

EXHIBIT L

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NORTHERN DISTRICT OF CALIFORNIA

10 IN THE UNITED STATES DISTRICT COURT
11 FOR THE NORTHERN DISTRICT OF CALIFORNIA

JL

CV 10 2197
City Action No.

12 JEFFREY HARPER and ZACHARY
13 KUMMER, individually and on behalf of all
14 others similarly situated,

15 Plaintiffs,

16 v.

17 SONY COMPUTER ENTERTAINMENT
18 AMERICA, INC.,

19 Defendant.

FILE BY FAX

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

20 Plaintiffs, Jeffrey Harper and Zachary Kummer ("Plaintiffs"), bring this
21 action against Defendant, Sony Computer Entertainment America, Inc. ("Sony" or
22 "Defendant"), individually and behalf of all others similarly situated, and allege as
23 follows upon personal knowledge as to themselves, and as to all matters upon
24 information and belief:

25 INTRODUCTION

26 1. This is a class action lawsuit brought by Plaintiffs on behalf of
27 themselves and a proposed class of current and former Sony PlayStation®3 ("PS3"
28 or "Console") owners that have had their "Install other OS" feature ("OS Feature")
intentionally disabled by Sony.

2. PS3 is a video game console that was first introduced on or about

1 November 17, 2006 by Sony with the OS Feature. This allowed users to install
2 other operating systems on the Console and thereby expand the PSS's capabilities to
3 that of a personal computer.

4 3. On or about April 1, 2010, Defendant released a PS3 firmware
5 update called 3.21 ("Update 3.21"), which numerous PS3 owners downloaded onto
6 their Consoles. The installation of Update 3.21 had the effect of disabling the OS
7 Feature. Sony purportedly wanted the OS Feature disabled to address unspecified
8 "security concerns." Upon information and belief, Sony failed to adequately
9 disclose that downloading and/or installing the Update 3.21 would remove this
10 important feature from consumers' Consoles.

11 4. Sony's decision to introduce the Update 3.21 places Plaintiffs and
12 class members in an untenable position. PS3 owners that do not install Update
13 3.21 can no longer access the PlayStation Network ("PSN"), play games online,
14 access online features, or play PS3 games and/or Blu-Ray discs that require Update
15 3.21. On the other hand, PS3 owners that do install Update 3.21 lose all access to
16 the OS Feature and are effectively locked out from accessing approximately 10
17 gigabytes ("GB") of memory on their PSS's internal hard drive.

18 5. Plaintiffs and other purchasers have paid for the advertised features
19 of the PS3, including the OS Feature, that have been involuntarily removed by Sony
20 through Update 3.21.

21 6. As a result of Defendant's unfair, deceptive and/or fraudulent
22 business practices, owners of the PS3, including Plaintiffs, have suffered an
23 ascertainable loss of money and/or property and injury in fact. Plaintiffs and the
24 proposed Class (as defined below), hereby seek damages and other relief as this
25 Court may see fit to order.
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JURISDICTION AND VENUE

7. This Court has diversity jurisdiction of this action pursuant to 28 U.S.C. § 1332(d) of the Class Action Fairness Act of 2005 because: (i) there are 100 or more class members, (ii) there is an aggregate amount in controversy exceeding \$5,000,000, exclusive of interest and costs, and (iii) there is minimal diversity because at least one plaintiff and one defendant are citizens of different states. This Court also has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

8. Venue is proper in this judicial district pursuant to 28 U.S.C. §1391 because Sony's corporate headquarters and principal place of business are located within this district. Additionally, Defendant has advertised in this district and has received substantial revenue and profits from its sales of products in this district; therefore, a substantial part of the events and/or omissions giving rise to the claims occurred, in part, within this district.

THE PARTIES

A. Plaintiff Harper

9. Plaintiff, Jeffrey Harper ("Harper"), is a resident and citizen of the State of Michigan, residing in the city of Berkley.

10. In or around January 2007, Harper purchased a PS3 designed, advertised, and distributed by Sony.

11. Subsequent to his purchase, Harper utilized his PS3, along with the OS Feature, to play on-line games, watch Blu-Ray discs, access email, access the internet, and conduct general word processing.

12. On or about April 1, 2010, Harper was alerted by Sony that Update 3.21 was available and should be installed on his PS3. As a result, Harper downloaded Update 3.21 and was thereafter unable to access the OS Feature and

1 became locked out from accessing 10 GBs of memory on the Console's internal hard
2 drive.

3 13. Harper purchased (and still owns) this product for personal, family
4 and/or household uses.

5 14. Harper has suffered an injury in fact as a result of the unlawful
6 conduct alleged herein by Defendant.

7 **B. Plaintiff Kummer**

8 15. Plaintiff, Zachary Kummer ("Kummer"), is a resident and citizen of
9 the State of Florida, residing in the city of Tampa.

10 16. In or about May 2008, Kummer purchased a PS3 designed,
11 advertised, and distributed by Sony.

12 17. Subsequent to his purchase, Kummer utilized his PS3, along with the
13 OS Feature, to play on-line games, watch Blu-Ray discs, access email, access the
14 internet, and conduct general word processing.

15 18. On or about April 1, 2010, Kummer was alerted by Sony that Update
16 3.21 was available and should be installed on his PS3. As a result, Kummer
17 downloaded Update 3.21 and was thereafter unable to access the OS Feature and
18 became locked out from accessing 10 GBs of memory on the Console's internal hard
19 drive.

20 19. Kummer purchased (and still owns) this product for personal, family
21 and/or household uses.

22 20. Kummer has suffered an injury in fact as a result of the unlawful
23 conduct alleged herein by Defendant.

24 **C. The Defendant**

25 21. Sony develops, markets, and distributes PlayStation gaming systems,
26 including the PS3 model at issue in this litigation. Defendant is an entity
27 incorporated under the laws of the State of Delaware, and maintains North
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1 American headquarters in Foster City, California. Sony, thus, is a citizen of
2 Delaware and California. A copy of the requisite Declarations pursuant to Cal. Civ.
3 Code § 1780(c) are attached collectively as Exhibit "A."

4 22. Upon information and belief, decisions regarding the development,
5 marketing, and distribution of the PS3 Console at issue in this litigation were
6 performed exclusively by Sony.

7 **INTRADISTRICT ASSIGNMENT**

8 23. Pursuant to Local Rules 3-2(c) and 3-5(b), this action should be
9 assigned to the San Francisco Division of the Northern District of California
10 because Sony resides in the County of San Mateo and, upon information and belief,
11 a substantial part of the acts, events, or omissions giving rise to Plaintiffs' claims
12 were performed in San Mateo County.

13 **FACTUAL ALLEGATIONS**

14 24. Sony was founded in 1994 as the North American division of Sony
15 Computer Entertainment, Inc., and according to its website, is responsible for "the
16 continued growth of the PlayStation® market in the United States and Canada."

17 25. The PlayStation® ("PS") brand is a line of computer game consoles
18 created and developed by Sony. The PS was first introduced in Japan on or about
19 December 3, 1994, with a subsequent release in the United States on September 5,
20 1995.

21 26. The original PS console possessed a number of features. In addition
22 to playing games, it had the ability to read and play audio CDs through use of a CD
23 player contained within the unit. The CD player had the ability to shuffle the
24 playback order, play the songs in a programmed order, and repeat one song or the
25 entire disk. More than 100,000 units were sold during its debut weekend and more
26 than one million units were sold within the first six months.

27 27. The PS was the first "computer entertainment platform" to ship 100
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1 million units, a milestone reached nine years and six months after its initial launch.
2 Its successor -- the PlayStation®2, released in 2004 -- is currently the best-selling
3 game console to date, with over 140 million units sold as of September 30, 2009.

4 28. The PS3 is the third and current iteration of the PlayStation® series
5 ("Series"), having been released on November 17, 2006 in the United States,
6 approximately six days after its release in Japan. The PS3 was the first console in
7 the Series to introduce the use of motion controls in games, along with other
8 features such as Blu-Ray disc capability and high-definition resolution. Two
9 hardware configurations were initially offered in the Console: a 20 GB model and a
10 60 GB model, priced at \$499 and \$599, respectively.

11 Sony Releases The OS Feature

12 29. The PS3 was the first in the Series to offer an OS Feature within the
13 Console at the time of sale. This allowed Linux operating systems to be installed
14 alongside the main system software on the PS3.

15 30. Defendant does not market the PS3 solely for use as a video game
16 console. Indeed, Defendant's website provides, "[t]here is more to the
17 PLAYSTATION®3 (PS3™) computer entertainment system than you may have
18 assumed. In addition to playing games, watching movies, listening to music, and
19 viewing photos, you can use the PS3™ system to run the Linux operating system.
20 By installing the Linux operating system, you can use the PS3™ system not only as
21 an entry-level personal computer with hundreds of familiar applications for home
22 and office use, but also as a complete development environment for the Cell
23 Broadband Engine™ (Cell/B.E.)."¹

24 31. The OS Feature allowed PS3 users to operate word processing
25 software, spreadsheet software, and email software through other operating
26 systems, in addition to being able to navigate multiple web browsers

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28 ¹ <http://www.playstation.com/ps3-openplatform/index.html>

1 simultaneously. The OS Feature allowed users to expand the capabilities of those
2 offered in previous PS models to that of a personal computer.

3 32. In May 2006, Phil Harrison, President of Sony Computer
4 Entertainment's Worldwide Studios at the time, explained that the Linux-based
5 operating system on the PS3's hard drive would have enough processing power and
6 non-gaming functionalities to render traditional PCs moot in terms of home
7 entertainment. Further, he was quoted as saying "[w]e believe that the PS3 will be
8 the place where our users play games, watch films, browse the Web, and use other
9 [home] computer functions. The PlayStation 3 is a computer. *We do not need the*
10 *PC.*"²

11 33. In February 2007, Phil Harrison stated in an interview with a
12 *Newsweek* videogame journalist that "[o]ne of the most powerful things about the
13 PS3 is the 'install Other OS' option."³

14 34. According to one OS Feature instruction manual, "it was fully
15 intended that you, a PS3 owner, could play games, watch movies, view photos,
16 listen to music, and run a full-featured Linux operating system that transforms
17 your PS3 into a home computer."⁴

18 35. To install Linux on the PS3, users must first split the PS3 hard drive
19 into two partitions so that the GameOS and Linux can run on dual partitions.⁵
20 Many users also acquired a USB keyboard and mouse to run the operating system.

21 36. Sony's removal of the OS Feature would render users locked out of
22 that section of the hard drive previously partitioned for Linux – approximately
23 10GB. As explained by Sony, "[i]f you currently use the 'Other OS' feature and you
24 wish to update to system software 3.21, make sure you back-up any data stored
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26 ² <http://www.gamespot.com/news/6152183.html> (emphasis added).

27 ³ <http://kotaku.com/235049/20-questions-with-phil-harrison-at-dice>

28 ⁴ <http://www.gamespot.com/news/6162316.html?tag=result:title:0>

⁵ <http://www.gamespot.com/news/6162316.html?tag=result:title:0>

1 within the hard drive partition used by the 'Other OS,' as they will not be able to
2 access that data following the update." ⁶

3 37. The OS Feature was an integral and material component of the PS3
4 that many owners considered and were influenced by in their decision to purchase
5 the Consoles.

6 38. Sony failed, at the time of purchase or any time prior to purchase, to
7 adequately disclose to Plaintiffs and Class members that it was in any way
8 reserving the right to remove any material and highly advertised component of the
9 PS3. Further, Sony did not disclose its intention to forbid users from accessing
10 sections of the Consoles hard drive after installation of Update 3.21. To the
11 contrary, Sony actively touted the PS3s as providing a multifunctional use. Any
12 claimed reserved rights of Sony to remove the OS Feature are not disclosed in the
13 Terms of Service or System Software License Agreement.

14 Sony Disables the OS Feature

15 39. Sony's PS3 Quick Reference manual provides "[b]y updating the
16 PS3™ system software, *you can add features* and/or security patches. Frequently
17 update your system to use the latest version of the system software." ⁷

18 40. On or about March 28, 2010, Patrick Seybold, Senior Director of
19 Corporate Communications and Social Media of Sony released the following
20 information on Defendant's blog:⁸

21
22 The next system software update for the PlayStation 3 (PS3)
23 system will be released on April 1, 2010 (JST), and will disable
24 the "Install Other OS" feature that was available on the PS3
25 systems prior to the current slimmer models, launched in
September 2009. *This feature enabled users to install an
operating system, but due to security concerns, Sony Computer*

26 ⁶ <http://blog.eu.playstation.com/2010/03/29/ps3-firmware-3-21-coming-april-1st/>

27 ⁷ Sony PlayStation®3 Quick Reference, p. 28 (emphasis added);

http://www.playstation.com/manual/pdf/PS3-01-1.0_1.pdf

28 ⁸ <http://blog.us.playstation.com/2010/03/28/ps3-firmware-v3-21-update/> (emphasis added).

1 *Entertainment will remove the functionality through the 3.21*
2 *system software update.*

3 In addition, disabling the "Other OS" feature will help ensure
4 that PS3 owners will continue to have access to the broad range
5 of gaming and entertainment content from SCE and its content
6 partners on a more secure system.

7 Consumers and organizations that currently use the "Other OS"
8 feature can choose not to upgrade their PS3 systems, although
9 the following features will no longer be available:

- 10 • Ability to sign in to PlayStation Network and use network
11 features that require signing in to PlayStation Network,
12 such as online features of PS3 games and chat
- 13 • Playback of PSS software titles or Blu-ray Disc videos
14 that require PSS system software version 3.21 or later
- 15 • Playback of copyright-protected videos that are stored on
16 a media server (when DTCP-IP is enabled under Settings)
- 17 • Use of new features and improvements that are available
18 on PS3 system software 3.21 or later

19 For those PS3 users who are currently using the "Other OS"
20 feature but choose to install the system software update, to
21 avoid data loss they first need to back-up any data stored within
22 the hard drive partition used by the "Other OS," as they will not
23 be able to access that data following the update.

24 Additional information about PS3 firmware updates, including
25 v3.21 (once it becomes available), can be found here:
26 <http://us.playstation.com/support/systemupdates/ps3/index.htm>

27 PS3 owners who have further questions should contact
28 Consumer Services:
<http://us.playstation.com/support/ask/>
800-345-7669 (800-345-SONY)

41. On or about April 1, 2010, Defendant released Update 3.21 to address
"security concerns" as previously stated by Patrick Seybold. PS3 users that failed to
install Update 3.21 lost access to the following features:⁹

- a. The ability to sign into the PSN;

⁹ http://us.playstation.com/support/systemupdates/ps3/ps3_321_update1/index.htm

- 1 b. The ability to use online features that require sign in to PSN,
- 2 such as chat;
- 3 c. The ability to use the online features of PSN format software;
- 4 d. Playback of PS3 format software or Blu-Ray disc videos that
- 5 require PS3 system software version 3.21 or later;
- 6 e. Playback of copyright-protected videos that are stored on a
- 7 media server; and
- 8 f. Use of new features and improvements that are available on
- 9 PS3 system software 3.21 or later.

10 42. The capability of the PS3 to play Blu-Ray discs and online games
11 through the PSN were unique features to the PS3 and material factors in
12 consumers deciding to purchase such Consoles. Defendant's release of Update 3.21
13 immediately presented consumers with a Catch-22 decision between losing the
14 ability to use their PS3 as a personal computer -- a selling feature highly touted by
15 Sony -- or losing the ability to access Blu-Ray and gaming features online.
16 Regardless of the decision, consumers are ultimately left with less than they
17 originally bargained for in their original purchase of the PS3.

18 43. On or about April 21, 2010, Defendant released firmware update 3.30
19 as a result of "[Sony's] continued effort to provide the best, most comprehensive
20 entertainment experience possible []." ¹⁰ Defendant did not restore the OS Feature
21 through firmware update 3.30.

22 44. Plaintiffs' experiences are by no means isolated or outlying
23 occurrences. Indeed, the internet is replete with examples of blogs and other
24 websites where PSS users have complained of the exact same problem with the
25 Console.

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28 ¹⁰ <http://blog.us.playstation.com/2010/04/21/ps3-3-30-system-software-update/>

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CLASS ACTION ALLEGATIONS

45. Harper and Kummer bring this action on behalf of themselves, and also seek to represent a class pursuant to FED. R. CIV. P. 23(a), 23(b)(2), and/or 23(b)(3) of all persons in the United States who purchased a PS3 from November 17, 2006 through and including March 27, 2010 and continued to own the PS3 on March 27, 2010 (the "Class").

46. Excluded from the Class is Defendant, its affiliates, employees, officers and directors, persons or entities that purchased the PS3s for resale, and the Judge(s) assigned to this case. Plaintiffs reserve the right to modify the Class definition if discovery and/or further investigation reveals that it should be expanded or otherwise modified.

47. **Numerosity:** Upon information and belief, the Class is so numerous that joinder of all members is impracticable. While the exact number and identities of individual members of the Class are unknown at this time, such information being in the sole possession of Defendant and obtainable by Plaintiffs only through the discovery process.

48. **Existence and Predominance of Common Questions of Fact and Law:** Common questions of law and fact exist as to all members of the Class. These questions predominate over any questions that may apply to individual Class members. These common legal and factual questions include, but are not limited to:

- a. Whether Defendant breached its contract with PS3 owners when it disabled and/or removed the OS Feature;
- b. Whether Defendant breached the implied covenant of good faith and fair dealing;
- c. Whether Defendant failed to disclose to users that it could/would remove the OS Feature;
- d. Whether Defendant failed to disclose to users that it could/would

1 render a portion of the PS8 hard drive inaccessible to users by
2 disabling the OS Feature;

- 3 e. Whether Defendant represented that firmware updates would not
4 disable the OS Feature;
- 5 f. Whether Defendant's conduct violates California consumer protection
6 statutes;
- 7 g. Whether Defendant's actions violated other common law and
8 statutory duties;
- 9 h. Whether Plaintiffs and members of the Class are entitled to actual
10 damages representing the ascertainable loss of monies and/or
11 property and/or value that have been and/or will be suffered by
12 Plaintiffs and members of the Class as a result of Defendant's alleged
13 conduct;
- 14 i. The amount of relief to which the Class is entitled; and
- 15 j. The amount of attorneys' fees, prejudgment interest, and costs of suit
16 to which the Class is entitled.

17 49. Typicality: Plaintiffs' claims are typical of the claims of the Class
18 because Plaintiffs and the Class sustained damages arising out of the Defendant's
19 wrongful conduct as detailed herein. Plaintiffs are advancing the same claims and
20 legal theories on behalf of themselves and all absent Class members.

21 50. Adequacy: Plaintiffs are adequate representatives of the Class
22 because their interests do not conflict with the interests of the Class that they seek
23 to represent; they have retained counsel competent and highly experienced in
24 complex class action litigation; and they intend to prosecute this action vigorously.
25 The interests of the Class will be fairly and adequately protected by Plaintiffs and
26 their counsel.

27 51. Superiority: A class action is superior to all other available means of
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1 fair and efficient adjudication of the claims of Plaintiffs and members of the Class.
2 The injury suffered by each individual Class member is relatively small in
3 comparison to the burden and expense of individual prosecution of the complex and
4 extensive litigation necessitated by Defendant's conduct. It would be virtually
5 impossible for members of the Class individually to redress effectively the wrongs
6 done to them. Even if the members of the Class could afford such individual
7 litigation, the court system could not. Individualized litigation presents a potential
8 for inconsistent or contradictory judgments. Individualized litigation increases the
9 delay and expense to all parties, and to the court system, presented by the complex
10 legal and factual issues of the case. By contrast, the class action device presents far
11 fewer management difficulties, and provides the benefits of single adjudication,
12 economy of scale, and comprehensive supervision by a single court. There will be no
13 difficulty in the management of this action as a class action.

14 52. Defendant has acted, and refused to act, on grounds generally
15 applicable to the Class, thereby making appropriate final equitable relief with
16 respect to the Class as a whole.

17 53. Certification of the Class under the laws of California is appropriate
18 because:

19 (a) Sony is a corporation conducting substantial business in and
20 from California;

21 (b) Sony's principal and executive offices, as well as its corporate
22 headquarters, are located in California;

23 (c) Decisions regarding Sony's representation and omissions
24 regarding the Console were made in California;

25 (d) Sony's marketing, promotional activities and literature, as well
26 as its warranties, are coordinated at, emanate from, and/or developed at its
27 California headquarters;
28

1 (e) The UCL and other claims asserted in this Complaint on behalf
2 of the Class may be appropriately brought on behalf of California and out-of-
3 state Class members; and

4 (f) A significant number of members of the Class reside in the State
5 of California.

6 **VIOLATIONS ALLEGED**

7 **COUNT I**

8 **VIOLATION OF THE CALIFORNIA CONSUMERS**
9 **LEGAL REMEDIES ACT, CALIFORNIA CIVIL**
10 **CODE § 1750, *ET SEQ.***

11 54. Plaintiffs incorporate by reference the allegations of all foregoing
12 paragraphs as if such had been set forth in full herein.

13 55. California's Consumer Legal Remedies Act ("CLRA") prohibits unfair
14 methods of competition and unfair or "deceptive acts or practices undertaken by any
15 person in a transaction intended to result or which results in the sale or lease of
16 goods or services to any consumer." CAL. CIV. CODE § 1770.

17 56. Defendant is a "person" within the meaning of California Civil Code
18 sections 1761(c) and 1770, and provides "goods" within the meaning of Civil Code
19 sections 1761(a) and 1770.

20 57. Defendant's customers, including Plaintiffs and Class members, are
21 "consumers" within the meaning of California Civil Code sections 1761(d) and 1770.
22 Each purchase of a PS3 system by Plaintiffs and each Class member constitutes a
23 "transaction" within the meaning of Civil Code sections 1761(e) and 1770.

24 58. Defendant engaged in unfair and deceptive acts in violation of the
25 CLRA by the practices described above, and by knowingly and intentionally
26 disabling the OS Feature through dissemination of Update 3.21 and in
27 subsequently locking out users from accessing and/or using a section of the hard
28 drive. These acts and practices violate, at a minimum, the following sections of the

1 CLRA:

2 (a)(5) Representing that goods or services have sponsorships,
3 characteristics, uses, benefits or quantities which they do not
4 have, or that a person has a sponsorship, approval, status,
5 affiliation or connection which he or she does not have;

6
7 (a)(7) Representing that goods or services are of a particular
8 standard, quality, or grade, or that goods are of a particular
9 style or model, if they are of another; and

10
11 (a)(9) Advertising goods and services with the intent not to sell
12 them as advertised.

13 59. The OS Feature was material and important to consumers in
14 purchasing the PS3. Plaintiffs and Class members relied upon Defendant's
15 representations that the PS3 included the capability of using it as a computer
16 through the OS Feature.

17 60. Defendant expressly stated in the PS3 manual that firmware updates
18 would allow users to add features to their PS3. Defendant failed to disclose, and/or
19 adequately disclose, that it could/would disable the OS Feature through the Update
20 3.21 and/or subsequent updates.

21 61. Defendant's unfair and deceptive acts extend to consumer
22 transactions, and caused injuries to Plaintiffs and Class members.

23 62. Plaintiffs seek all relief available under the CLRA, however, do not
24 seek damages at this time. Plaintiffs reserve the right to amend this pleading to
25 seek damages after the statutory thirty (30) day period has run pursuant to the
26 CLRA.

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COUNT II

**VIOLATION OF THE CALIFORNIA BUSINESS
AND PROFESSIONS CODE § 17200**

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4 63. Plaintiffs incorporate by reference the allegations of all foregoing
5 paragraphs as if such had been set forth in full herein.

6 64. The California Unfair Competition Law ("UCL") prohibits unfair
7 competition and unfair, unlawful or fraudulent business practices.

8 65. Defendant has engaged in unfair competition and unfair, unlawful or
9 fraudulent business practices by the conduct, statements, and omissions described
10 above, and by knowingly and intentionally concealing from Plaintiffs and Class
11 members material information regarding the OS Feature and Defendant's intention
12 and/or capability to disable such feature after purchase. Defendant should have
13 disclosed this information because they were in a superior position to know the true
14 facts related to these representation and/or disclosures.

15 66. These acts and practices have deceived Plaintiffs and are likely to
16 deceive the public. In failing to disclose the design defect and suppressing other
17 material facts from Plaintiffs and Class members, Defendant breached its duties to
18 disclose these facts, violated the UCL, and caused injuries to Plaintiffs and Class
19 members. The omissions and acts of concealment by Defendant pertained to
20 information that was material to Plaintiffs and Class members, as it would have
21 been to all reasonable consumers.

22 67. The injuries suffered by Plaintiffs and Class members are greatly
23 outweighed by any potential countervailing benefit to consumers or to competition.
24 Nor are they injuries that Plaintiffs and Class members should have or could have
25 reasonably avoided.

26 68. Defendant's acts and practices are unlawful because they violate,
27 *inter alia*, California Civil Code §§ 1668, 1709, 1710 and 1750 *et seq.*, and California
28 Commercial Code § 2313, and California Business and Profession Code § 17560.

COUNT IV

**BREACH OF CONTRACT / BREACH OF DUTY OF GOOD
FAITH AND FAIR DEALING**

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4 **76. Plaintiffs incorporate by reference the allegations of all foregoing**
5 **paragraphs as if such had been set forth in full herein.**

6 **77. Plaintiffs and Class members purchased the PS3 with the reasonable**
7 **expectation that the OS Feature would (1) remain within the Console for the**
8 **useable life of the product; (2) Defendant would not remove the OS Feature since it**
9 **was a material feature of the Console; and (3) Defendant would not subsequently**
10 **lock out users from accessing and/or using a section of the PS3 hard drive.**

11 **78. Plaintiffs and Class members fulfilled any and all of their obligations**
12 **under the contract by paying a purchase price for the PS3.**

13 **79. Sony violated its contractual duty of good faith and fair dealing owed**
14 **to Plaintiffs and Class members through release of Update 3.21. This immediately**
15 **presented consumers with a Catch-22 decision between losing the ability to use**
16 **their PS3 as a personal computer -- a selling feature highly touted by Sony -- or**
17 **losing the ability to access Blu-Ray and gaming features online. Regardless of the**
18 **decision, the consumer was ultimately left with less than they originally bargained**
19 **for in their original purchase of the PS3. Defendant's actions constituted a breach**
20 **of the implied covenant of good faith and fair dealing.**

21 **80. As a result of Defendant's breach of its contractual obligations,**
22 **Plaintiffs and the Class members have been damaged in the manner set forth**
23 **herein.**

24 **81. Sony is liable for those damages in an amount to be determined at**
25 **trial, and should be enjoined from continuing to engage in these deceptive,**
26 **unreasonable and unlawful practices as alleged herein.**

COUNT V

UNJUST ENRICHMENT

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3 82. Plaintiffs incorporate by reference the allegations of all foregoing
4 paragraphs as if such had been set forth in full herein. This claim is plead in the
5 alternative to the breach of warranty claims.

6 83. Plaintiffs and Class members conferred a tangible economic benefit
7 upon Defendant by purchasing the Consoles. Plaintiffs and Class members would
8 have expected remuneration from the Defendant at the time this benefit was
9 conferred had these buyers and lessees known of Defendant's intentions alleged
10 herein.

11 84. Failing to require Defendant to provide remuneration under these
12 circumstances would result in them being unjustly enriched at the expense of
13 Plaintiffs and the Class.

14 85. Defendant was and continues to be unjustly enriched at the expense
15 of Plaintiffs and Class members.

16 86. Defendant's retention (without an offsetting return payment) of the
17 benefit conferred upon them by Plaintiffs and members of the Class would be unjust
18 and inequitable.

PRAYER FOR RELIEF

19
20 WHEREFORE, Plaintiffs, on behalf of themselves and members of the Class,
21 respectfully request that this Court:

22 A. determine that the claims alleged herein may be maintained as
23 a class action under Rule 23 of the Federal Rules of Civil Procedure, and
24 issue an order certifying the Class as defined above;

25 B. appoint Plaintiffs as the representatives of the Class and their
26 counsel as Class counsel;

1 C. award all actual, general, special, incidental, statutory, punitive,
2 treble and consequential damages to which Plaintiffs and Class members are
3 entitled;

4 D. award pre-judgment and post-judgment interest on such
5 monetary relief;

6 E. grant appropriate injunctive and/or declaratory relief;

7 F. award reasonable attorney's fees and costs; and

8 G. grant such further relief that this Court deems appropriate.
9

10 Dated: May 20, 2010

Respectfully submitted,

11
12 By: 

13 ~~Rose E. Luzon (SBN 221544)~~
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15 ~~MILLER & SHAH, LLP~~
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*Attorneys for Plaintiffs and
the Proposed Class*

Exhibit A

DECLARATION OF JEFFREY HARPER

1
2 I, Jeffrey Harper, declare under penalty of perjury as follows:

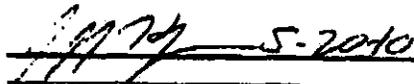
3 1. I make this declaration based upon my personal knowledge except as
4
5 to those matters stated herein that are based upon information or belief, which I
6 believe to be true.

7 2. I am an adult citizen of the State of Michigan. I reside in Berkley,
8
9 Oakland County, Michigan, and I am a named Plaintiff in this litigation.

10 3. I purchased a new Sony PlayStation®3 in or around January 2007
11 within the State of Michigan.

12 4. To the best of my knowledge, information and belief, Defendant,
13
14 Sony, is a Delaware corporation with its principal place of business and executive
15 offices located in Foster City, San Mateo County, California.

16
17 I declare under penalty of perjury under the laws of the State of Michigan
18 that the foregoing is true and correct. Executed on this 19th day of May, 2010
19 within the State of Michigan.
20

21
22
23  5-2010
24 Jeffrey Harper

25
26
27
28

DECLARATION OF ZACHARY KUMMER

I, Zachary Kummer, declare under penalty of perjury as follows:

1. I make this declaration based upon my personal knowledge except as to those matters stated herein that are based upon information or belief, which I believe to be true.

2. I am an adult citizen of the State of Florida. I reside in Tampa, Hillsborough County, Florida, and I am a named Plaintiff in this litigation.

3. I purchased a new Sony PlayStation®3 in or around May 2008 within the State of Florida.

4. To the best of my knowledge, information and belief, Defendant, Sony, is a Delaware corporation with its principal place of business and executive offices located in Foster City, San Mateo County, California.

I declare under penalty of perjury under the laws of the State of Florida that the foregoing is true and correct. Executed on this 19th day of May, 2010 within the State of Florida.


Zachary Kummer

JS 44 (Rev. 12/97) (CAND Rev 1/10)

CIVIL COVER SHEET

The 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, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of indexing the civil docket sheet. (SEE INSTRUCTIONS ON PAGE TWO OF THE FORM.)

<p>I. (a) PLAINTIFFS JEFFREY HARPER and ZACHARY KUMMER, individually and on behalf of all others similarly situated</p>	<p>DEFENDANTS SONY COMPUTER ENTERTAINMENT AMERICA, INC.</p>
<p>(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES) Oakland County, MI</p>	<p>County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. San Mateo County, CA</p>
<p>(c) Attorney's (Firm Name, Address, and Telephone Number) Rose F. Luzon (SBN 221344) SHEPHERD, FINKELMAN, MILLER & SHAH, LLP 401 West "A" Street, Suite 2350, San Diego, CA 92101 Telephone: 619/235-2416</p>	<p>Attorney (If Known) 10-2197 JL</p>

<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 2 U.S. Government Defendant <input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table style="width:100%;"> <tr> <td style="width:50%;">Citizen of This State</td> <td style="width:50%;">Incorporated or Principal Place of Business in This State</td> </tr> <tr> <td><input type="checkbox"/> PTF <input type="checkbox"/> DEF</td> <td><input type="checkbox"/> PTF <input checked="" type="checkbox"/> DEF</td> </tr> <tr> <td>Citizen of Another State</td> <td>Incorporated and Principal Place of Business in Another State</td> </tr> <tr> <td><input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2</td> <td><input type="checkbox"/> 3 <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td>Foreign Nation</td> </tr> <tr> <td><input type="checkbox"/> 3 <input type="checkbox"/> 3</td> <td><input type="checkbox"/> 5 <input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	Incorporated or Principal Place of Business in This State	<input type="checkbox"/> PTF <input type="checkbox"/> DEF	<input type="checkbox"/> PTF <input checked="" type="checkbox"/> DEF	Citizen of Another State	Incorporated and Principal Place of Business in Another State	<input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4	Citizen or Subject of a Foreign Country	Foreign Nation	<input type="checkbox"/> 3 <input type="checkbox"/> 3	<input type="checkbox"/> 5 <input type="checkbox"/> 6
Citizen of This State	Incorporated or Principal Place of Business in This State												
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Citizen of Another State	Incorporated and Principal Place of Business in Another State												
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Citizen or Subject of a Foreign Country	Foreign Nation												
<input type="checkbox"/> 3 <input type="checkbox"/> 3	<input type="checkbox"/> 5 <input type="checkbox"/> 6												

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	PERSONAL INJURY	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 362 Personal Injury—Med. Malpractice	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 423 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 365 Personal Injury—Product Liability	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Arbitration
<input type="checkbox"/> 130 Motor Act	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 625 Drug Related Release of Property 21 USC 881	PROPERTY RIGHTS	<input type="checkbox"/> 430 Bank and Banking
<input type="checkbox"/> 140 Negotiable Instruments	<input type="checkbox"/> 330 Federal Employers' Liability	PERSONAL PROPERTY	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 450 Commerce	<input type="checkbox"/> 460 Deposition
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 470 Copyright	<input type="checkbox"/> 470 Redaction/Influenced and Corrupt Organizations
<input type="checkbox"/> 151 Medians Act (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 480 Patent	<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 152 Recovery of Outdated Student Loans	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 660 Occupational Safety/Health	<input type="checkbox"/> 490 Trademark	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 385 Property Damage Product Liability	LABOR	SOCIAL SECURITY	<input type="checkbox"/> 510 Refractive Services
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 360 Other Personal Injury	PRISONER PETITIONS	<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 861 HIA (13980)	<input type="checkbox"/> 550 Executive Compensation Exchange
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 510 Motion to Vacate Sentence	<input type="checkbox"/> 720 Labor/Mgmt. Relations & Disclosure Act	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 443 Hearing/Accommodations	<input type="checkbox"/> 520 General Habeas Corpus	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 890 Other Statutory Actions
<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 740 Railway Labor Act	<input type="checkbox"/> 864 ESISD Title XVI	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 445 Amer. w/Disabilities Employment	<input type="checkbox"/> 540 Mandamus & Other	<input type="checkbox"/> 750 Other Labor Litigation	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 892 Economic Stabilization Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 446 Amer. w/Disabilities Other	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 760 Railway Labor Act	FEDERAL TAX SUITS	<input type="checkbox"/> 893 Environmental Measures
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 771 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 240 Torts to Land			IMMIGRATION	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 245 Tort Product Liability			<input type="checkbox"/> 442 Naturalization Application		<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
<input type="checkbox"/> 290 All Other Real Property			<input type="checkbox"/> 443 Habeas Corpus - Alien Detainees		<input type="checkbox"/> 910 Constitutionality of State Statutes
			<input type="checkbox"/> 443 Other Immigration Action		

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from another district (specify) 6 Multidistrict Litigation 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. §1332 (d)
 Brief description of cause:
Putative consumer class action alleging unfair, deceptive and/or fraudulent business practices.

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ TBA CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY PLEASE REFER TO CIVIL L.R. 3-12 CONCERNING REQUIREMENT TO FILE "NOTICE OF RELATED CASE". See Attachment A.

IX. DIVISIONAL ASSIGNMENT (CIVIL L.R. 3-2) (PLACE AND "X" IN ONE BOX ONLY)

SAN FRANCISCO/OAKLAND SAN JOSE EUREKA

DATE: May 20, 2010 SIGNATURE OF ATTORNEY OF RECORD

ATTACHMENT A

1. Case Name: *Anthony Ventura, et al. v. Sony Computer Entertainment America, Inc.*
Judge: Hon. Richard Seeborg
Docket No.: 3:10-CV-01811-RS

2. Case Name: *Jason Baker, et al. v. Sony Computer Entertainment America, LLC, et al.*
Judge: Hon. Samuel Conti
Docket No.: 3:10-CV-01897-SC

3. Case Name: *Todd Densmore, et al. v. Sony Computer Entertainment America, Inc.*
Judge: Magistrate Judge Elizabeth D. Laporte
Docket No. 3:10-CV-01945-EDL