

FILED

2010 FEB 23 PM 2: 06

U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
SANTA ANA

BY \_\_\_\_\_

1 THE WESTON FIRM  
 2 GREGORY S. WESTON (239944)  
 3 JACK FITZGERALD (257370)  
 4 888 Turquoise Street  
 5 San Diego, CA 92109  
 6 Telephone: 858 488 1672  
 7 Facsimile: 480 247 4553  
 8 greg@westonfirm.com  
 9 jack@westonfirm.com

10 BECK & LEE BUSINESS TRIAL LAWYERS  
 11 JARED H. BECK (233743)  
 12 ELIZABETH LEE BECK (233742)  
 13 Courthouse Plaza Building  
 14 28 West Flagler Street, Suite 555  
 15 Miami, FL 33130  
 16 Telephone: 305 789 0072  
 17 Facsimile: 786 664 3334  
 18 jared@beckandlee.com  
 19 elizabeth@beckandlee.com

20 Attorneys for Plaintiff and the Proposed Class

21 UNITED STATES DISTRICT COURT  
 22 CENTRAL DISTRICT OF CALIFORNIA

23 CATS AND DOGS ANIMAL  
 24 HOSPITAL, INC., on behalf of itself  
 25 and all others similarly situated,  
 26  
 27  
 28  
 29  
 30  
 31  
 32  
 33  
 34  
 35  
 36  
 37  
 38  
 39  
 40  
 41  
 42  
 43  
 44  
 45  
 46  
 47  
 48  
 49  
 50  
 51  
 52  
 53  
 54  
 55  
 56  
 57  
 58  
 59  
 60  
 61  
 62  
 63  
 64  
 65  
 66  
 67  
 68  
 69  
 70  
 71  
 72  
 73  
 74  
 75  
 76  
 77  
 78  
 79  
 80  
 81  
 82  
 83  
 84  
 85  
 86  
 87  
 88  
 89  
 90  
 91  
 92  
 93  
 94  
 95  
 96  
 97  
 98  
 99  
 100  
 101  
 102  
 103  
 104  
 105  
 106  
 107  
 108  
 109  
 110  
 111  
 112  
 113  
 114  
 115  
 116  
 117  
 118  
 119  
 120  
 121  
 122  
 123  
 124  
 125  
 126  
 127  
 128  
 129  
 130  
 131  
 132  
 133  
 134  
 135  
 136  
 137  
 138  
 139  
 140  
 141  
 142  
 143  
 144  
 145  
 146  
 147  
 148  
 149  
 150  
 151  
 152  
 153  
 154  
 155  
 156  
 157  
 158  
 159  
 160  
 161  
 162  
 163  
 164  
 165  
 166  
 167  
 168  
 169  
 170  
 171  
 172  
 173  
 174  
 175  
 176  
 177  
 178  
 179  
 180  
 181  
 182  
 183  
 184  
 185  
 186  
 187  
 188  
 189  
 190  
 191  
 192  
 193  
 194  
 195  
 196  
 197  
 198  
 199  
 200  
 201  
 202  
 203  
 204  
 205  
 206  
 207  
 208  
 209  
 210  
 211  
 212  
 213  
 214  
 215  
 216  
 217  
 218  
 219  
 220  
 221  
 222  
 223  
 224  
 225  
 226  
 227  
 228  
 229  
 230  
 231  
 232  
 233  
 234  
 235  
 236  
 237  
 238  
 239  
 240  
 241  
 242  
 243  
 244  
 245  
 246  
 247  
 248  
 249  
 250  
 251  
 252  
 253  
 254  
 255  
 256  
 257  
 258  
 259  
 260  
 261  
 262  
 263  
 264  
 265  
 266  
 267  
 268  
 269  
 270  
 271  
 272  
 273  
 274  
 275  
 276  
 277  
 278  
 279  
 280  
 281  
 282  
 283  
 284  
 285  
 286  
 287  
 288  
 289  
 290  
 291  
 292  
 293  
 294  
 295  
 296  
 297  
 298  
 299  
 300  
 301  
 302  
 303  
 304  
 305  
 306  
 307  
 308  
 309  
 310  
 311  
 312  
 313  
 314  
 315  
 316  
 317  
 318  
 319  
 320  
 321  
 322  
 323  
 324  
 325  
 326  
 327  
 328  
 329  
 330  
 331  
 332  
 333  
 334  
 335  
 336  
 337  
 338  
 339  
 340  
 341  
 342  
 343  
 344  
 345  
 346  
 347  
 348  
 349  
 350  
 351  
 352  
 353  
 354  
 355  
 356  
 357  
 358  
 359  
 360  
 361  
 362  
 363  
 364  
 365  
 366  
 367  
 368  
 369  
 370  
 371  
 372  
 373  
 374  
 375  
 376  
 377  
 378  
 379  
 380  
 381  
 382  
 383  
 384  
 385  
 386  
 387  
 388  
 389  
 390  
 391  
 392  
 393  
 394  
 395  
 396  
 397  
 398  
 399  
 400  
 401  
 402  
 403  
 404  
 405  
 406  
 407  
 408  
 409  
 410  
 411  
 412  
 413  
 414  
 415  
 416  
 417  
 418  
 419  
 420  
 421  
 422  
 423  
 424  
 425  
 426  
 427  
 428  
 429  
 430  
 431  
 432  
 433  
 434  
 435  
 436  
 437  
 438  
 439  
 440  
 441  
 442  
 443  
 444  
 445  
 446  
 447  
 448  
 449  
 450  
 451  
 452  
 453  
 454  
 455  
 456  
 457  
 458  
 459  
 460  
 461  
 462  
 463  
 464  
 465  
 466  
 467  
 468  
 469  
 470  
 471  
 472  
 473  
 474  
 475  
 476  
 477  
 478  
 479  
 480  
 481  
 482  
 483  
 484  
 485  
 486  
 487  
 488  
 489  
 490  
 491  
 492  
 493  
 494  
 495  
 496  
 497  
 498  
 499  
 500  
 501  
 502  
 503  
 504  
 505  
 506  
 507  
 508  
 509  
 510  
 511  
 512  
 513  
 514  
 515  
 516  
 517  
 518  
 519  
 520  
 521  
 522  
 523  
 524  
 525  
 526  
 527  
 528  
 529  
 530  
 531  
 532  
 533  
 534  
 535  
 536  
 537  
 538  
 539  
 540  
 541  
 542  
 543  
 544  
 545  
 546  
 547  
 548  
 549  
 550  
 551  
 552  
 553  
 554  
 555  
 556  
 557  
 558  
 559  
 560  
 561  
 562  
 563  
 564  
 565  
 566  
 567  
 568  
 569  
 570  
 571  
 572  
 573  
 574  
 575  
 576  
 577  
 578  
 579  
 580  
 581  
 582  
 583  
 584  
 585  
 586  
 587  
 588  
 589  
 590  
 591  
 592  
 593  
 594  
 595  
 596  
 597  
 598  
 599  
 600  
 601  
 602  
 603  
 604  
 605  
 606  
 607  
 608  
 609  
 610  
 611  
 612  
 613  
 614  
 615  
 616  
 617  
 618  
 619  
 620  
 621  
 622  
 623  
 624  
 625  
 626  
 627  
 628  
 629  
 630  
 631  
 632  
 633  
 634  
 635  
 636  
 637  
 638  
 639  
 640  
 641  
 642  
 643  
 644  
 645  
 646  
 647  
 648  
 649  
 650  
 651  
 652  
 653  
 654  
 655  
 656  
 657  
 658  
 659  
 660  
 661  
 662  
 663  
 664  
 665  
 666  
 667  
 668  
 669  
 670  
 671  
 672  
 673  
 674  
 675  
 676  
 677  
 678  
 679  
 680  
 681  
 682  
 683  
 684  
 685  
 686  
 687  
 688  
 689  
 690  
 691  
 692  
 693  
 694  
 695  
 696  
 697  
 698  
 699  
 700  
 701  
 702  
 703  
 704  
 705  
 706  
 707  
 708  
 709  
 710  
 711  
 712  
 713  
 714  
 715  
 716  
 717  
 718  
 719  
 720  
 721  
 722  
 723  
 724  
 725  
 726  
 727  
 728  
 729  
 730  
 731  
 732  
 733  
 734  
 735  
 736  
 737  
 738  
 739  
 740  
 741  
 742  
 743  
 744  
 745  
 746  
 747  
 748  
 749  
 750  
 751  
 752  
 753  
 754  
 755  
 756  
 757  
 758  
 759  
 760  
 761  
 762  
 763  
 764  
 765  
 766  
 767  
 768  
 769  
 770  
 771  
 772  
 773  
 774  
 775  
 776  
 777  
 778  
 779  
 780  
 781  
 782  
 783  
 784  
 785  
 786  
 787  
 788  
 789  
 790  
 791  
 792  
 793  
 794  
 795  
 796  
 797  
 798  
 799  
 800  
 801  
 802  
 803  
 804  
 805  
 806  
 807  
 808  
 809  
 810  
 811  
 812  
 813  
 814  
 815  
 816  
 817  
 818  
 819  
 820  
 821  
 822  
 823  
 824  
 825  
 826  
 827  
 828  
 829  
 830  
 831  
 832  
 833  
 834  
 835  
 836  
 837  
 838  
 839  
 840  
 841  
 842  
 843  
 844  
 845  
 846  
 847  
 848  
 849  
 850  
 851  
 852  
 853  
 854  
 855  
 856  
 857  
 858  
 859  
 860  
 861  
 862  
 863  
 864  
 865  
 866  
 867  
 868  
 869  
 870  
 871  
 872  
 873  
 874  
 875  
 876  
 877  
 878  
 879  
 880  
 881  
 882  
 883  
 884  
 885  
 886  
 887  
 888  
 889  
 890  
 891  
 892  
 893  
 894  
 895  
 896  
 897  
 898  
 899  
 900  
 901  
 902  
 903  
 904  
 905  
 906  
 907  
 908  
 909  
 910  
 911  
 912  
 913  
 914  
 915  
 916  
 917  
 918  
 919  
 920  
 921  
 922  
 923  
 924  
 925  
 926  
 927  
 928  
 929  
 930  
 931  
 932  
 933  
 934  
 935  
 936  
 937  
 938  
 939  
 940  
 941  
 942  
 943  
 944  
 945  
 946  
 947  
 948  
 949  
 950  
 951  
 952  
 953  
 954  
 955  
 956  
 957  
 958  
 959  
 960  
 961  
 962  
 963  
 964  
 965  
 966  
 967  
 968  
 969  
 970  
 971  
 972  
 973  
 974  
 975  
 976  
 977  
 978  
 979  
 980  
 981  
 982  
 983  
 984  
 985  
 986  
 987  
 988  
 989  
 990  
 991  
 992  
 993  
 994  
 995  
 996  
 997  
 998  
 999  
 1000

Case No: CV10 -1340 VBF (SSx)

Pleading Type: Class Action

**COMPLAINT FOR VIOLATIONS  
OF THE UNFAIR  
COMPETITION LAW**

DEMAND FOR JURY TRIAL

Plaintiff,

v.

Defendant.

1 Plaintiff Cats and Dogs Animal Hospital, Inc. (“Plaintiff” or “Cats and  
2 Dogs”), on behalf of itself and all others similarly situated, by and through  
3 undersigned counsel, hereby sues Defendant Yelp! Inc. (“Defendant” or “Yelp”)  
4 and, upon information and belief and investigation of counsel, alleges as follows:  
5

6 **JURISDICTION AND VENUE**

7 1. This Court has original jurisdiction under 28 U.S.C. § 1332(d)(2) (The  
8 Class Action Fairness Act) because the matter in controversy exceeds the sum or  
9 value of \$5,000,000 exclusive of interest and costs and more than two-thirds of the  
10 members of the Class reside in states other than that state of which Defendant is a  
11 citizen.

12 2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because  
13 Plaintiff resides in and suffered injuries as a result of Defendant’s acts in this  
14 district, many of the acts and transactions giving rise to this action occurred in this  
15 district, and Defendants (1) are authorized to conduct business in this district and  
16 have intentionally availed themselves of the laws and markets of this district  
17 through the promotion, marketing, and sale of advertising in this district; (2) reside  
18 in this district, and (3) are subject to personal jurisdiction in this district.  
19

20 **PARTIES**

21 3. Plaintiff Cats and Dogs is a California corporation with its principal  
22 place of business in Long Beach. Cats and Dogs is owned and operated by Gregory  
23 Perrault (“Dr. Perrault”), a veterinarian.

24 4. Defendant Yelp is a Delaware corporation with its principal place of  
25 business in San Francisco, California. Yelp owns and operates Yelp.com, a popular  
26 online directory and user-ratings website.  
27

**INTRODUCTION AND BACKGROUND**

1  
2 5. The term “Web 2.0” describes internet websites and applications that  
3 revolve around information sharing and user-centered design. Examples of Web  
4 2.0 websites include social networking sites (e.g., Facebook.com), video sharing  
5 sites (e.g., YouTube.com), wikis (e.g., Wikipedia.com), blogs, and many other  
6 sites that allow users to create, upload, or modify content. Web 2.0 websites thus  
7 allow internet users to do much more than simply retrieve information—the users  
8 choose what information to interact with, how they interact with it, and how to  
9 modify or add to pre-existing content.

10 6. Online review applications are an increasingly popular form of Web  
11 2.0. Companies such as Amazon.com, Best Buy, and TripAdvisor.com, embed  
12 Web 2.0 applications within their websites, which allow users to rate products and  
13 services and share their experiences.

14 7. Yelp.com, a website owned and operated by Defendant Yelp, is a  
15 website that utilizes Web 2.0 user-website interaction.

16 8. Yelp.com consists of an online directory of businesses in multiple  
17 categories, much like an online Yellow Pages. Each business listed on Yelp.com  
18 has a unique Yelp.com listing page, which provides basic business information  
19 (such as address, phone number and hours of operation), and user-generated ratings  
20 and reviews.

21 9. To rate businesses, internet users simply register on the Yelp.com  
22 website. Any internet user (whether registered or not) can browse Yelp.com to find  
23 reviews of businesses.

24 10. Ratings-based websites, including Yelp.com, are highly popular, and  
25 have great power to direct the flow of commerce in a given area. Users frequently  
26 read ratings and reviews for all of the businesses in a particular category and locale  
27 and then decide where to spend their money based on those ratings and reviews.

1 11. Yelp, however, regularly manipulates the content on Yelp.com listing  
2 pages, despite Yelp’s mantra of “Real people. Real reviews.”

3 12. One method Yelp uses to control content (and thereby raise or lower a  
4 business’s rating), is to promise to remove a business’s negative reviews or  
5 relocate them to the bottom of a listing page where fewer searchers will read them  
6 if the business agrees to purchase a costly monthly advertising subscription from  
7 Yelp. Yelp thus capitalizes on the presumed integrity of the Yelp.com ratings  
8 system to extort business owners to purchase advertising.

9 13. As a result, business listings on Yelp.com, contrary to the website’s  
10 “Real people. Real reviews.” mantra, are in fact biased in favor of businesses that  
11 buy Yelp advertising.

12  
13 **FACTUAL ALLEGATIONS**

14 14. On September 12, 2009, Dr. Perrault became aware of a negative  
15 review posted by “Chris R.” on the Cats and Dogs Yelp.com listing page.

16 15. Concerned about the review’s defamatory language, possible falsity,  
17 and the adverse impact it could have on his business, Dr. Perrault cross-referenced  
18 the factual information alleged in the review with his client history.

19 16. Upon finding that the review of Chris R. referenced a visit that  
20 occurred over 18 months prior to its posting (6 months outside of Yelp’s 12-month  
21 policy), Javier Vargas, the Hospital Manager at Cats and Dogs, called Yelp, on or  
22 around September 15, 2009, to request that the review be removed from the  
23 Yelp.com website for violating Yelp’s review guidelines. The review was  
24 subsequently removed from the Cats and Dogs Yelp.com listing page.

25 17. A second defamatory review, from “Kay K.,” appeared on the Cats  
26 and Dogs Yelp.com listing page within five days of the “Chris R.” review’s  
27 removal. The review read:

1        *The only reason I am even giving one star is because it wouldn't*  
2        *allow me to continue without it . . . otherwise, I would have given*  
3        *them no stars. Dr. Perrault is the rudest vet I've ever been to . . .*  
4        *probably one of the rudest people I've had the displeasure of meeting.*  
5        *I agree with the previous reviews about making you feel like an unfit*  
6        *mom. My pup had been sick and I had a theory on what the problem*  
7        *may have been and he wouldn't even entertain the idea, but instead,*  
8        *made me feel bad because my dog got sick. And, my poor dog was*  
9        *terrified of him! He made me feel like I was 2 inches tall and*  
10       *repeatedly looked down his nose at me. Oh, and OVER PRICED!*  
11       *OMG! Who does he think he is??? I did not feel welcomed by him nor*  
12       *his staff. I paid you for a service! No need to treat me so bad!*

13       18.    Soon after the appearance of these negative reviews, Dr. Perrault and  
14 Mr. Vargas began receiving frequent, high-pressure calls from Yelp advertising  
15 employees, who promised to manipulate Cats and Dogs' Yelp.com listing page in  
16 exchange for Cats and Dogs purchasing an advertising subscription.

17       19.    For example, on or about January 5, 2010, Cats and Dogs received a  
18 Yelp sales call from "Kevin." Kevin said that Cats and Dogs could advertise with  
19 Yelp for a minimum payment of \$300 per month, with a minimum 12-month  
20 commitment. Kevin stated that if Cats and Dogs purchased a one-year advertising  
21 subscription from Yelp:

- 22       a.    Yelp would hide negative reviews on the Cats and Dogs Yelp.com  
23       listing page, or place them lower on the listing page so internet users  
24       "won't see" them;
- 25       b.    Yelp would ensure negative reviews will not appear in Google and  
26       other search engine results;

1 c. Yelp would allow Cats and Dogs to decide the order that its reviews  
2 appear in on its Yelp.com listing page; and

3 d. Cats and Dogs could choose its “tagline,” i.e., the first few lines of a  
4 single review shown on every search result page in which Cats and  
5 Dogs appears (for instance, “Veterinarian in Long Beach”).

6 20. Dr. Perrault declined the offer, saying that he wanted to track referrals  
7 from Yelp for three months without ads, but might thereafter be willing to test  
8 Yelp’s advertising potential.

9 21. Within a week of denying Kevin’s advertising offer, the negative  
10 review from Chris R. reappeared on the Cats and Dogs Yelp.com listing page.

11 22. Soon after, “Kay K.” posted a second negative review. This review  
12 was added on January 6, 2010, one day after Kevin’s sales call:

13 *I’ve already left one review about how bad a vet Dr. Perrault is, but I*  
14 *wanted to add something. I’ve been reading other people’s reviews*  
15 *and I must have gone to a different Cats and Dogs Animal Hospital*  
16 *with a vet named Dr. Perrault. Oh wait, no . . . he’s the only one.*  
17 *Maybe it’s a Dr. Jeckyl / Mr. Hyde thing?! I don’t know. But the guy’s*  
18 *an @\$\$. No other way around it. He’s a jerk, a D-Bag, And so*  
19 *arrogant. I ran in to him in a neighborhood store right after he saw*  
20 *my poor sick dog at his clinic and he looked right at me, recognized*  
21 *me, rolled his eyes and looked away!!!! Seriously, someone needs to*  
22 *knock this guy down to the size he really is. He needs to drop his*  
23 *Napolean complex and be a professional. After my horrible*  
24 *experience with him, I took my sick dog to Bixby Animal Clinic and I*  
25 *have never had a more pleasant vet experience! Go there instead! My*  
26 *dog loved everyone there!*

27

1           *Sorry to rant, but I just wanted to get the word out there. Don't spend*  
2           *the money on this overpriced arrogant vet. It's not worth it!*

3           23. On or about January 12, 2010, Mr. Vargas contacted Yelp to protest  
4 the reappearance of the "Chris R." review and the highly negative, inflammatory  
5 "Kay K." reviews.

6           24. On January 13, 2010, Mr. Vargas received via email the following  
7 response from Yelp:

8           We wanted to let you know that we've taken a close look at the  
9 reviews by Chris R and Kay K, and after careful evaluation, we have  
10 decided to leave both intact. Because we don't have firsthand  
11 knowledge of a reviewer's identity or personal experience, we are not  
12 in a position to verify your claims that these reviewers are the same  
13 person, or that they are connected to the recent vandalism at your  
14 hospital. If a review appears to reflect the personal opinion and  
15 experiences of the reviewer while adhering to our review guidelines  
16 [link], it is our policy to allow the reviewer to stand behind his or her  
17 review.

18           25. As of January 18, 2010 Cats and Dogs enjoyed a 4-star rating (out of a  
19 possible 5) on its Yelp.com listing page. Sixteen out of 26 reviews (over 60%)  
20 gave Cats and Dogs a perfect 5-star rating. Despite this, as of January 18, 2010, a  
21 Yelp.com search for "veterinarian in Long Beach" displayed the following tagline  
22 for Dogs and Cats:

23           *"Dr. Perrault is the most inept/rude veterinarian I have ever met. He*  
24           *had my rescue dog cowering and barking in the corner of the exam*  
25           *room within seconds of meeting him. He berated me for 20 . . ."*

26           26. Compare Cats and Dogs' tagline to the tagline (as of January 18,  
27 2010) of Bixby Animal Clinic, a Long Beach veterinary business that is a Yelp

1 advertiser (and the same company the mysterious Kay K. referred users to in her  
2 second Cats and Dogs review):

3       *“This place IS awesome. I brought my little man (Bruin) to Dr. A. as a*  
4       *puppy for the puppy package. They have great hours and were able to*  
5       *acommodate me AFTER work so I never had to take extra time . . . ”*

6       27. Yelp frequently exercises its control over the Yelp.com listing  
7 application to modify business listing pages to the advantage of businesses that  
8 purchase Yelp advertising subscriptions, and the disadvantage of those that  
9 decline.

10       28. Dr. Perrault's experience with Yelp was not unique, but rather typical  
11 of Yelp's advertisement sales tactics.

12       29. A February 18, 2009 article in the East Bay Express, titled *Yelp and*  
13 *the Business of Extortion 2.0*,<sup>1</sup> describes Yelp's unlawful business practices.  
14 According to the article:

15       • Yelp sales representatives contact business owners saying, “**[Y]ou have a**  
16 **few bad [reviews] at the top. I could do something about those. . . . We**  
17 **can move them. Well, for \$299 a month.**”

18       • Almost all the time when Yelp calls business owners, negative reviews  
19 are at the top of the business's Yelp.com listing page.

20       • Mary Seaton, the owner of a furniture store in San Mateo, **took Yelp up**  
21 **on an offer to remove her negative reviews if she advertised at a cost of**  
22 **\$350 per month for six months. During that time, her negative reviews**  
23 **were removed and old positive ones showed up. After her contract was**  
24 **up, a negative review appeared**, which Seaton said contained lies.  
25  
26

27 <sup>1</sup> Available at <http://www.eastbayexpress.com/eastbay/yelp-and-the-business-of-extortion-20/Content?oid=1176635>.

1 • Greg Quinn, the owner of a San Francisco bar and bistro, said **a Yelp**  
2 **sales representative moved negative reviews further down his page in an**  
3 **effort to entice him to advertise.** The sales rep called Mr. Quinn and said,  
4 **“Did you notice what I did? Well, we can keep doing that for you.”**

5  
6 • An East Bay business owner said **Yelp offered to move one- or two-star**  
7 **reviews of his business if he advertised.**

8  
9 • Six people told the East Bay Express that **Yelp sales representatives**  
10 **promised to move or remove negative reviews if their businesses would**  
11 **advertise.**

12 • Six other people told the East Bay Express that **positive reviews**  
13 **disappeared, or negative reviews appeared, after owners declined to**  
14 **advertise.**

15  
16 • Yelp pays its employees to write reviews of businesses; in one  
17 documented instance, **a business owner who declined to advertise**  
18 **subsequently received a negative review from a Yelp employee.** In other  
19 cases, businesses that receive negative reviews from paid Yelp employees  
20 are subsequently asked to advertise.

21  
22 • Yelp’s Chief Operating Officer, Geoff Donaker, said advertisers and  
23 sales representatives do not have the ability to move or remove negative  
24 reviews. Donaker’s denials are challenged both by local business owners,  
25 and by **a former Yelp employee, who said that several sales reps told him**  
26 **they promised to move reviews to get businesses to advertise.**

1 30. As of February 8, 2010, there are 140 comments on the East Bay  
2 Express website following the Yelp article, many from business owners describing  
3 experiences similar to those discussed in the article.

4 31. A follow-up East Bay Express article provides further evidence of  
5 Yelp's unlawful sales practices. The March 18, 2009 article, *Yelp Extortion*  
6 *Allegations Stack Up: More business owners come forward with tales of unethical*  
7 *behavior by the popular San Francisco-based web site*<sup>2</sup> states that since the  
8 publication of the first article:

9 [M]any business owners from around the country have come  
10 forward—via emails or comments on the *Express*' web site—alleging  
11 similar tales of extortionist tactics by Yelp sales reps. . . . Business  
12 owners contend that they just want [an] opportunity to respond to  
13 negative, false, or damaging information about their businesses.  
14 Instead, the only way for them to salvage their businesses' reputation  
15 is by paying Yelp—regardless of whether the reviews are true or false.  
16 . . . [S]everal [interviewees] said that the reps would offer to move  
17 negative reviews if they advertised; and in some cases positive  
18 reviews disappeared when they refused, or negative ones appeared. In  
19 one case, a nightclub owner said Yelp offered positive reviews of his  
20 business in exchange for free drinks.

21 32. The article tells the stories of six California business owners'  
22 experiences with Yelp:

- 23 • After Bob Hyde, owner of M&M Auto Werkes in Campbell, received a  
24 negative rating from a customer's boyfriend, violating Yelp's Terms of  
25 Service (prohibiting third parties from posting reviews), he contacted Yelp  
26

27 <sup>2</sup>Available at <http://www.eastbayexpress.com/eastbay/yelp-extortion-allegations-stack-up/Content?oid=1176984>.

1 sales representative Jacqueline Fitzhugh to complain. She told him, **“We**  
2 **can’t control that, but if you advertise you can control the order that**  
3 **they’re in.”** After declining, Mr. Hyde noticed some of his five-star posts  
4 **were disappearing.** Yelp told him the website has a spam filter, like  
5 Google. Hyde tracked his reviews, printing them daily to monitor which  
6 ones would disappear. Some five-star reviews stayed up for as short as 31  
7 days and as long as 131 days. **Yelp told Hyde that if he advertised, some**  
8 **of those five-star reviews would come back.**

9  
10 • Calvin Gee of Haight Street Dental in San Francisco saw his rating drop  
11 from five-stars to 3.5-stars following his declining to buy advertising. **Yelp**  
12 **reps told Gee that if he advertised, they would let him choose his**  
13 **favorite review and would move the negative reviews to the bottom of**  
14 **the page.** Gee noticed that one of his competitors, CitiDent, had two  
15 separate listings on Yelp.com. The business had more positive reviews and a  
16 higher star rating on the page that was marked a Yelp sponsor, and more  
17 negative reviews and a lower star rating on the harder to find non-sponsored  
18 page.

19  
20 • Larry Trujillo owns the Uptown Nightclub in Oakland. Shortly after  
21 opening the club, a Yelp sales rep began calling him “almost daily” about  
22 advertising. The sales rep would say **“I notice you have a lot of positive**  
23 **reviews. We could make sure that those reviews stay positive.”** Sarah  
24 Lippman, a Sales Manager at Yelp, separately asked Mr. Trujillo for free use  
25 of his club with Yelp staff and alcohol expenses paid by the club in  
26 exchange for positive reviews on the club’s Yelp.com listing page.

27

1 • Debbie Leonardo, director of membership at the Ruby Hill Golf Club in  
2 Pleasanton, received a phone call from a **Yelp sales representative who**  
3 **told her that the business could get rid of its worst review if it purchased**  
4 **advertising.**

5  
6 • Bob Kurtz, owner of Collectors Real 3 in Oakland, was contacted by a  
7 Yelp sales person after receiving a negative review. In an email, **Yelp told**  
8 **him that, as a paid advertiser, the negative review could be dealt with.**

9  
10 • Nicholas Paul, an instructor at a Chicago art studio, declined to purchase  
11 advertising and shortly thereafter three positive reviews disappeared from  
12 and two negative ones were added to the studio's Yelp.com listing page. **A**  
13 **Yelp sales rep told Mr. Paul he could control that.**

14  
15 33. An August 13, 2008 article in The Register, a news website, titled  
16 *Yelp "pay to play" pitch makes shops scream for help: User generated discontent*<sup>3</sup>  
17 notes that:

18 At least some of Yelp's sales staff hope to make money by offering to  
19 hide what you and I have to say. Over the last year, five San Francisco  
20 Bay Area business have told *The Register* that **the company has**  
21 **offered to "push bad reviews to the bottom" of their yelp pages if**  
22 **they paid to advertise on the site.** One restaurant owner was  
23 contacted "five or six" times, and each time, the Yelp sales rep  
24 insisted that if he forked over \$6,000 a year for "sponsored link"  
25 status, the site would suppress user posts that put his restaurant in a  
26 less-than-positive light. "They told me I had 60 reviews on my [Yelp]

27  
<sup>3</sup> Available at [http://www.theregister.co.uk/2008/08/13/yelp\\_sales\\_pitch/print.html](http://www.theregister.co.uk/2008/08/13/yelp_sales_pitch/print.html)

1 page,” said the owner . . . . “They told me ‘No one is going to read all  
2 60. They’re only going to read the first few.’”

3 34. A March 9, 2009 Chicago Tribune article, titled *Questions arise over*  
4 *Yelp’s ads, reviews; Businesses say site rearranges opinions for price; CEO*  
5 *denies*,<sup>4</sup> reported:

6 • Ina Pinkney of Ina’s restaurant in the West Loop said that last  
7 summer **a Yelp salesperson offered “to move up my good reviews**  
8 **if I sponsored one of their events. They called it rearranging my**  
9 **reviews.”**

10  
11 • Jason Luros, an attorney at Hudson & Luros in Napa, California,  
12 stated “one of our reviews mysteriously disappeared, so I contacted  
13 Yelp and was given the usual canned response about how no humans  
14 control the reviews. But **when I said I would consider advertising if**  
15 **they restored the review, it mysteriously reappeared.”**

16  
17 35. An April 3, 2009 article in the Santa Monica Daily Press titled *Yelp*  
18 *Sales Tactics Cause Concern Among Businesses*,<sup>5</sup> reported:

19 After declining to advertise, the [Los Angeles area] business owner  
20 checked the Yelp page again and noticed that at least 10 positive  
21 reviews had disappeared while a few negative ones had been posted. .  
22 . . They estimate that at least 20 positive reviews had been deleted  
23 from the site since the conversation with Yelp about three weeks ago.  
24  
25

26 <sup>4</sup> No longer available online.

27 <sup>5</sup> Available at [http://www.smdp.com/Articles-c-2009-04-02-52021.113116\\_Yelp\\_sales\\_tactics\\_cause\\_for\\_concern\\_among\\_businesses.html](http://www.smdp.com/Articles-c-2009-04-02-52021.113116_Yelp_sales_tactics_cause_for_concern_among_businesses.html)

**CLASS REPRESENTATION ALLEGATIONS**

1  
2 36. Plaintiff brings this action on behalf of itself and the following Class:

3 All persons and entities (excluding officers, directors, and employees  
4 of Yelp) in the United States for which Yelp has offered or threatened  
5 to manipulate a Yelp.com listing page in exchange for purchasing or  
6 declining to purchase advertising.

7 37. Like Cats and Dogs, all members of the Class have a Yelp.com listing  
8 page.

9 38. Like Cats and Dogs, all members of the Class were contacted by Yelp  
10 sales representatives.

11 39. Like Cats and Dogs, all members of the Class were promised that, if  
12 they purchased advertising from Yelp, negative reviews would be removed or  
13 relocated from their Yelp.com listing pages, or those pages would otherwise be  
14 favorably manipulated, including through their own input or control.

15 40. Like Cats and Dogs, all members of the Class were threatened,  
16 implicitly or expressly, that if they did not purchase advertising from Yelp, their  
17 Yelp.com listing pages would be detrimentally manipulated, including for  
18 example, by removing positive reviews and posting new, negative reviews.

19 41. Plaintiff's claims on behalf of the Class are maintainable under Rules  
20 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure.

21 42. The questions of law and fact common to Plaintiff and the Class  
22 include:

- 23 a. Whether Yelp violated the Unfair Competition Law;
- 24 b. Whether Plaintiff and the Class were injured by the conduct  
25 complained of herein;
- 26 c. Whether the conduct described herein is ongoing; and
- 27 d. Whether members of the class are entitled to injunctive  
relief.

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

**CLAIM FOR RELIEF**

**Violations of the Unfair Competition Law, Bus. & Prof. Code § 17200**

43. Plaintiff realleges and incorporates the allegations elsewhere in the Complaint as if set forth in full herein.

44. The advertising sales and employee reviewing practices of Yelp as alleged herein constitute unfair business acts and practices because they are immoral, unscrupulous, and offend public policy.

45. The practices of Yelp complained of herein had no countervailing benefit to consumers or competition when weighed against the harm caused by such practices.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, on behalf of itself, all others similarly situated, and the general public, prays for judgment and relief against Yelp Inc. as follows:

- A. Declaring this action to be a proper class action.
- B. An order permanently enjoining Yelp from engaging in the practices complained of herein.
- C. An order compelling Yelp to disgorge all monies, revenues, and profits obtained by means of its wrongful acts and practices.
- D. An order requiring Yelp to pay restitution to restore all funds acquired by means of any act or practice declared by this Court to be unlawful, plus pre- and post- judgment interest thereon.
- E. Costs, expenses, and reasonable attorneys' fees.
- F. Any other and further relief the Court deems necessary, just, or proper.

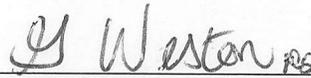
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**JURY DEMAND**

Plaintiff demands a trial by jury.

DATED: February 22, 2010

Respectfully Submitted,



Gregory S. Weston

THE WESTON FIRM  
Gregory S. Weston  
Jack Fitzgerald  
888 Turquoise Street  
San Diego, CA 92109  
Telephone: 858 488 1672  
Facsimile: 480 247 4553

BECK & LEE BUSINESS TRIAL  
LAWYERS  
Jared H. Beck  
Elizabeth Lee Beck  
Courthouse Plaza Building  
28 West Flagler Street, Suite 555  
Miami, FL 33130  
Telephone: 305 789 0072  
Facsimile: 786 664 3334

Name & Address:  
YELP! INC  
706 Mission St, 7th Floor  
San Francisco, CA 94103

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CATS AND DOGS ANIMAL HOSPITAL, INC., on  
behalf of itself and all others similarly situated,

CASE NUMBER

CV10 -1340 VBF (SSx)

PLAINTIFF(S)

v.

YELP! INC.,

SUMMONS

DEFENDANT(S).

TO: DEFENDANT(S): YELP! INC

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached  complaint  \_\_\_\_\_ amended complaint  counterclaim  cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Gregory S. Weston, whose address is The Weston Firm, 888 Turquoise Street, San Diego, CA 92109. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

Dated: FEB 23 2010

By: DODJIE LAGMAN  SEAL  
Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY**

This case has been assigned to District Judge Valerie Baker Fairbank and the assigned discovery Magistrate Judge is Suzanne H. Segal.

The case number on all documents filed with the Court should read as follows:

**CV10 - 1340 VBF (SSx)**

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

-----  
**NOTICE TO COUNSEL**

*A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).*

Subsequent documents must be filed at the following location:

**Western Division**  
312 N. Spring St., Rm. G-8  
Los Angeles, CA 90012

**Southern Division**  
411 West Fourth St., Rm. 1-053  
Santa Ana, CA 92701-4516

**Eastern Division**  
3470 Twelfth St., Rm. 134  
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.



UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed?  No  Yes  
If yes, list case number(s): \_\_\_\_\_

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case?  No  Yes  
If yes, list case number(s): \_\_\_\_\_

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply)  A. Arise from the same or closely related transactions, happenings, or events; or  
 B. Call for determination of the same or substantially related or similar questions of law and fact; or  
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or  
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.  
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

|                           |                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------|
| County in this District:* | California County outside of this District; State, if other than California; or Foreign Country |
| Los Angeles               |                                                                                                 |

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.  
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

|                           |                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------|
| County in this District:* | California County outside of this District; State, if other than California; or Foreign Country |
|                           | San Francisco                                                                                   |

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.  
**Note: In land condemnation cases, use the location of the tract of land involved.**

|                           |                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------|
| County in this District:* | California County outside of this District; State, if other than California; or Foreign Country |
| Los Angeles               |                                                                                                 |

\* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): Heej Wook Date 2-9-10

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

| Nature of Suit Code | Abbreviation | Substantive Statement of Cause of Action                                                                                                                                                                                                                                     |
|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 861                 | HIA          | All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b)) |
| 862                 | BL           | All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)                                                                                                                                          |
| 863                 | DIWC         | All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))                                                     |
| 863                 | DIWW         | All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))                                                                                                                      |
| 864                 | SSID         | All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.                                                                                                                                      |
| 865                 | RSI          | All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))                                                                                                                                             |