

United States District Court
Northern District of California

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

MARC OPPERMAN, et al.,
Plaintiffs,
v.
KONG TECHNOLOGIES, INC., et al.,
Defendants.

Case No. 13-cv-00453-JST

**ORDER DENYING MOTION FOR
CLASS CERTIFICATION RE FALSE
ADVERTISING LAW AND RELATED
CLAIMS**

Re: ECF No. 802

This is a putative class action against Apple for alleged invasions of privacy through applications on Apple devices. Before the Court is Plaintiffs’ Motion for Class Certification Regarding False Advertising Law and Related Claims. ECF No. 802. The Court will deny the motion.

I. BACKGROUND

A. Factual History

This is a putative class action challenging Apple’s alleged misrepresentations regarding the security features on certain Apple devices. See Second Consolidated Amended Complaint (“SCAC”), ECF No. 478. Plaintiffs allege that, between July 10, 2008 and February 2012, they owned one or more of three Apple products – the iPhone, iPad, and/or iPod touch (collectively “iDevices”). Id. ¶ 2. They further allege that Apple engaged in a mass marketing campaign in which it “consciously and continuously misrepresented its iDevices as secure, and that the personal information contained on iDevices – including, specifically, address books – could not be taken without their owners’ consent.” Id. ¶ 3. Plaintiffs and the putative class allege they overpaid for their iDevices in reliance on Apple’s misrepresentations.

1. Contacts Data

Before addressing the merits of Plaintiff’s legal contentions, the Court first briefly

1 discusses how iDevices store contacts data, how iDevice software applications allegedly
2 misappropriated this data, the role of Apple’s App Store, and the two Apple security features
3 allegedly designed to protect against misappropriation of contact data.

4 Each iDevice comes pre-loaded with a “Contacts” mobile software application (or “App”),
5 which iDevice owners may use as an address book to input and store the following information
6 about the owner’s contacts:

- 7 (1) first and last name and phonetic spelling of each, (2) nickname,
8 (3) company, job title and department, (4) address(es), (5) phone
9 number(s), (6) e-mail address(es), (7) instant messenger contact,
(8) photo, (9) birthday, (10) related people, (11) homepage,
(12) notes, (13), ringtone, and (14) text tone.

10 Id. ¶ 54, 55. The “information in the Contacts App is among the most private and personal of such
11 information a user maintains on an iDevice. The address book data reflects the connections,
12 associations, and relationships that are unique to the owner of the iDevice.” Id. ¶ 56. The data “is
13 highly personal and private,” and “is not shared, is not publicly available, is not publicly
14 accessible, and is not ordinarily obtainable by a third party unless the owner physically
15 relinquishes custody of his or her iDevice to another individual.” Id.

16 2. Apps’ Use of Contact Information

17 According to Plaintiffs, notwithstanding Apple’s representations about the security of its
18 iDevices, Apple knew that the devices permitted the Defendants’ Apps “to secretly upload, store,
19 and in some cases disseminate [Plaintiffs’] personal and private address books as stored in the
20 ‘Contacts’ App from the iDevices without [Plaintiffs’] knowledge or consent.” Id. ¶ 2. In fact,
21 Plaintiffs allege, Apple provided its “assistance and cooperation” to the App Defendants in
22 accessing and misusing iDevice owners’ address-book information. Id. And despite Apple’s
23 “unique knowledge that its iDevices were not as secure as represented,” Apple “consistently and
24 deliberately failed to reveal its products’ security flaws to consumers . . .” Id. ¶ 4. Because of
25 “Apple’s conduct, Plaintiffs and millions of other people purchased iDevices reasonably believing
26 that they were secure when, in fact, they are not, and then downloaded Apps, including the Apps
27 manufactured by App Defendants, and suffered the unexpected and unauthorized theft of their
28 personal data.” Id. Plaintiffs allege that they would not have paid as much for their iDevices had

1 they known of the devices’ security flaws. Id. ¶¶ 142, 148, 154, 161, 168, 174, 180, 186, 192,
2 197, 203, 210, 216, 223, 230.

3 **3. The App Store and App Development**

4 Apple offers Apps solely through its App Store, which Apple launched in July 2008. Id.
5 ¶ 39. “Apple has exclusive control over what Apps are available in the App Store, and the
6 iDevices are designed to only accept software downloads from the App Store . . .” Id. According
7 to Plaintiffs, “[t]he App Store and the availability of numerous Apps to perform different functions
8 are key parts of Apple’s marketing strategy and the popularity of the iDevices.” Id. ¶ 40.
9 In order to offer an App through the App store, “a third-party developer must be registered as an
10 ‘Apple Developer,’ agree to the iOS Developer Program License Agreement with Apple, and pay
11 a \$99 yearly registration fee.” Id. ¶ 44. To further control the Apps offered through its store,
12 “Apple provides third-party developers with review guidelines, and conducts a review of all
13 applications submitted for inclusion in the App Store- for compliance with these documents.” Id.
14 In addition, Apple provides a host of tools, as well as support services and guidelines to third-
15 party developers who are licensed to provide Apps through the App Store. Id. ¶¶ 44, 45, 49, 53.
16 The result of these circumstances, according to Plaintiffs, is that “all iDevice Apps were built, in
17 part, by Apple.” Id. ¶ 46.

18 **4. Sandboxing and the Curated App Store**

19 Plaintiffs allege that Apple’s focus on privacy was a “cornerstone of its marketing
20 strategy” for iDevices. Id. ¶ 76. To support this assertion, Plaintiffs point to various statements
21 Apple made during the Class Period. See id. ¶ 76(i)-(xxix); ¶ 76(xxiii) (“We have created strong
22 privacy protections for our customers Privacy and trust are vitally important.”); ¶ 76(xxv)
23 (“Protecting customer privacy is a key feature of all App Store transactions.”); ¶ 76(xxvii) (“Apple
24 will continue to be one of the leaders in strengthening personal information security and
25 privacy.”).

26 Apple represented to the marketplace that it had implemented two security features or
27 practices intended to prevent third-party apps from taking private user data – including Contacts
28 App data – from iDevices without the owner’s consent. ECF No. 802 at 9. These two features

1 were known as “sandboxing” and the “curated” App Store. Id. “Sandboxing” technology was
2 designed to prevent apps from accessing data inside other apps, including the Contacts app. Id. at
3 12.¹ This security feature was advertised as a way iDevices protected user data, including data
4 stored in the Contacts App, from misappropriation by third party apps. Id. Apple advertised that
5 the App Store was “curated” so that Apps were only available for download if they met certain
6 privacy standards. Id. at 14. Apple made specific statements regarding these security features.
7 See ECF No. 478 ¶ 77(i)-(v); id. ¶ 77(i) (“[A]n Apple representative stated that Apple is ‘putting .
8 . . . a number of different things in place, from sandboxing to other . . . technical things you want to
9 do to protect applications and the [iPhone] system.’”); id. ¶ 77(ii) (“Applications on the device are
10 ‘sandboxed’ so they cannot access data stored by other applications.”).

11 Apple’s guidelines provide that “Apps ‘cannot transmit data about a user without obtaining
12 the user’s prior permission and providing the user with access to information about how and where
13 the data will be used.’” Id. ¶ 47. And “Apple has sole discretion over the App approval process
14 and may reject any App at any time and for any reason,” including a violation of the terms and
15 conditions of the licensing agreement, providing Apple with inaccurate information, or if Apple
16 learns the App “violates, misappropriates, or infringes the rights of a third party.” Id.

17 **B. Procedural History**

18 This action began as separate class actions filed in California and Texas against Apple and
19 multiple App Defendants. The four actions were consolidated here, and Plaintiffs filed their
20 Consolidated Amended Complaint (“CAC”), ECF No. 362, on September 3, 2013.

21 Apple and App Defendants filed several motions to dismiss the CAC. ECF Nos. 393, 394,
22 395, 396. On May 14, 2014, the Court granted the motions in part. ECF No. 471. The Court
23 dismissed Plaintiffs’ false and misleading advertising, consumer legal remedies/misrepresentation,
24

25 ¹ In their motion, Plaintiffs state:

26 As represented by Apple, “Applications on the device are ‘sandboxed’ so they
27 cannot access data stored by other applications. In addition, system files, resources,
and the kernel are shielded from the user’s application space.” RJN, ¶ 5, Exh. E.

28 ECF No. 802 at 12. While this is a good explanation of how sandboxing works, the cited exhibit
unfortunately does not contain the quoted language.

1 deceit, Unfair Competition Law (“UCL”), and conversion claims, which Plaintiffs subsequently
2 amended in their SCAC. Id. The Court denied the motions to dismiss Plaintiffs’ invasion of
3 privacy (intrusion upon seclusion) claim. Id.

4 Plaintiffs then filed their SCAC. ECF No. 478. In the SCAC, Plaintiffs alleged conversion
5 and invasion of privacy (intrusion upon seclusion) claims against all Defendants, and the
6 following claims against Apple alone: (1) violation of California’s False and Misleading
7 Advertising Law (“FAL”), Business and Professions Code § 17500, et seq.; (2) violation of
8 California’s Consumer Legal Remedies Act (“CLRA”), Civil Code § 1750, et seq.; (3) deceit,
9 California Civil Code § 1709, et seq.; and (4) violation of California’s UCL, Business and
10 Professions Code § 17200, et seq. ECF No. 478 ¶¶ 243-323. Plaintiffs requested certification of a
11 class; an injunction prohibiting Defendants from continuing the challenged conduct; actual,
12 compensatory, statutory, presumed, punitive, and/or exemplary damages; declaratory relief;
13 restitution; the imposition on Defendants of constructive trusts; and fees, costs, and interest. Id. at
14 78-79.

15 In February 2016, Plaintiffs filed a motion for class certification against Path and Apple for
16 Plaintiffs’ intrusion upon seclusion claim against Path and for aiding and abetting against Apple,
17 ECF No. 651, which was granted in part and denied in part, ECF No. 761.

18 On August 23, 2016, Plaintiffs filed the instant motion for class certification. ECF No.
19 802. Plaintiffs seek to certify the following class against Apple with regard to Plaintiffs’ FAL,
20 CLRA, deceit, and UCL claims:

21 All United States residents who, prior to February 8, 2012 (the
22 “Class Period”) purchased an iDevice of the following models:
23 iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4s, iPad, iPad 2 or the
second through fourth generations of the iPod Touch (the “Class
Devices”).

24 Id. at 9. Apple opposes the motion. ECF No. 875.²

25

26 ² Apple has raised several evidentiary objections pertaining to the relevance, foundation, and
27 completeness of certain exhibits attached to Plaintiffs’ Reply. ECF No. 890. “In conjunction with
28 a Rule 23 class certification motion, the Court may consider all material evidence submitted by the
parties to determine Rule 23 requirements are satisfied, and need not address the ultimate
admissibility of evidence proffered by the parties.” Coleman v. Jenny Craig, Inc., 2013 WL
6500457, at *3 (S.D. Cal. Nov. 27, 2013) (citing Gonzalez v. Millard Mall Servs., 281 F.R.D. 455,

1 **II. JURISDICTION**

2 The Court has jurisdiction over this case pursuant to the Class Action Fairness Act. This is
3 a class action in which a member of the class of plaintiffs is a citizen of a state different from the
4 defendant, there are more than 100 class members nationwide, and the matter in controversy
5 exceeds the sum of \$5 million, exclusive of interest and costs. 28 U.S.C. § 1332(d).

6 **III. REQUESTS FOR JUDICIAL NOTICE**

7 Before turning to the merits of the motion to dismiss, the Court resolves the Defendants’
8 requests for judicial notice. Plaintiffs ask the Court to take judicial notice of 42 different
9 documents that include news articles, videos, webpages, and a patent. See ECF No. 803. The
10 request is unopposed.

11 “As a general rule, we may not consider any material beyond the pleadings in ruling on a
12 Rule 12(b)(6) motion.” United States v. Corinthian Colleges, 655 F.3d 984, 998-99 (9th Cir.
13 2011) (internal quotation marks and citations omitted). Pursuant to Federal Rule of Evidence
14 201(b), however, “[t]he court may judicially notice a fact that is not subject to reasonable dispute
15 because it: (1) is generally known within the trial court’s territorial jurisdiction; or (2) can be
16 accurately and readily determined from sources whose accuracy cannot reasonably be questioned.”
17 The Court may properly take judicial notice of materials attached to the complaint and of matters
18 of public record. Lee v. City of Los Angeles, 250 F.3d 668, 688-89 (9th Cir. 2001). A court
19 “must take judicial notice if a party requests it and the court is supplied with the necessary
20 information.” Fed. R. Evid. 201(c)(2). However, the Court takes judicial notice only of the
21 existence of the document, not of the veracity of allegations or legal conclusions asserted in it.
22 See Lee, 250 F.3d at 689-90.

23 Because a court “may take judicial notice of publications introduced to indicate what was
24 in the public realm at the time, not whether the contents of those articles were in fact true,” Von
25 Saher v. Norton Simon Museum of Art at Pasadena, 592 F.3d 954, 960 (9th Cir. 2010), the Court

26 459 (S.D. Cal. 2012)); see also Frlekin v. Apple Inc., 2015 WL 6851424, at *11 (N.D. Cal. Nov.
27 7, 2015) (overruling Apple’s evidentiary objections as moot because the disputed evidence was
28 not necessary to the order). Thus, because the Court need not determine the admissibility of the
evidence at this time, and the disputed evidence was unnecessary to this order, the Court overrules
Apple’s evidentiary objections.

1 grants judicial notice of Exhs. C, F, H, I, J, K, L, M, S, V, X, BB, CC, EE, GG, HH, JJ, and LL
2 “solely as an indication of what information was in the public realm at the time,” *id.*

3 Because the SCAC makes reference to Exhs. A, E, G, T, U, W, Y, Z, AA, DD, FF, II, NN,
4 and ECF No. 803 ¶ 39, 40, these documents and videos are judicially noticeable. See *In re Adobe*
5 *Sys., Inc. Privacy Litig.*, 2014 WL 4379916, at *2 n.2 (N.D. Cal. Sep. 4, 2014) (taking judicial
6 notice of Adobe's terms of use and privacy policies, which were incorporated by reference into the
7 complaint).

8 Because Exhs. B, O, P, Q and R are available to the public on Apple’s website, the
9 website’s authenticity is not in dispute, and the exhibits “[are] capable of accurate and ready
10 determination,” the Court may take judicial notice of this information. See *Prime Healthcare*
11 *Servs., Inc. v. Humana Ins. Co.*, 2017 WL 738586, at *3 (C.D. Cal. Jan. 27, 2017) (granting
12 judicial notice of pages publicly available on defendant’s website). Because Exh. KK is
13 information available on a government website, the Court takes judicial notice of this information.
14 See *Gustavson v. Wrigley Sales Co.*, 961 F.Supp.2d 1100, 1113 n.1 (N.D. Cal. 2013) (“The Court
15 may take judicial notice of materials available on government agency websites.”).

16 Because Exhs. D and N are part of the record in other court proceedings, the Court takes
17 judicial notice of these documents. See *Bias v. Moynihan*, 508 F.3d 1212, 1225 (9th Cir. 2007) (A
18 court “may take judicial notice of proceedings in other courts . . . if those proceedings have a
19 direct relation to matters at issue.”).

20 Because patents are judicially noticeable, the Court grants Plaintiffs’ request with regard to
21 Exh. MM. See *Feathercombs, Inc. v. Solo Products Corp.*, 306 F.2d 251, 253 n.1 (2nd Cir. 1962)
22 (granting judicial notice of a patent).

23 **IV. LEGAL STANDARD**

24 Class certification under Rule 23 is a two-step process. First, a plaintiff must demonstrate
25 that the numerosity, commonality, typicality, and adequacy requirements of Rule 23(a) are met:

26 One or more members of a class may sue or be sued as
27 representative parties on behalf of all members only if: (1) the class
28 is so numerous that joinder of all members is impracticable; (2)
there are questions of law or fact common to the class; (3) the claims
or defenses of the representative parties are typical of the claims or

1 defenses of the class; and (4) the representative parties will fairly
and adequately protect the interests of the class.

2 Fed. R. Civ. P. 23(a). “Class certification is proper only if the trial court has concluded, after a
3 ‘rigorous analysis,’ that Rule 23(a) has been satisfied.” Wang v. Chinese Daily News, Inc., 709
4 F.3d 829, 833 (9th Cir. 2013) (quoting Wal-Mart Stores, Inc. v. Dukes, 546 U.S. 338, 351 (2011)).

5 Second, a plaintiff must also meet one of the requirements of Rule 23(b). Here, Plaintiffs
6 invoke Rule 23(b)(3), which requires the Court to find “that the questions of law or fact common
7 to class members predominate over any questions affecting only individual members, and that a
8 class action is superior to other available methods for fairly and efficiently adjudicating the
9 controversy.” Fed. R. Civ. P. 23(b)(3). Furthermore, ascertainability is not a requirement under
10 Rule 23. Briseno v. ConAgra Foods, Inc., 844 F.3d 1121, 1125 (9th Cir. 2017) (holding that
11 “Rule 23 does not impose a freestanding administrative feasibility prerequisite to class
12 certification” and finding that “Supreme Court precedent . . . counsels in favor of hewing closely
13 to the text of Rule 23.”). “[Briseno] suggests that the concerns that have led courts to conclude
14 that classes are not ascertainable should be addressed with reference to the requirements of Rule
15 23 that are expressly enumerated in that rule.” Senne v. Kansas City Royals Baseball Corp., No.
16 14-CV-00608-JCS, 2017 WL 897338, at *28 (N.D. Cal. Mar. 7, 2017).

17 The party seeking class certification bears the burden of demonstrating by a preponderance
18 of the evidence that all four requirements of Rule 23(a) and at least one of the three requirements
19 under Rule 23(b) are met. See Dukes, 564 U.S. at 350-51. “Rule 23 grants courts no license to
20 engage in free-ranging merits inquiries at the certification stage.” Amgen Inc. v. Conn.
21 Retirement Plans and Trust Funds, 133 S. Ct. 1184, 1194-95 (2013). “Merits questions may be
22 considered to the extent—but only to the extent—that they are relevant to determining whether the
23 Rule 23 prerequisites for class certification are satisfied.” Id. at 1195.

24 **V. DISCUSSION**

25 Apple opposes the motion for class certification, arguing that Plaintiffs have not
26 established predominance under Rule 23(b)(3); that Plaintiffs have not demonstrated that damages
27 can be measured, as required by Comcast Corp. v. Behrend, 133 S. Ct. 1426 (2013); and that the
28 proposed class contains uninjured members. See ECF No. 875. Because the Court concludes that

1 Plaintiffs have not established predominance or demonstrated a feasible way of measuring
2 damages, it will deny certification.³

3 **A. Commonality and Predominance**

4 “Commonality” is a shorthand way of describing Rule 23’s requirement that “there [be]
5 questions of law or fact common to the class.” Fed. R. Civ. P. 23(a)(2). “[F]or purposes of Rule
6 23(a)(2) [e]ven a single [common] question will do.” Dukes, 564 U.S. at 359 (internal citation
7 omitted). Where questions common to class members present significant issues that can be
8 resolved in a single adjudication “there is clear justification for handling the dispute on a
9 representative rather than on an individual basis.” Amchem Prod., Inc. v. Windsor, 521 U.S. 591,
10 623 (1997) (internal quotation marks and citation omitted). However, the common contention
11 “must be of such a nature that it is capable of classwide resolution—which means that
12 determination of its truth or falsity will resolve an issue that is central to the validity of each one of
13 the claims in one stroke.” Dukes, 564 U.S. at 350.

14 In seeking to certify a Rule 23(b)(3) class, Plaintiff must show that these common
15 questions “predominate over any questions affecting only individual members.” Fed. R. Civ. P.
16 23(b)(3). “Considering whether questions of law or fact common to class members predominate
17 begins . . . with the elements of the underlying causes of action.” Erica P. John Fund, Inc. v.
18 Halliburton Co., 563 U.S. 804, 809 (2011). In determining whether common questions
19 predominate, the Court identifies the substantive issues related to the plaintiff’s claims (both the
20 causes of action and affirmative defenses), and then considers the proof necessary to establish
21 each element of the claim or defense, and how these issues would be tried. See Schwarzer, et al.,
22 Cal. Prac. Guide Fed. Civ. Pro. Before Trial Ch. 10–C § 10:412. The predominance inquiry
23 requires that the plaintiffs demonstrate that common questions predominate as to each cause of
24 action for which the plaintiffs seek class certification. Amchem, 521 U.S. at 620.

25 Apple argues that Plaintiffs have not demonstrated that common issues of fact predominate

26 _____
27 ³ Apple does not dispute that Plaintiffs have established adequacy, typicality, or numerosity, and
28 the Court concludes that these prerequisites are satisfied. The Court also finds that a class action
would be “superior to other available methods for fairly and efficiently adjudicating the
controversy,” Fed. R. Civ. P. 23(b)(3), if the other requirements of Rule 23 were met.

1 with respect to the reliance element in Plaintiffs' CLRA, UCL, and FAL claims. See Cal. Civ.
2 Code § 1780(a); In re Tobacco II Cases, 46 Cal. 4th 298, 326 (2009) (class representatives must
3 establish reliance under the UCL and FAL to have standing); Pfizer v. Superior Court, 182 Cal.
4 App. 4th 622, 631-32 (2010) (under the UCL and FAL, members of a putative class cannot obtain
5 restitutionary relief where they were never exposed to the defendant's alleged misrepresentations).
6 Plaintiffs are entitled to a classwide inference of reliance only if they can show "(1) that uniform
7 misrepresentations were made to the class, and (2) that those misrepresentations were material."
8 In re ConAgra Foods, Inc., 302 F.R.D. 537, 571 (C.D. Cal. 2014). "An inference of classwide
9 reliance cannot be made where there is no evidence that the allegedly false representations were
10 uniformly made to all members of the proposed class." Davis-Miller v. Auto. Club of S. Cal., 201
11 Cal. App. 4th 106, 125 (2011).

12 Plaintiffs acknowledge that "[i]n misrepresentation cases like this one, the question of
13 whether classwide reliance should be implied comes down to whether the court can 'confidently
14 say' that the putative class members 'were actually exposed to the same, common alleged
15 misrepresentations.'" ECF No. 888 at 13 (quoting Waller v. Hewlett-Packard, 295 F.R.D. 472,
16 487 (S.D. Cal. 2013)). They argue, however, that they do not need to show class members'
17 reliance on any particular advertisement because Apple conducted a "pervasive [advertising]
18 campaign" on the subject of privacy protection including "print advertising, television advertising,
19 website advertising, buzz media, email advertising, and retail advertising." Id. at 13-14.

20 1. Classwide Exposure

21 While Plaintiffs need not "prove individualized reliance," see Todd v. Tempur-Sealy Int'l,
22 Inc., No. 13-CV-04984-JST, 2016 WL 5746364, at *7 (N.D. Cal. Sept. 30, 2016), Plaintiffs must
23 "demonstrate[] that the class was exposed to the challenged marketing materials" in order to
24 demonstrate commonality and predominance," id. at *6. In other words, Plaintiffs must show that
25 the class members were exposed to the alleged misrepresentations in the first place.⁴ See Berger

26 _____
27 ⁴ Exposure to the alleged misrepresentations is not an element of class membership as Plaintiffs
28 have defined it, because Plaintiffs do not limit their proposed class to include consumers who saw
the alleged misrepresentations regarding sandboxing and the Curated App Store. Instead, they
seek to certify a class for every individual who purchased an iDevice within the Class Period,

1 v. Home Depot USA, Inc., 741 F.3d 1061, 1068 (9th Cir. 2014), abrogated on other grounds by
2 Microsoft Corp. v. Baker, 137 S. Ct. 1702 (2017) (holding that “the question of likely deception
3 does not automatically translate into a class-wide question,” and that the party seeking certification
4 must show that the class was “actually exposed to the business practices at issue”); Stearns v.
5 Ticketmaster Corp., 655 F.3d at 1020 (9th Cir. 2011) (“We do not, of course, suggest that
6 predominance would be shown in every California UCL case. For example, it might well be that
7 there was no cohesion among the members because they were exposed to quite disparate
8 information from various representatives of the defendant.”). It means little that an objective,
9 reasonable consumer would have found the alleged misrepresentations material if none of the class
10 members actually saw, read, or were otherwise exposed to those misrepresentations. Todd, 2016
11 WL 5746364, at *8.

12 Apple argues Plaintiffs do not meet the predominance requirement because Plaintiffs have
13 not “‘affirmatively demonstrate[d]’ that all or nearly all class members were exposed to uniform
14 misrepresentations,” they are not entitled to an “inference” of reliance because they have not
15 shown there was an extensive and long-running advertising campaign with uniform content, and
16 class members were exposed to disparate information. ECF No. 875 at 22-29.

17 **a. Relevant Case Law**

18 Plaintiffs’ argument relies heavily on the In re Tobacco II Cases (“Tobacco II”). In
19 Tobacco II, Plaintiffs brought consumer protection claims against tobacco companies for the
20 “decades-long campaign of deceptive advertising and misleading statements about the addictive
21 nature of nicotine and the relationship between tobacco use and disease.” 46 Cal. 4th at 30. The
22 California Supreme Court concluded that although “a plaintiff must plead and prove actual
23 reliance . . . [a plaintiff] is not required to necessarily plead and prove individualized reliance on
24 specific misrepresentations or false statements where, as here, those misrepresentations and false
25

26 regardless of whether those persons were even aware of the specified security features. The Court
27 nonetheless focuses on exposure to the alleged misrepresentations because (1) the Plaintiffs have
28 acknowledged that they must, at a minimum, present evidence of a Tobacco II-type advertising
campaign and (2) iDevice purchasers who were never exposed to any privacy-related
representations cannot have been injured in the way Plaintiffs allege.

1 statements were part of an extensive and long-term advertising campaign.” Id. at 328.

2 Subsequent decisions have identified the factors courts should consider in determining
3 whether a plaintiff is entitled to claim Tobacco II’s long-term advertising exception. See
4 Opperman v. Path, Inc., 87 F. Supp. 3d 1018, 1048-51 (N.D. Cal. 2014) (discussing factors). In
5 Mazza v. Am. Honda Motor Co., 666 F.3d 581, 595 (9th Cir. 2012), for example, the Ninth
6 Circuit recognized the validity of Tobacco II but declined to apply that approach to the case before
7 it, which involved marketing by Honda in brochures, television ads, dealership kiosks, and other
8 contexts regarding their “Collision Mitigation Braking System.” The Ninth Circuit held that
9 “Tobacco II’s holding was in the context of a decades-long tobacco advertising campaign where
10 there was little doubt that almost every class member had been exposed to defendants’ misleading
11 statements, and defendants were not just denying the truth but representing the opposite.” Id. at
12 596 (citation omitted). In Mazza, by contrast, Honda’s “product brochures and TV commercials
13 fall short of the extensive and long-term fraudulent advertising campaign at issue in Tobacco II.”
14 Id. (citation omitted).

15 As the Ninth Circuit subsequently explained in Berger, 741 F.3d at 1068, Mazza limited
16 the extent of Tobacco II based on “two crucial facts” regarding the advertising campaign at issue.
17 First was the “breadth” of the advertising, or the fact that Honda’s advertising was not sufficiently
18 “extensive and longterm.” Id. (citing to Mazza, 666 F.3d at 596). Second was the “content” of the
19 advertising, or the fact that the advertising materials “do not deny” that limitations to the
20 challenged brake system exist. Id.

21 Finally, in Todd, this Court denied class certification to a class alleging health-related
22 misrepresentations determining that defendant’s production of 300 million pages of direct mail
23 each year, 25 million website page views per year, and 4.3 billion consumer impressions per
24 month was insufficient to demonstrate classwide exposure. 2016 WL 5746364, at *11-12. The
25 Court noted Plaintiffs’ failure to apportion out “which of these impressions were based on the
26 alleged health-related misrepresentations, as opposed to the myriad of other claims that
27 Defendants made in advertising their products—such as comfort, durability, support, customer
28 recommendations, and so forth.” Id. at *11. Particularly relevant to this case, the Court noted that

1 classwide exposure could not be inferred from the materials in the record because there was no
2 showing that those materials were actually presented to class member consumers. Id. at *12. The
3 Court contrasted the advertising campaign at issue with advertising directly present on a product’s
4 packaging, “such that one could infer anyone who bought that product also viewed the package.”
5 Id.

6 **b. Application**

7 The Court previously dealt with this issue in its March 23, 2015 order granting in part and
8 denying in part Defendants’ Motion to Dismiss. In that motion, Apple contended that Plaintiffs
9 failed to plead reliance on any particular representation by Apple, ECF No. 501 at 7, and that its
10 alleged misrepresentations were not sufficiently alleged to have been part of “an extensive and
11 long-term advertising campaign,” such that Plaintiffs should be excused from pleading reliance,
12 ECF No. 501 at 8. After evaluating the six factors relevant to the Tobacco II analysis, this Court
13 determined that Plaintiffs’ Tobacco II allegations were sufficient to survive Apple’s motion to
14 dismiss. Opperman v. Path, Inc., 84 F. Supp. 3d 962, 983 (N.D. Cal. 2015).

15 The question presented here is different. The inquiry is no longer whether Plaintiffs have
16 merely pleaded a plausible claim under Rule 12(b)(6), but rather whether they have shown the
17 existence of such a campaign sufficiently to establish predominance.⁵ Having now reviewed the
18 body of evidence offered by Plaintiffs in support of class certification, the Court finds they have
19 failed to demonstrate that Apple’s privacy-related marketing was sufficiently extensive to support
20 an inference of class-wide exposure.

21 Plaintiffs argue that Apple’s advertising reach was “global” and included print advertising,
22 television advertising, website advertising, buzz media, email advertising, and retail advertising.

23

24 ⁵ Plaintiffs’ assertion that the Court should not address merits issues at the class certification stage,
25 ECF No. 888 at 13, 22, 23, is only partially correct. In Comcast Corp. v. Behrend, the Supreme
26 Court emphasized that a “[Rule 23] analysis will frequently entail overlap with the merits of the
27 plaintiff’s underlying claim. That is so because the ‘class determination generally involves
28 considerations that are enmeshed in the factual and legal issues comprising the plaintiff’s cause of
action.’” 133 S. Ct. 1426, 1432 (2013) (internal citations omitted). Here, while the Court reaches
no conclusion about the truth or falsity of Apple’s advertising, it must analyze Apple’s
representations sufficiently to determine whether Plaintiffs can satisfy the predominance
requirement.

1 ECF 888 at 14. Plaintiffs contend that Apple assured consumers that data stored on iDevices was
2 secure and such statements “reached consumers in a multitude of ways at a variety of times.” Id.
3 at 15. Plaintiffs point to statements made by class representatives to demonstrate this message
4 was communicated to consumers. ECF No. 802 at 19 (Plaintiff Green recalled, “I was told
5 through marketing campaigns, ‘Hey, this is a safe place to be. You don’t have to worry.’”
6 Plaintiff Hodgins stated, “[B]asically you could trust putting all this information on your phone
7 because it was going to be safe and protected.”).

8 This evidence falls far short of demonstrating the “extensive” and “longstanding”
9 marketing campaign needed to justify class certification in the absence of a uniform, classwide
10 misrepresentation. Although some of Apple’s marketing materials may have touched on the
11 question of iDevice privacy, the same problem present in Todd is present here: while class
12 members may have been exposed to Apple’s advertising generally, Plaintiffs have not shown that
13 class members saw, heard, or relied upon representations about the specific security features—
14 sandboxing and the Curated App Store—at issue in the case. The Court agrees with Apple that
15 with regard to privacy and these two security features in particular, Plaintiffs “offer virtually
16 nothing as far as true Apple advertising (e.g., specific television spots, internet display advertising,
17 print advertising, etc.)” and “provide no evidence of consumer reach with such advertising (e.g.,
18 broadcast frequency, audience measurement, publication circulation, or number of impressions).”
19 ECF No. 875 at 25.

20 Plaintiffs do not seriously engage with this argument. Instead, they argue on reply that
21 “tobacco ads about cigarettes being healthy were not irrelevant to the campaign in [Tobacco II]
22 just because they did not talk about nicotine being addictive or whether tobacco and tar cause
23 cancer.” ECF No. 888 at 13. But the analogy does not hold. In Tobacco II, the plaintiffs
24 complained about defendants’ long-running campaign to promote the idea that smoking was not
25 unhealthy. Tobacco II, 46 Cal. 4th at 308 (“Pertinently, the complaint alleged that defendants had
26 engaged in a ‘public disinformation strategy . . . concerning the health effects of cigarette
27 smoking,’ beginning in the 1960’s with magazine articles that questioned the link between
28 cigarette smoking and lung cancer. It was further alleged that ‘[o]ther public statements by the

1 Defendants over the years have repeated the misrepresentations that Defendants were dedicated to
2 the pursuit and dissemination of the scientific truth regarding smoking and health.”). Plaintiffs
3 here have not established an equivalent, pervasive campaign by Apple that it valued consumer
4 privacy. Apple’s advertising for its iDevices generally was extensive, but with regard to the issue
5 of privacy Plaintiffs offer only a handful of statements per year, contained in “buzz marketing”
6 materials, press releases, statements in investor calls, and similar materials. These materials were
7 not widely disseminated to consumers, and they do not support Plaintiffs’ claim that Apple’s
8 privacy claims were “widely publicized and disseminated through the mainstream and non-
9 traditional media,” ECF No. 478 at 18, and do not bring Plaintiff’s claims into the ambit of
10 Tobacco II. Moreover, Plaintiffs have also failed to demonstrate that class members were exposed
11 to the materials containing allegedly misleading representations about privacy. Accordingly,
12 Plaintiffs have failed to demonstrate predominance.

13 **2. Uniform Misrepresentations**

14 Apple argues that Plaintiffs must affirmatively demonstrate that all class members were
15 exposed to uniform misrepresentations. Apple cites Mazza and Berger to support this assertion.
16 ECF No. 875 at 23. While an “affirmative demonstration” of individualized reliance is not
17 necessary in the context of an extensive and long-term advertising campaign, Tobacco II, 46 Cal.
18 4th at 328, where advertising of the specific features is more limited, “[a]n inference of classwide
19 reliance cannot be made where there is no evidence that the allegedly false representations were
20 uniformly made to all members of the proposed class.” Mazza, 666 F.3d at 595. The Court has
21 already concluded that Apple’s privacy advertising does not reach the level of Tobacco II, and it
22 further concludes that Plaintiffs have not demonstrated that allegedly false representations were
23 uniformly made to the proposed class.

24 **3. Disparate Information**

25 Apple also argues that predominance is not satisfied because class members were exposed
26 to widely disparate information – i.e., information that undermined or qualified any affirmative
27 privacy claims. ECF No. 875 at 27. Specifically, Apple contends that because the App Store
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1 Privacy Policy⁶ disclosed privacy limitations, and Plaintiffs’ own allegations acknowledge that
2 certain apps could access data on iDevices,⁷ class certification is inappropriate. Id. at 27-29.
3 Apple cites to several cases that support the proposition that when advertising materials
4 acknowledge limitations exist, predominance is not satisfied. See Philips v. Ford Motor Co., No.
5 14-CV-02989-LHK, 2016 WL 7428810, at *16 (N.D. Cal. Dec. 22, 2016) (“[A] class member
6 who read the warnings in Class Vehicles’ owner’s manuals would be aware that “limitations exist”
7 and that the EPAS system may fail unexpectedly . . . the information to which class members were
8 exposed was not uniform because some unknown number of class members was exposed to Ford’s
9 warnings in the Class Vehicles’ owner’s manuals.”); Mazza, 666 F.3d at 596 (“And while Honda
10 might have been more elaborate and diligent in disclosing the limitations . . . its advertising
11 materials do not deny that limitations exist. A presumption of reliance does not arise when class
12 members were exposed to quite disparate information from various representatives of the
13 defendant.”) (internal quotations marks and citations omitted).

14 Here, Apple attempts to have its cake and eat it too. On the one hand, it rests much of its
15 opposition to Plaintiff’s certification motion on the fact that putative class members were unlikely
16 to have read any of the materials containing Apple’s alleged misrepresentations. See ECF No. 875
17 at 18 (“Testimony from the proposed class representatives also confirms, over and over, that the
18 putative class was not exposed to uniform statements touting sandboxing as a security feature of
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20 ⁶ All users of the App store had to agree to the following Privacy Policy before downloading any
21 App:

22 “Our products and services may also use or offer products or services from third
23 parties—for example, a third-party iPhone app. Information collected by third
24 parties, which may include such things as location data or contact details, is
governed by their privacy practices. We encourage you to learn about the privacy
practices of those third parties.”

25 ECF No. 502-7 at 4.

26 ⁷ “On or around August 28, 2008, in an article, Apple Working on iPhone Software Update to Fix
27 Security Flaw, Apple issued a statement that it was ‘readying a software update to the iPhone,
28 fixing a security flaw in the device that gives unauthorized access to contacts and e-mails.’ In
the article, Apple spokeswoman Jennifer Bowcock said, “We are aware of this bug.” This article
was widely publicized and disseminated through the mainstream and non-traditional media.” ECF
No. 478 ¶ 76(ix).

1 Apple devices.”); id. at 19 (“Plaintiffs likewise provide no evidence whatsoever that class
2 members—or even their own five proposed class representatives—were exposed to uniform
3 messaging regarding App Store curation. The majority of proposed class representatives have no
4 knowledge or recollection of Apple advertising on this subject.”). Yet Apple bases its “disparate
5 information” argument on materials that Plaintiffs were at least as unlikely to read, such as
6 Apple’s privacy policy. The Pew Research Center has reported that half of Americans do not even
7 know what a privacy policy is. Aaron Smith, “Half Of Online Americans Don’t Know What A
8 Privacy Policy Is,” Pew Research Center Fact Tank (on-line ed. Dec. 4, 2014)
9 ([http://www.pewresearch.org/fact-tank/2014/12/04/half-of-americans-dont-know-what-a-privacy-](http://www.pewresearch.org/fact-tank/2014/12/04/half-of-americans-dont-know-what-a-privacy-policy-is/)
10 [policy-is/](http://www.pewresearch.org/fact-tank/2014/12/04/half-of-americans-dont-know-what-a-privacy-policy-is/)). And even for those who know what a privacy policy is, almost no one reads them.⁸
11 See Susan E. Gindin, Nobody Reads Your Privacy Policy or Online Contract? Lessons Learned
12 and Questions Raised by the FTC’s Action Against Sears, 8 Nw. J. Tech. & Intell. Prop. 1 (2009).
13 Nor should that surprise anyone, since – as researchers at Carnegie Mellon have discovered – it
14 would take 76 work days to read the privacy policies the average citizen encounters in a year.
15 Alexis C. Madrigal, “Reading the Privacy Policies You Encounter in a Year Would Take 76 Work
16 Days,” The Atlantic (on-line ed. Mar. 1, 2012)
17 ([https://www.theatlantic.com/technology/archive/2012/03/reading-the-privacy-policies-you-](https://www.theatlantic.com/technology/archive/2012/03/reading-the-privacy-policies-you-encounter-in-a-year-would-take-76-work-days/253851/)
18 [encounter-in-a-year-would-take-76-work-days/253851/](https://www.theatlantic.com/technology/archive/2012/03/reading-the-privacy-policies-you-encounter-in-a-year-would-take-76-work-days/253851/)). The collective opportunity cost of this

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⁸ In the spring of 2010, thousands of online customers clicked on the terms of service at Game-station.co.uk and unwittingly sold their souls.

As an April Fool’s prank, the British gaming retailer slipped an “immortal soul clause” into its license agreement, knowing full well that nobody looks at them. In fact, a 2006 UC Berkeley survey found that only 1.4 percent of participants read these sorts of agreements “often and thoroughly.”

“People don’t read privacy policies,” Nick Bicanic, founder of Echoecho, a Los Angeles location app with baked-in privacy features, said at a Churchill Club event last week. “Like nobody.”

James Temple, “Why Privacy Policies Don’t Work – And What Might,” S.F. Chronicle (on-line ed. Jan. 29, 2012) (<http://www.sfgate.com/business/article/Why-privacy-policies-don-t-work-and-what-might-2786252.php>).

1 time expenditure would be \$781 billion. Aleecia M. McDonald and Lorrie Faith Cranor, The Cost
2 of Reading Privacy Policies, 4 I/S: J.L. & Pol'y for Info. Soc'y 543, 564 (2009).

3 Apple correctly argues that the Court should not certify a class over Apple's
4 representations unless Plaintiffs demonstrate that putative class members actually read them. The
5 same holds true in reverse – if Apple wants to show class members were exposed to
6 countervailing information, it must show they actually read it. But Apple does not meet this
7 burden, and it is unlikely that it could. See also Robert Glancy, “Will You Read This Article
8 About Terms and Conditions? You Really Should Do,” The Guardian (on-line ed. Apr. 24, 2014)
9 ([https://www.theguardian.com/commentisfree/2014/apr/24/terms-and-conditions-online-small-](https://www.theguardian.com/commentisfree/2014/apr/24/terms-and-conditions-online-small-print-information)
10 [print-information](https://www.theguardian.com/commentisfree/2014/apr/24/terms-and-conditions-online-small-print-information)) (“We live in a time of terms and conditions. Never before have we signed or
11 agreed to so many. But one thing hasn't changed: we still rarely read them.”). And while the
12 other materials Apple relies on, such as its public disclosures of security flaws or articles on its
13 website, see ECF No. 875 at 28-29, are somewhat more likely to have been read, Apple does not
14 demonstrate – and it seems unlikely that it could – that the difference in likelihood is material. In
15 short, while Apple's opposition contains some persuasive arguments, this is not one of them.

16 **5. Damages Calculation**

17 In addition to its arguments regarding the alleged misrepresentations, Apple also contends
18 that Plaintiffs have not adequately defined their damages.

19 Rule 23(b)(3)'s predominance requirement also applies to questions of damages.
20 “Plaintiffs must be able to show that their damages stemmed from the defendant's actions that
21 created the legal liability.” Pulaski & Middleman, LLC v. Google, Inc., 802 F.3d 979, 987-88 (9th
22 Cir. 2015) (quoting Leyva v. Medline Industries Inc., 716 F.3d 510, 514 (9th Cir. 2013)). To
23 satisfy this requirement, plaintiffs must show that “damages are capable of measurement on a
24 classwide basis.” Comcast, 133 S. Ct. at 1433. However, “damage calculations alone cannot
25 defeat certification.” Yokoyama v. Midland Nat. Life Ins. Co., 594 F.3d 1087, 1094 (9th Cir.
26 2010). And “the presence of individualized damages cannot, by itself, defeat class certification
27 under Rule 23(b)(3).” Leyva, 716 F.3d at 514. At the class certification stage, Plaintiffs must
28 show that damages can “feasibly and efficiently be calculated once the common liability questions

1 are adjudicated.” Leyva, 716 F.3d at 514. The Court concludes that Plaintiffs fail to meet this
2 burden.

3 To prove damages on a classwide basis, Plaintiffs propose conducting conjoint analysis
4 surveys⁹ to calculate the “market value of the security features Apple falsely promised and
5 calculate the damages required as restitution to class members who overpaid for insecure
6 iDevices.” ECF No. 802 at 31-32.¹⁰ Apple counters that Plaintiffs make no showing that class
7 damages can be feasibly or reliably measured because (1) Dr. Howlett, Plaintiffs’ expert witness,
8 has not proposed a sufficient methodology and (2) Dr. Howlett’s approach is not consistent with
9 Plaintiffs’ theory of liability. ECF No. 875 at 29. Apple points to Dr. Howlett’s failure to “define
10 or even predict the number and substance of the attributes for her conjoint survey(s), [which] in
11 itself, establishe[s] that she has not proposed a sufficient methodology.” ECF No. 875 at 32.¹¹ In
12 reply, Plaintiffs do not directly refute either of Apple’s arguments. Instead, Plaintiffs assert that as
13 long as conjoint analysis provides a “reasonable approximation,” some level of imperfection is
14 permitted. ECF No. 888 at 21.

15 Dr. Howlett’s failure to identify the specific attributes to be used in a conjoint survey
16 prevents the Court from finding that it will adequately measure damages. Several courts in this
17 circuit facing similar circumstances have found that when a proposed damages model omits the
18 specific variables to be used, the model is inadequate. In In re ConAgra Foods, Inc., 302 F.R.D. at

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21 ⁹ “In conjoint analysis, we determine what value a customer places on a particular feature of a
22 product by measuring the partial value (‘partworth’ utility) of multiple individual features of the
23 product. For example, we measure the value to the customer of the product offered in several
24 combinations, some of which might contain feature 1 (but perhaps not feature 2), some of which
25 might contain feature 2 (but perhaps not feature 1), and some of which might contain both features
26 1 and 2. We can use the data we collect to isolate the value to the customer of one particular
27 feature.” Microsoft Corp. v. Motorola, Inc., 904 F. Supp. 2d 1109, 1120 (W.D. Wash. 2012).

28 ¹⁰ This is not the first time Plaintiffs have proposed the use of a conjoint analysis. See Opperman
v. Path, Inc., No. 13-CV-00453-JST, 2016 WL 3844326, at *14–15 (N.D. Cal. July 15, 2016).

¹¹ As Dr. Howlett said in her deposition, she “did not do any in-depth analysis of the different
kinds of attributes to be looking at. I didn’t do – I didn’t do the work that would be necessary to
actually institute this survey.” ECF No. 876-18 at 53:18-21. Later in the same deposition, when
she was asked what attributes she would be testing, she answered simply, “I don’t know.” Id. at
144:6-11.

1 552, for example, the court refused to consider plaintiffs’ proposed damage approach on class
2 certification. The court determined that “[a]lthough the methodologies [plaintiffs’ expert witness]
3 describes may very well be capable of calculating damages in this action, [he] has made no
4 showing that this is the case. He does not identify any variables he intends to build into the
5 models, nor does he identify any data presently in his possession to which the models can be
6 applied. The court is thus left with only [his] assurance that he can build a model to calculate
7 damages.” *Id.*; see also Saavedra v. Eli Lilly & Co., No. 2:12-CV-9366-SVW, 2014 WL 7338930,
8 at *6 (C.D. Cal. Dec. 18, 2014) (denying class certification where plaintiff had “yet to design”
9 conjoint survey and had not yet chosen attributes that would be included in model); Jones v.
10 ConAgra Foods, Inc., No. C 12-01633 CRB, 2014 WL 2702726, at *20 (N.D. Cal. June 13, 2014)
11 (concluding that plaintiffs failed to describe an adequate damage model where plaintiff’s expert
12 did not provide “a clearly defined list of variables” and had not determined comparator products or
13 whether needed data existed).¹²

14 Furthermore, Plaintiffs’ proposed damage model fails to satisfy the predominance
15 requirement for the additional reason that it does not comport with Plaintiffs’ theory of liability.
16 Comcast requires that “a model purporting to serve as evidence of damages in this class action
17 must measure only those damages attributable to that theory. If the model does not even attempt
18 to do that, it cannot possibly establish that damages are susceptible of measurement across the

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20 _____
21 ¹² At the hearing on this motion, Plaintiffs’ counsel urged the Court to rely upon In re ConAgra
22 Foods, Inc., 90 F. Supp. 3d 919 (C.D. Cal. 2015), aff’d sub nom. Briseno v. ConAgra Foods, Inc.,
23 844 F.3d 1121 (9th Cir. 2017), and aff’d sub nom. Briseno v. ConAgra Foods, Inc., 674 F. App’x
24 654 (9th Cir. 2017). But that case undermines Plaintiffs’ claim rather than supports it. The
25 ConAgra district court stated, referring to its earlier opinion, In re ConAgra Foods, Inc., 302
26 F.R.D. 537 (C.D. Cal. 2014):

27 As ConAgra notes, the court previously rejected Weir’s original declaration and
28 proposed regression methodology because he failed to identify, inter alia, the
variables he intended to build into the models and the data he possessed to which
the models could be applied. Weir’s declaration in support of plaintiffs’ amended
class certification remedies these shortcomings.

Id. at 945 (footnote omitted) (emphasis added). Dr. Howlett’s proposal suffers from all the defects
the ConAgra court identified in its first order, without providing any of the fixes that court
identified in its second order. In other words, the shortcomings have not been remedied.

1 entire class for purposes of Rule 23(b)(3).” Comcast, 133 S. Ct. at 1433.

2 Dr. Howlett’s proposed methodology suffers from the additional defect that it would
3 overstate Plaintiffs’ damages. Her analysis seeks to measure the value to consumers of privacy
4 generally, but “privacy” encompasses a variety of concepts that are not at issue in this case. As
5 Apple puts it, her study would measure the “value of security of privacy broadly in a smartphone
6 rather than seek to value the two allegedly misrepresented security features [sandboxing and the
7 curated App Store].” ECF No. 875 at 35 (emphasis in original).

8 In In re ConAgra Foods, Inc., 90 F. Supp. 2d at 1025, plaintiffs’ expert sought to determine
9 the “price premium attributable to the ‘100% Natural’ label” on the product at issue, even though
10 plaintiffs’ theory of liability was that consumers were erroneously led to believe (because of the
11 “100% Natural” label) that the product contained no GMO ingredients. The court determined that
12 the plaintiffs’ regression analysis alone did not satisfy Comcast’s requirements since it did not
13 “isolate the price premium attributable to consumers’ belief that ConAgra’s products did not
14 contain GMOs.” Id. The court concluded, however, that the regression model taken together with
15 the proposed conjoint analysis survey did satisfy Comcast’s requirements for class certification
16 purposes since the survey would “segregate the percentage of the price premium specifically
17 attributable to a customer’s belief that ‘100% Natural’ means ‘no GMOs.’” Id. Thus, “[s]uch a
18 calculation would necessarily produce a damage figure attributable solely to ConAgra’s alleged
19 misconduct—i.e., misleading consumers to believe that Wesson Oils contain no GMOs by placing
20 a ‘100% Natural’ label on the products.” Id.

21 Here, Plaintiffs’ proposed damage model is more akin to the rejected regression model in
22 ConAgra. Just as the rejected regression analysis in ConAgra was overbroad, Dr. Howlett’s
23 proposed methodology would measure the value consumers attribute to security broadly, despite
24 the focus of Plaintiffs’ theory of liability on only two failed security features. Dr. Howlett agrees
25 that security and privacy for Apple devices are indeed “broad concept[s]” with “multiple different
26 meanings, multiple different sub-attributes.” ECF No. 876-18 at 201-02. She considers protection
27 of contacts information only one of multiple sub-attributes of security. Id. at 203-04. She
28 acknowledges a high level attribute like security encompasses a wide variety of sub-attributes,

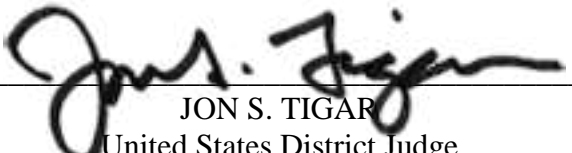
1 including email security, text security, virus protection, password protection, spy-ware protection,
2 location data security, web browsing history protection, security for credit card information,
3 protection from hacking, and voice transmission interception. Id. at 204-08. Dr. Howlett “would
4 never use . . . [the term ‘sandboxing’] with consumers”; she would “find it very surprising if they
5 understood what sandboxing meant.” Id. at 50; 52-53. Nor would she commit to testing only the
6 sandboxing or Curated App Store features of the iDevice, since she had not decided which
7 attributes she would test. Id. at 146:6-11 (“I, again, don’t know if I would use just one, protects
8 private data versus not protect private data. I don’t know if I would just use that one attribute or if
9 I would do something that would be like a sandbox attribute and a curated attribute. I don’t know
10 how I would design that yet.”); see also id. at 230 (does not know whether consumers would
11 understand concept of a curated App Store). Thus, because Dr. Howlett’s model would not value
12 the measure of the two challenged security features, sandboxing and the curated App Store, but
13 rather would seek to value security in iDevices broadly, the model fails Comcast’s requirement
14 that Plaintiff’s method of proving damages is tied to their theory of liability.

15 **CONCLUSION**

16 Plaintiffs’ Motion for Class Certification Regarding False Advertising Law and Related
17 Claims is DENIED.¹³

18 IT IS SO ORDERED.

19 Dated: July 25, 2017

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22 JON S. TIGAR
United States District Judge

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¹³ Because the Court will not certify the proposed class, it does not reach Apple’s remaining arguments.