rival cloud  
16 providers (like AWS or Google Cloud) access to the most commercially valuable AI models.  
17 Microsoft could bundle OpenAI-powered features into Windows and Office at no marginal cost,  
18 while rivals had to pay for API access and cloud hosting. This allowed Microsoft to subsidize AI  
19 features, undercut competitors, and reinforce its ecosystem dominance.

20           51. Microsoft also partnered with major hardware manufacturers like Acer, ASUS, Dell,  
21 HP, Lenovo, and Samsung to develop Copilot+PCs. These agreements ensured that the new AI-  
22 powered devices met Microsoft’s specifications, including Neural Processing Units (NPUs) for  
23 enhanced AI performance. For Copilot to operate optimally, users’ devices must be upgraded to  
24 Windows 11 hardware requirements.

25           52. As a result Microsoft has a stake in the success of this hardware, the sale of which  
26 not only generates direct profits through OEM agreements but also ensures a consumer base for its  
27 AI software. This is an important component in the nascent AI market. The generative AI market

---

28 <sup>17</sup> Kamil Franek, “Microsoft Revenue Breakdown by Product, Segment and Country,” available at  
<https://www.kamilfrank.com/microsoft-revenue-breakdown/>

1 benefits from strong network effects: as more people use a platform, its value grows and attracts  
2 even more users. Developers add specialized applications via APIs, making the platform  
3 increasingly useful. User interactions further train generative AI systems, resulting in continuous  
4 improvement and user growth.

5           53. In addition to the costs associated with acquiring, programming, and operating  
6 generative AI hardware and training models, often requiring personnel from a limited talent pool,  
7 there are also barriers to entry for new participants in the market. By forcing its customers to switch  
8 to Windows 11 with its built-in AI software, Microsoft is gaining access to a massive userbase—  
9 approximately 1.6 billion devices worldwide<sup>18</sup>—and diminishing the incentive for these customers  
10 to switch to competing AI software, especially where such alternatives come at a cost.

11           54. Further, discontinuing support for Windows 10 coupled with the unprecedented  
12 obsolescence of Windows 10 devices ensures consumers will be able to use Microsoft’s full-fledged  
13 Copilot functionality, and Microsoft has a captive audience for this product because it is integrated  
14 into Windows 11 and immediately accessible to users running the new OS.

15           55. Microsoft actively promotes Copilot to Windows 11 users. Copilot is integrated into  
16 Windows 11. Microsoft has also placed Copilot branding within Windows 11 settings, such as in  
17 the taskbar and system menus. By default, Copilot appears on the task bar in Windows 11. Some  
18 users have noted that Copilot Pro ads appear in Windows 11 Settings, though there is not currently  
19 an option to remove them. Further, advertisements for Copilot pop up from the task bar, sometimes  
20 at inopportune times, and Microsoft actively promotes its AI features in apps like Word.

21           56. By embedding Copilot into Windows, Microsoft ensures that millions of users  
22 encounter its AI assistant by default, reducing friction in adoption compared to third-party AI tools  
23 that require separate downloads or subscriptions. The competitive implications are significant.  
24 Consumers do not need to seek out or install Copilot because it is already integrated into the OS.  
25 Microsoft can also actively promote Copilot within Windows 11 settings, making it a central AI  
26 experience. Further, Copilot+PCs leverage Neural Processing Units (NPUs) to enhance AI  
27 performance, further differentiating Microsoft’s offering from competitors.

28 <sup>18</sup> “Microsoft Windows Statistics and Facts (2025),” *Sci-Tech Today*, <https://www.sci-tech-today.com/stats/microsoft-windows-statistics/>

1           57. In contrast, other AI companies, like OpenAI (ChatGPT), Google (Gemini), and  
2 Anthropic (Claude), rely on web-based or app-based distribution, meaning they must convince users  
3 to opt in rather than being the default AI assistant.

4           58. All this puts Microsoft at a competitive advantage in the AI market against  
5 competitors without a captive audience. Microsoft is abusing its near monopoly in the operating  
6 system market to force consumers to purchase new devices so that it can secure a dominant position  
7 in the AI sector.

8           59. The strategy appears to be working. As of the end of 2023, OpenAI and Microsoft  
9 together controlled about 69% of the global generative AI market, while the next largest competitor  
10 (Amazon Web Services) held only 8%.<sup>19</sup>

11           60. The closer we get to the end of support for Windows 10, the more transparent  
12 Microsoft has become about using the occasion to foist AI-optimized PCs on customers. In one  
13 advertisement appearing via full-screen pop-up in June 2025, Microsoft states, “With support for  
14 Windows 10 ending on October 14, 2025, rest assured we have you covered. ... Level up to the new  
15 Copilot+PCs.”<sup>20</sup>

---

19 <sup>19</sup> Joaquin Fernandez, “The Leading Generative AI Companies,” IOT Analytics, Mar. 4, 2025, available at [https://iot-](https://iot-analytics.com/leading-generative-ai-companies/)  
20 [analytics.com/leading-generative-ai-companies/](https://iot-analytics.com/leading-generative-ai-companies/)

21 <sup>20</sup> Mayank Parmar, “As Windows 10 end of support looms, Microsoft says Windows 11 AI is all you need,” *Windows*  
22 *Latest*, Jun. 21, 2025, available at [https://www.windowslatest.com/2025/06/21/as-windows-10-end-of-support-looms-](https://www.windowslatest.com/2025/06/21/as-windows-10-end-of-support-looms-microsoft-says-windows-11-ai-is-all-you-need/)  
23 [microsoft-says-windows-11-ai-is-all-you-need/](https://www.windowslatest.com/2025/06/21/as-windows-10-end-of-support-looms-microsoft-says-windows-11-ai-is-all-you-need/)

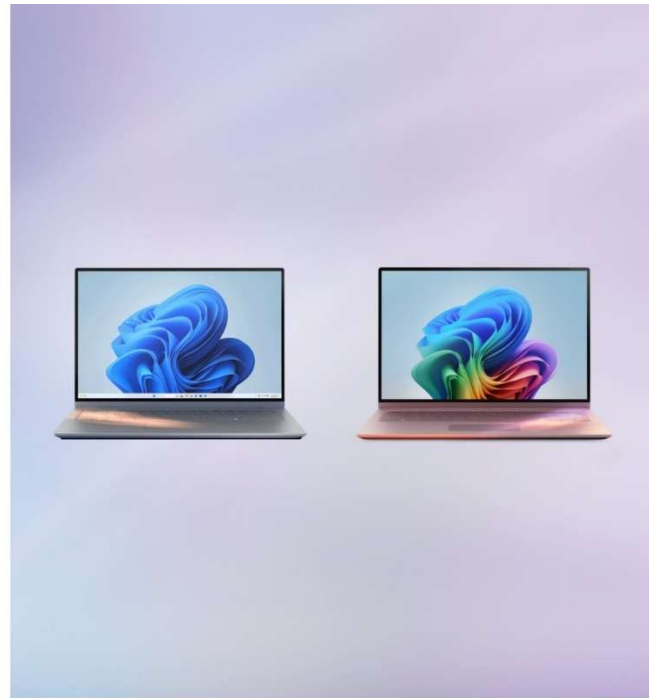
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



## Do more with a new Windows 11 PC

With support for Windows 10 ending on October 14, 2025, rest assured we have you covered. Windows 11 makes it easy to move your favorite files and apps over. Continue to experience everything you already know and love with battery life that lasts, faster web browsing, and enhanced security.

Want the ultimate Windows 11 experience? Level up to the new Copilot+ PCs - the fastest, most intelligent Windows PCs ever.



**Image 2:** Pop-up advertisement appearing on Windows 10 devices in or around June 2025.

61. Microsoft’s OEMs have also picked up this theme. For example, Asus recently issued an advertisement claiming that Copilot is the future of Windows and recommending that users should retire their Windows 10 devices in favor of Copilot+PCs. After informing readers about the looming end-of-support for Windows 10, Asus continues, “But here’s where it gets even better: with Copilot+PCs, Windows 11 takes the AI experience to a whole new level. These devices are equipped with an NPU—a dedicated AI processor, specifically designed to handle AI tasks locally, making your experience smoother, faster, and more secure.”<sup>21</sup>

62. Riding the wave of consumer demand that Microsoft created by bricking Windows 10 devices, especially in the AI market,<sup>22</sup> Microsoft’s market position has catapulted, reaching a record high stock price of \$490.11 (as of June 24, 2025). With a market capitalization of \$3.896 trillion, it is one of the world’s most valuable companies.

<sup>21</sup> Darren Allen, “Can’t upgrade your laptop to Windows 11? Asus joins Microsoft’s campaign urging you to buy a new Copilot+PC, and I’m not sure that’s wise,” *Tech Radar*, Jun. 2, 2025, available at <https://www.techradar.com/computing/windows/cant-upgrade-your-laptop-to-windows-11-asus-joins-microsofts-campaign-urging-you-to-buy-a-new-copilot-pc-and-im-not-sure-thats-wise>

<sup>22</sup> Patrick Seitz, “Microsoft Stock Carves Record High on Agentic AI Leadership,” *Investor’s Business Daily*, Jun. 24, 2025, available at <https://www.investors.com/news/technology/microsoft-stock-record-high-agentic-ai/>



1 older but still functioning devices obsolete and requiring many consumers to incur the cost of  
2 purchasing new devices, which benefits Microsoft. Worse, Microsoft recognizes that many users  
3 will be unable to upgrade before the end-of-support date in October 2025 and plans on continuing  
4 security updates but only to users who pay a fee, where it could simply continue providing such  
5 updates to all affected users. Further, as alleged, Microsoft's end-of-support for Windows 10 is  
6 occurring considerably sooner than previous OS phase-outs, which deprives consumers of the value  
7 of the devices they purchased based on the expectation that support would continue or devices could  
8 be updated to a newer version of Windows. Microsoft's business practice is also unfair because  
9 Microsoft neither directly nor through distributors clearly discloses to customers at the point of  
10 purchase or during software updates the length of time a particular iteration of its operating system  
11 will be operational before end-of-support, nor does it disclose the consequences of such end-of-  
12 support on consumers' ability to use devices that may not be capable of upgrading to a new version  
13 of Windows, such as security vulnerabilities and loss of access to critical functionalities.  
14 Microsoft's conduct is also unfair because it violates the spirit if not the letter of state and federal  
15 antitrust laws, as discussed hereinbelow.

16         70. The gravity of the harm to the public caused by these unfair acts and practices far  
17 outweighs any justifications or motives offered by Microsoft. By sunseting software without  
18 adequate safeguards or transparency, Microsoft forces consumers into unnecessary expenditures  
19 while exposing them to foreseeable security risks. Microsoft's decision to end support for Windows  
20 10 affects not only Microsoft users, but also anyone whose data may be stored on a device running  
21 Windows 10. It is a virtual certainty that some users will continue to use Windows 10 devices past  
22 the end-of-support date without purchasing additional security updates—a fact that Microsoft is well  
23 aware of—thus exposing themselves and others to harm. Microsoft's decision to brick hundreds of  
24 millions of devices will also have profound environmental consequences, as alleged hereinabove.  
25 Microsoft's anticompetitive conduct will also have the effect of restraining trade, increasing the  
26 barriers to entry in the market for generative AI, and ultimately dampen innovation and consumer  
27 choice.

28 ///

1           71. A business act or practice is “fraudulent” under the UCL if it is likely to deceive members  
2 of the consuming public.

3           72. Microsoft’s conduct is deceptive, as consumers purchase and rely on Microsoft’s  
4 software expecting sustained support and functionality, only to discover that planned obsolescence  
5 undermines reliability and longevity. Defendant’s representations of security and usability fail to  
6 disclose material risks associated with forced upgrades, nor does Microsoft inform consumers at the  
7 point of purchase or when Windows updates about such planned obsolescence, when it will occur,  
8 or describe what it entails, and specifically that consumers’ devices may be incapable of upgrading  
9 to a new version of Windows and will have to be replaced at the consumers’ expense.

10           73. An unlawful business practice under the UCL is one that violates any other law while  
11 being a business practice.

12           74. Microsoft’s conduct is unlawful under the Consumer Legal Remedies Act (“CLRA”),  
13 Cal. Civ. Code § 1750, *et seq.*, and the False Advertising Law (“FAL”), Cal. Bus. & Prof. Code §  
14 17500, *et seq.*, as alleged herein.

15           75. Microsoft’s actions also violate the Cartwright Act (Business and Professions Code §  
16 16720), Sherman Act (15 U.S.C. §§ 1, 2), and Clayton Act (15 U.S.C. § 14) by using market power  
17 in one area to unlawfully require buyers to purchase products or services in another market.

18           76. Here, Microsoft indisputably has market power in the market for operating systems and  
19 it is leveraging that power to force consumers to retire old but still functional devices in order to  
20 acquire new devices capable of optimally running Microsoft’s native AI software and obtain a  
21 competitive edge in the nascent AI sector.

22           77. Further, Microsoft entered into an arrangement with OpenAI, another dominant firm in  
23 the AI market, to develop and promote Microsoft’s generative AI capabilities and exclude  
24 competitors both from OpenAI’s language model and Microsoft’s Azure cloud-hosting, which  
25 deprived access to other firms to develop and sell successful AI products. Microsoft also entered  
26 into contracts with OEMs to include Windows 11 licenses in devices sold to consumers in which  
27 Microsoft’s generative AI was bundled.

28 ///

1           78. The purpose and effect of these business practices is to increase Microsoft’s share of the  
2 generative AI market, and ultimately to lessen competition in the AI market as a whole, as  
3 consumers will simply adopt Microsoft’s AI software, which comes bundled as part of Windows  
4 11, as a default rather than seeking out and spending additional money on AI software from  
5 Microsoft’s competitors. Other firms in the AI market simply do not have a captive audience to  
6 foist their AI software upon by default or the ability to advertise and promote that AI capability to  
7 a captive audience the way Microsoft can leverage its OS. As a result, fewer firms can afford to  
8 enter or remain in the market. In this way Microsoft’s conduct as alleged herein forecloses a  
9 substantial volume of commerce in the AI market. It is the expressed policy of the United States  
10 Government to prevent just this sort of concentration, specifically in the tech industry. *Exec. Order*  
11 *No. 14,036, 86 Fed. Reg. 36,987 (July 9, 2021)*.

12           79. Further, Microsoft’s exclusive licensing and integration of OpenAI’s advanced language  
13 models into its Azure cloud infrastructure effectively forecloses competition in the enterprise  
14 generative AI market. By conditioning access to these foundational AI technologies on the use of  
15 Microsoft’s cloud services, Microsoft has insulated Azure from competitive pressure and impaired  
16 the ability of rival platforms (such as Amazon Web Services (AWS) and Google Cloud Platform  
17 (GCP)) to offer comparable AI solutions. This strategic foreclosure reinforces Azure’s dominance,  
18 restrains trade, and constitutes exclusionary conduct in violation of federal antitrust laws.

19           80. The conduct alleged herein also constitutes attempted monopolization under 15 U.S.C.  
20 § 2. Microsoft’s EOS for Windows 10 is part of a scheme to monopolize the generative AI market.  
21 As alleged, by forcing consumers to retire old devices and acquire Windows 11 devices in which its  
22 bundled AI software runs optimally, Microsoft has thwarted consumer choice, forestalled  
23 competitors who lack its captive OS audience, and thereby stifled innovation and competition.

24           81. Microsoft engaged in this conduct to acquire monopoly in the AI sector, as evidenced  
25 by its unprecedented move to impose onerous hardware requirements for Windows 11 and blocking  
26 attempts by Windows 10 devices to download and run Windows 11 despite the fact that, at the time  
27 the decision to end support for Windows 10 was made, well over half of Windows users—literally  
28 hundreds of millions of devices worldwide—were still running Windows 10 and were incapable of

1 upgrading to Windows 11.

2 82. Microsoft’s intent to monopolize is also reflected in Microsoft’s multi-billion-dollar  
3 investment with OpenAI, a market leader in AI software, which granted Microsoft exclusive access  
4 to its language model. By embedding its AI as the default within Windows 11, Microsoft effectively  
5 secures an immediate and sizable user base—ensuring frictionless adoption through familiarity and  
6 convenience. In contrast, rival offerings must surmount the inertia of user habit, persuading  
7 individuals to abandon a system already pre-integrated and readily available. In this way, Microsoft  
8 has created a substantial barrier to entry into the AI market.

9 83. By its conduct, Microsoft has engaged in unfair competition and unlawful, unfair, and  
10 fraudulent business practices, as described above.

11 84. Microsoft’s unfair or deceptive acts or practices occurred repeatedly in Microsoft’s trade  
12 or business and were unfair to both competitors and consumers.

13 85. As a result of the foregoing unfair, fraudulent, and unlawful business practices, Plaintiff  
14 has suffered injury in fact and lost money or property in the form of forced upgrade costs and  
15 diminished software functionality.

16 86. Pursuant to California Business & Professions Code § 17203, Plaintiff seeks an order  
17 enjoining Microsoft from terminating support for Windows 10 and/or relaxing the hardware  
18 requirements for Windows 11, and requiring Microsoft to disclose, in all future advertisements made  
19 either by Microsoft or by third-party distributors, the approximate end-of-support date for the  
20 Windows operating system purchased with the device and the consequences of such end-of-support  
21 for device security and functionality.

22 **SECOND CAUSE OF ACTION**

23 **VIOLATION OF CALIFORNIA’S FALSE ADVERTISING LAW,**

24 **BUS. & PROF. CODE § 17500, *et seq.* –Injunctive Relief Only**

25 87. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.

26 88. The California False Advertising Law (“FAL”), California Business & Professions  
27 Code § 17500, *et seq.*, prohibits unfair, deceptive, untrue, or misleading advertising, including but  
28 not limited to making misrepresentations or omissions as part of a plan or scheme to induce

1 purchases under false pretenses.

2 89. Defendant’s advertising was false and misleading to consumers. As alleged above,  
3 Microsoft fails to disclose to consumers at the point of purchase or during software updates the  
4 length of time a particular iteration of its operating system will be operational before end-of-support,  
5 nor does it disclose the consequences of such end-of-support on consumers’ ability to use devices  
6 that may not be capable of upgrading to a new version of Windows, such as security vulnerabilities  
7 and loss of access to critical functionalities.

8 90. Microsoft’s failure to adequately disclose software lifecycle limitations and end-of-  
9 support risks creating misleading consumer expectations, leading individuals and businesses to rely  
10 on Windows versions that Microsoft internally planned to render obsolete.

11 91. To rectify this false and misleading advertising, Plaintiff respectfully requests an order  
12 enjoining Microsoft from terminating support for Windows 10 and requiring Microsoft to disclose,  
13 in all future advertisements made either by Microsoft or by third-party distributors, the approximate  
14 end-of-support date for the Windows operating system purchased with the device and the  
15 consequences of such end-of-support for device security and functionality.

16 **THIRD CAUSE OF ACTION**

17 **VIOLATION OF CALIFORNIA’S CONSUMERS LEGAL REMEDIES ACT,**

18 **CAL. CIVIL CODE § 1750, *et seq.* –Injunctive Relief Only**

19 92. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.

20 93. This cause of action is brought pursuant to the Consumers Legal Remedies Act  
21 (“CLRA”), California Civil Code § 1750, *et seq.*

22 94. Plaintiff is a “consumer” within the meaning of Civil Code § 1761(d).

23 95. Microsoft’s sale of operating systems and related services constitutes “transactions”  
24 within the meaning of Civil Code § 1761(e).

25 96. The software products purchased by Plaintiff are “goods” within the meaning of Civil  
26 Code § 1761(a).

27 97. As alleged herein, Microsoft has engaged in unfair methods of competition and unfair  
28 and/or deceptive acts or practices against Plaintiff and the general public, in violation of Cal. Civ.

1 Code §§ 1770(a), including but not limited to:

- 2 a. § 1770(a)(5): Prohibiting “[r]epresenting that goods or services have sponsorship,  
3 approval, characteristics, ingredients, uses, benefits, or quantities that they do not  
4 have...”—Microsoft misrepresents the longevity and security of its Windows  
5 operating systems, failing to disclose planned obsolescence and security  
6 vulnerabilities post-support cutoff.
- 7 b. § 1770(a)(7): Prohibiting “[r]epresenting that goods or services are of a particular  
8 standard, quality, or grade...”—Microsoft markets Windows as a secure and reliable  
9 operating system while systematically depriving consumers of critical security  
10 updates post-end-of-support, rendering older versions vulnerable to cybersecurity  
11 threats;
- 12 c. § 1770(a)(9): Prohibiting “[a]dvertising goods or services with intent not to sell them  
13 as advertised...”—Microsoft advertises Windows products as functional, secure, and  
14 supported, yet cuts off access to necessary security patches and updates, forcing  
15 consumers into costly upgrades;
- 16 d. § 1770(a)(14): Prohibiting “[r]epresenting that a transaction confers or involves  
17 rights, remedies, or obligations that it does not have or involve, or that are prohibited  
18 by law...”—Microsoft fails to disclose that consumers purchasing Windows licenses  
19 are subject to forced obsolescence policies, limiting long-term usability;
- 20 e. § 1770(a)(29): Prohibiting “[a]dvertising, displaying, or offering a price for a good  
21 or service that does not include all mandatory fees or charges...”—Microsoft fails to  
22 disclose the true long-term costs associated with planned obsolescence, including  
23 forced upgrades and additional purchases required for security compliance.

24 98. As a result of the foregoing unlawful and deceptive practices, Plaintiff has suffered  
25 damage in the form of forced upgrades and unnecessary expenditures, loss of functionality for  
26 software and hardware no longer supported, and exposure to cybersecurity vulnerabilities due to  
27 withdrawn security protections.

28 ///





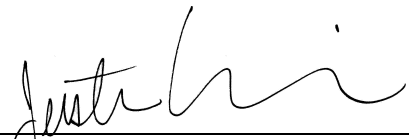
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

business, to disclose clearly and prominently the approximate end-of-support date for the Windows operating system purchased with the device at the time of purchase or, alternatively, to disclose that support is only guaranteed for a certain delineated period of time without additional cost, and to disclose the potential consequences of such end-of-support for device security and functionality;

- (g) For an order awarding reasonable attorneys’ fees and the costs of suit herein, including an award of attorneys’ fees and costs pursuant to California Code of Civil Procedure § 1021.5 and California Civil Code § 1780(e);
- (h) For such other and further relief as may be deemed necessary or appropriate; and
- (i) Leave to amend the Complaint to conform to the evidence produced at trial.

DATED: August 7, 2025

COUNSELONE, PC

By   
\_\_\_\_\_  
Anthony J. Orshansky  
Alexandria R. Kachadoorian  
Justin Kachadoorian

*Attorneys for Plaintiff*

**DECLARATION OF PLAINTIFF LAWRENCE KLEIN  
PURSUANT TO CAL. CIVIL CODE § 1780(d)**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

I, Lawrence Klein, declare:


1. I am over 18 years of age and the named plaintiff in this action. The information supplied herein is based on my own personal knowledge and/or has been supplied by my attorneys or other agents and is therefore provided as required by law. The information contained herein is true, except as to the matters which were provided by my attorneys or other agents, and, as to those matters, I am informed and believe that they are true. If called upon to testify to the information contained in this Declaration, I could and would competently do so.

2. I currently reside in San Diego County. The transactions that are the subject of this lawsuit occurred in San Diego, State of California, where I purchased and/or updated and/or attempted to update my devices' Windows operating system, and where I currently use these devices.

3. Based on the foregoing facts, I am informed and believe that Microsoft is doing business in San Diego County.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 6/26/2025.

By:  \_\_\_\_\_  
Signed by:  
97A6459F80DE24B  
Lawrence Klein