IN A CONFERENCE ROOM down the hall from his office in Building 44 on the Google campus, Andy Rubin flips open his laptop and punches a few keys. The monitor fills with a map of the world—gray oceans and black continents. He's about to run a time-lapse movie of Android activations, from its 2008 launch to the present. Every time an Android phone is activated, a light blue pixel will appear.

For the first 25 seconds—which correspond to the launch of T-Mobile's G1—so few dots light up that they barely register. "Europe is looking pretty good, probably better than the US," Rubin says. A few more seconds tick past. "And then here is the Droid," he says, starting to smile. Instantly, the US part of the map goes from dark to a pulsating blue. Fifteen seconds later, courtesy of another hit phone—the Samsung Galaxy S—South Korea, Japan, and Europe light up the same way.

Rubin, like most engineers, is usually soft-spoken. But this seems to make him giddy. As he narrates, he speaks faster and his voice grows louder. He points out South Korea and Japan going "apeshit" for the Galaxy.

You can't blame him for gloating, especially considering all the obstacles he's overcome—many of them created by his own bosses. While Rubin and his team were trying to form a partnership with Verizon, senior Google executives seemed to be going out of their way to antagonize the carrier. Sergey Brin, Larry Page, and Eric Schmidt talked about the need to overturn the carriers' business model. Verizon and the other telcos traditionally exercised complete control over every phone they supported, dictating the features and software that manufacturers could install so as to hamstring the phones and curtail bandwidth demand on their networks. To Google, a company that touted its commitment to the open exchange of information, the wireless companies were innovation-squelching corporatists.

The carriers, for their part, saw Google as an unruly upstart and a threat. The animosity reached its apogee in 2007, when Google joined an auction for spectrum that Verizon wanted to purchase. Google executives never intended to buy the spectrum; they just wanted to push the bidding high enough to trigger some FCC requirements for the eventual buyer. Thanks to Google's actions, Verizon, one of the eventual victors, had to allow other devices to operate on its spectrum. Around the time of the auction, Verizon chair and CEO Ivan Seidenberg told author Ken Auletta that Google was in danger of "waking up the bears"—powerful mobile phone carriers—who would "come out of the woods and start beating the shit out of" the company.

The iPhone changed all that, helping Google and Verizon realize that they were not actually each other's worst enemies. For Google, the iPhone—and in particular, the runaway success of the iPhone 3G and the accompanying App Store—was a

threat to Android's future. If Rubin didn't move quickly, Apple might soon sign up so many customers that his platform would be unable to compete. Verizon had come to a similar conclusion. It was clear that carriers could no longer control how customers used their phones, and if Verizon wanted to compete, it would have to offer a smartphone with the same kind of freedom and functionality. The company had tried, spending—according to one source—$65 million on marketing the LG Voyager in 2007 and roughly $75 million on the BlackBerry Storm in 2008. But neither offered the power and flexibility of the iPhone, and both were critical and commercial disappointments. "We needed to get in the game," Stratton says. "And we realized that if we were going to compete with the iPhone, we couldn't do it ourselves."

Slowly, the two companies got to know each other. Stratton and Schmidt spent time together after Google lost a bid to become Verizon's preferred search engine. Stratton was impressed by Schmidt's reasonable attitude in person; he was nothing like the bomb thrower he seemed to be in his public statements. And Schmidt was taken by Verizon's seemingly sincere commitment to opening up its phones and networks. Meanwhile, Verizon's engineers had come to respect Android. They had been poring over every smartphone operating system on the market—and even tried building their own—and had concluded that Android was one of the best. Most operating systems were written so the phones could serve as adjuncts to desktop PCs. But from the very beginning, Android was written with the assumption that one day everyone would use their smartphones as their primary Internet device.

When you buy an iPhone app, AT&T gets nothing. When you buy an Android app, Verizon gets a cut.

Ultimately, the two companies agreed to work together and hammered out a unique revenue-sharing deal. Google would sell apps and mobile advertising on the new phone. In exchange for letting Android take over the operating system, Verizon would get a cut of both those revenue streams. It was a more generous offer than AT&T received from Apple—customers were downloading billions of iPhone apps, but the carrier wasn't getting a share of that revenue. And if Google's mobile ad business became anywhere near as successful as its online advertising, even a tiny portion could

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