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E-filing

11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA
 13 SAN FRANCISCO DIVISION

PSG

14
 15 CRAIGSLIST, INC., a Delaware
 corporation,

Plaintiff,

v.

18 JOHN L. STOVER, a Pennsylvania
 19 resident; and PARADIGM AMO
 CORPORATION, a New Jersey
 20 corporation,

Defendants.

Case No. 11 3308

**PLAINTIFF CRAIGSLIST, INC.'S
 COMPLAINT FOR:
 (1) COPYRIGHT INFRINGEMENT,
 17 U.S.C. § 101 et seq.; (2) VIOLATION OF
 THE DIGITAL MILLENNIUM
 COPYRIGHT ACT, 17 U.S.C. § 1201 et seq.;**
**(3) VIOLATION OF THE COMPUTER
 FRAUD AND ABUSE ACT, 18 U.S.C.
 §1030; (4) VIOLATION OF CALIFORNIA
 PENAL CODE § 502; (5) TRADEMARK
 INFRINGEMENT, 15 U.S.C. §§ 1114,
 1125(a) AND 1125(c); (6) TRADEMARK
 INFRINGEMENT UNDER CALIFORNIA
 LAW; (7) BREACH OF CONTRACT;
 (8) INDUCING BREACH OF CONTRACT;
 (9) INTENTIONAL INTERFERENCE
 WITH CONTRACTUAL RELATIONS;
 (10) FRAUD; AND (11) VIOLATION OF
 CAL. BUSINESS & PROFESSIONS CODE
 § 17200**

DEMAND FOR JURY TRIAL

I. INTRODUCTION

1
2 1. craigslist, Inc. ("CL") operates the website, www.craigslist.org, which provides
3 online localized classified advertising and related online services (the website and services are
4 referred to collectively herein as "craigslist").

5 2. People use craigslist to offer and locate housing, employment, furniture, and
6 innumerable other goods, services, necessities and activities in their community. With the
7 exception of posts to a small number of select categories, CL's services are entirely free to the
8 public.

9 3. CL's website is one of the most visited websites in the world.

10 4. CL's classified service is renowned for its simplicity and ease of use. The
11 service is designed – in principle and technologically – to provide a simple, fair and efficient
12 method of advertising and locating items and services within a local community. This
13 straightforward and equitable manner of operation is expected and relied upon by CL's millions of
14 legitimate users and is vital to CL's goodwill, reputation and popularity.

15 5. Unfortunately, some people, including Defendants, endeavor to exploit CL's
16 services for their own greed and gain. Defendants develop, offer, and market products and
17 services purposefully designed to perform or to enable illegitimate uses of CL's services.

18 6. Defendants' activities burden CL's systems and services, interrupt and impair its
19 free online marketplace and interactive communities, and harm CL's reputation and goodwill.

20 7. Among other damages, Defendants' activities cost CL substantial financial
21 expenses for additional, otherwise unnecessary, server capacity; repeatedly updated technological
22 security measures; additional customer service and support; and otherwise unrequired
23 investigation and enforcement activities.

24 8. CL brings this action to protect its services and the millions of well-intentioned
25 users who rely on its services from the damage and detriment caused by Defendants' self-
26 interested profiteering.

II. JURISDICTION

27
28 9. The Court has jurisdiction over this action:

1 a. Pursuant to 28 U.S.C. §§ 1331 and 1338, because the action alleges
2 violations of federal statutes, including 17 U.S.C. § 101, *et seq.*, 17 U.S.C. § 1201, 18 U.S.C.
3 § 1030, and 15 U.S.C. §§ 1114 and 1125;

4 b. Additionally or alternatively, pursuant to 28 U.S.C. § 1332, because there
5 is complete diversity of citizenship between the parties and the matter in controversy exceeds the
6 sum or value of \$75,000, exclusive of interest and costs; and

7 c. Pursuant to supplemental jurisdiction per 28 U.S.C. § 1367 over the state
8 law claims, because the alleged state claims are so related to causes in this action over which this
9 Court has original jurisdiction that they form part of the same case and controversy under Article
10 III of the United States Constitution.

11 III. VENUE

12 10. Venue is proper in this District under 28 U.S.C. § 1391, because a substantial
13 part of the events and omissions giving rise to the claims occurred in this District. As Defendants
14 are aware, and, at all times relevant, were aware, CL resides with its principal place of business in
15 this District. Among other acts, Defendants accessed and used CL's computers and servers in this
16 District to develop, test, offer, operate and market their illicit businesses and activities.
17 Moreover, Defendants' actions knowingly targeted CL in this District and caused CL to suffer
18 technological, monetary and reputational harm and damages in this District.

19 11. In addition, Defendants assented to CL's Terms of Use ("TOU") when they
20 accessed and used craigslist. Pursuant to the TOU, courts within the county of San Francisco,
21 California, have exclusive jurisdiction over the parties' dispute.

22 12. Intradistrict Assignment is proper in the San Francisco Division of this Court
23 pursuant to Civil Local Rules 3-5(b) and 3-2(c) for the reasons stated above.

24 IV. THE PARTIES

25 13. CL is a Delaware corporation with its principal place of business in San
26 Francisco, California.

27 14. Defendant John L. Stover is an individual with his residence in Doylestown,
28 Pennsylvania.

1 15. Defendant Stover registered the domain names www.webtraffic2night.com,
2 www.badcreditcarloantoday.com, www.justminisplit.com, www.airconsplit.com,
3 www.airconminisplit.com, www.shincominisplit.com, and www.airconditionermini.net, and
4 operates or operated the websites and businesses at www.webtraffic2night.com,
5 www.CLADtraining.com, www.botwiz.com, www.badcreditcarloantoday.com, and
6 www.justminisplits.com.

7 16. Defendant Paradigm AMO Corporation ("Paradigm") is a New Jersey
8 corporation with its principal place of business at 246 McElroy Avenue, Studio B, Fort Lee, New
9 Jersey 07024.

10 17. Defendant Paradigm owns, and in association with Defendant Stover, also
11 operates or operated the websites and businesses at www.webtraffic2night.com and
12 www.justminisplits.com.

13 **V. FACTUAL ALLEGATIONS**

14 **A. THE CRAIGSLIST BACKGROUND**

15 18. craigslist was founded in San Francisco, California, in 1995. It grew out of an
16 email list to share information about events in and around the San Francisco Bay Area. However,
17 it quickly gained in popularity and scope, and soon developed into an online forum for free local
18 classified advertising and community discussions.

19 19. CL was incorporated in 1999.

20 20. Today, CL provides one of the most visited websites in the world. CL provides
21 its free localized online classified ad services and discussion forums in hundreds of cities
22 worldwide. More than 50 million Americans alone visit the CL website and post more than 40
23 million ads each month.

24 21. To date, CL continues to maintain its headquarters in San Francisco, California.
25 San Francisco is also its center of operations, and the majority of its computers and servers are
26 located in San Francisco.

27 22. The greater Bay Area, and specifically San Francisco, remains one of the largest
28 communities of craigslist users.

1 **B. THE CRAIGSLIST CLASSIFIED AD SERVICE**

2 23. Among its services, CL enables authorized users to post localized classified
3 advertising on its website.

4 24. The classified ad service is organized first by geographic area, and then by
5 category of product or service within that geographic area. This structure ensures that users who
6 search for particular products or services know that responsive products or services are within
7 their communities. It also ensures that users' search results are not littered with ads for irrelevant
8 items or items in distant locations.

9 25. Ads are listed in a product or service category by a descriptive title created by
10 the ad's author (the user who posted the ad).

11 26. When a new ad is posted, it is automatically placed at the top of the list in the
12 author's selected category in the chosen geographic area. Existing ads therefore move
13 progressively lower in the list as new ads are posted.

14 27. This prioritization system was implemented by CL to simply and fairly meet the
15 aims of both buyers and sellers using craigslist. All sellers' ads receive initial positioning at the
16 top of the chosen list, and buyers seeking a product or service within a category see the most
17 current ads first.

18 28. Other than modest fees for ad postings in a few select categories, CL provides
19 classified ad services to the public free of charge and free of third-party marketing (e.g., banner
20 ads, pop-up ads, and runners).

21 **C. THE CRAIGSLIST TERMS OF USE**

22 29. Any access to or use of craigslist is governed by CL's Terms of Use ("TOU")
23 posted on the website.

24 30. All users must affirmatively accept the TOU to post any ads on craigslist or to
25 create an account on craigslist.

26 31. The TOU explain that users are granted a limited, revocable, nonexclusive
27 license to access and use craigslist in accordance with its terms. The TOU also identify types and
28 examples of access and use that are unauthorized.

1 32. At all times relevant, the TOU have prohibited access to and use of craigslist to
2 conduct any of the following activities:

- 3 • Repeatedly posting the same or similar content;
- 4 • Posting the same or similar content in more than one category;
- 5 • Posting the same or similar content in more than one geographic area;
- 6 • Posting ads on behalf of others, causing ads to be posted on behalf of
7 others, and accessing craigslist to facilitate posting ads on behalf of others;
- 8 • Using or serving as a Posting Agent (a third-party agent, service, or
9 intermediary that posts content to craigslist on behalf of others) to post ads;
- 10 • Attempting to gain unauthorized access to CL's computer systems or
11 engaging in any activity that disrupts, diminishes the quality of, interferes
12 with the performance of, or impairs the functionality of, craigslist;
- 13 • Using any automated device or computer program that enables postings
14 without each posting being entered manually (an "automated posting
15 device"), including, without limitation, the use of any automated posting
16 device to submit postings in bulk; and
- 17 • Making available content that uses automated means (e.g., spiders, robots,
18 crawlers, data mining tools, and the like) to download data from craigslist.

19 33. The TOU set out reasonable estimates of CL's damages as liquidated amounts
20 for particular access and use contrary to the CL license and violative of the TOU restrictions,
21 including the proscriptions above.

22 34. The TOU notify users of, among other things, the location of CL servers in
23 California; the application of California law; and their submission to the personal and exclusive
24 jurisdiction of San Francisco County, California, courts.

25 35. A copy of the TOU (as of the date of this filing and all preceding times relevant)
26 is attached to the Complaint as Exhibit A and is incorporated into the Complaint as if fully set
27 forth herein.

28 **D. POSTING ADS AND CREATING ACCOUNTS**

 36. To post an ad on craigslist, a user must access the website and first select the
appropriate geographic area in which to post his or her ad.

1 37. Upon clicking the selected geographic area option, the user is presented with a
2 webpage specific to that geographic area. From that webpage, a user seeking to post an ad must
3 click a link titled "post to classifieds."

4 38. At the resulting display page, the user chooses the appropriate genre of posting
5 from a list for that geographic area (for example, job offered, housing offered, housing wanted,
6 for sale, item wanted, personal/romance, or community). A highlighted and italicized notice at
7 the top of this webpage reminds users, as stated in the TOU, that "cross-posting to multiple cities
8 or categories is not allowed."

9 39. After selecting the appropriate genre, the user is presented with a list of
10 categories for ads in that genre within that geographic area (for example, categories under "for
11 sale" ads in Seattle, Washington, include, without limitation, auto parts, bicycles, boats,
12 collectibles, electronics, jewelry, musical instruments, and tools), and the user must select an
13 appropriate category for his or her ad.

14 40. After selecting the appropriate category, the user specifies from a list the nearest
15 more precise location within the geographic area, but a notice at the top of this webpage also
16 alerts users that "there is no need to cross-post to more than one area - doing so may get you
17 flagged and/or blocked - thanks!"

18 41. On the subsequent page, the user creates the title, price, description and other
19 details for the ad, and provides an email address for replies. (CL enables anonymization of the
20 user's email address when an ad is posted but relays ad replies to the user's genuine email
21 address.)

22 42. After verifying the content of the ad, the user is required to affirmatively accept
23 CL's TOU before the ad is posted.

24 43. If the user declines the TOU, the ad is not posted.

25 44. If the user accepts the TOU, the user receives a screen display that requires the
26 user to respond to a CAPTCHA ("Completely Automated Public Turing test to tell Computers
27 and Humans Apart") challenge (explained below). If the CAPTCHA challenge is successfully
28

1 completed, an email is sent to the user's email address with links that allow the user to finally
2 post, edit or delete the ad.

3 45. To help users manage their ads, CL enables each user to create an account.

4 46. To create a craigslist account, a user must provide a valid email address and
5 affirmatively accept CL's TOU. To post ads in certain categories, a phone-verified account is
6 required (explained further below).

7 47. Users with a craigslist account can post ads in an abbreviated process through
8 their account.

9 **E. TECHNOLOGICAL MEASURES TO SECURE CRAIGSLIST AND CL'S**
10 **RIGHTS**

11 48. CL employs multiple technological security measures to protect the
12 individuality of its website, to protect the integrity and operation of its systems and services, to
13 protect the intellectual property rights in its website and services, and to protect the experience of
14 its users.

15 **Anonymized Email Addresses**

16 49. As mentioned above, CL creates unique, temporary, anonymous email addresses
17 for ads posted by users to receive replies.

18 50. The addresses take the form of sale-xxxxxxx@craigslist.org, but email replies
19 to these CL email addresses are automatically forwarded to the posting user's genuine, personal
20 email address. This system avoids publication of users' personal email addresses but still allows
21 users to receive replies in their personal email accounts.

22 51. It protects users' privacy and makes it more difficult for spammers to obtain
23 users' email addresses.

24 **Phone-Verified Accounts ("PVAs")**

25 52. A further technological measure employed by CL to regulate access to and use
26 of its website, services and rights is phone-verified accounts ("PVAs").
27
28

1 53. PVAs are designed to prevent repetitious, unauthorized, unlawful and abusive
2 postings on craigslist by requiring users to acknowledge a valid telephone number in order to
3 create an account to post ads in certain categories.

4 54. Creation of a PVA requires a user to provide a telephone number to which CL
5 sends a temporary passcode that the user must enter on the website to complete creation of an
6 account.

7 55. If the telephone number is not verified via the passcode, the account is not
8 created and the user is unable to post ads in categories that require a PVA.

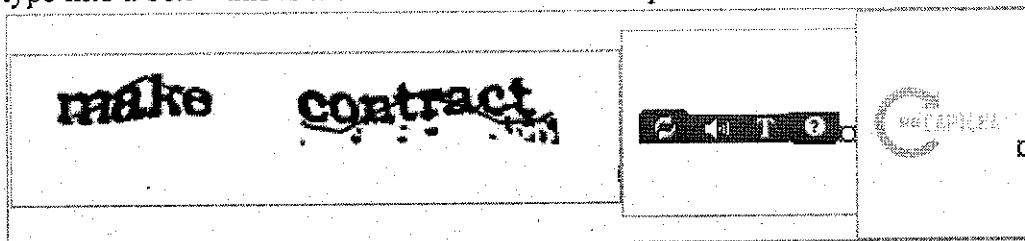
9 **CAPTCHAs**

10 56. Another technological measure employed by CL to protect access to and use of
11 its site, services and rights is the verification program commonly known as a "CAPTCHA."

12 57. A CAPTCHA challenge is designed to ensure that a human, not a machine,
13 completes a certain task by requiring the deciphering of partially obscured words or characters
14 that humans can read but computer programs, bots and other automated devices usually cannot.

15 58. CL uses CAPTCHAs to ensure that ads are posted manually (as required by the
16 TOU) and not by automated means that enable abusive overposting to craigslist.

17 59. In the process to post an ad or create an account, the user is presented with a
18 challenge-response test in the form of partially obscured characters that the user must read and
19 type into a box – this is the CAPTCHA. An example is below.



23

24 60. To post an ad or create an account, a user must solve the CAPTCHA within a
25 limited period of time. If the CAPTCHA is not timely solved, the ad post or account creation is
26 not completed.

27

28

1 **IP Address Blocking**

2 61. CL also employs IP address blocking as an additional technological measure to
3 regulate access to and use of its website and service.

4 62. CL will generally block multiple ads posted from the same IP address within a
5 short time.

6 63. This blocking helps to stop abusive flooding with duplicative, unauthorized ads
7 that crowd out orderly postings from legitimate users.

8 **Other Technological Measures**

9 64. Other technological measures that CL employs include filters and other features
10 to enforce posting limits per account and per email address; to detect and remove ads posted in
11 multiple categories or multiple geographic areas; and to identify and preclude ads posted
12 repetitively to stay at the top of a chosen list.

13 **F. CL'S COPYRIGHTS**

14 65. CL is committed to providing users with an easy-to-understand, easy-to-
15 navigate forum to post and locate ads in local communities. To that end, CL created and displays
16 its website and services with specifically uncluttered interfaces for user input, searches and
17 results.

18 66. craigslist is, by design, uniquely distinctive in its clarity, composition and
19 simplicity. Among the unique elements of craigslist are the clear and simple account registration
20 and log-in features, and the clear and simple post-to-classified features.

21 67. The CL website and services embody CL's mission to provide local online
22 communities for classified advertising and communications that are predominantly free, friendly,
23 and easy to use. The simplicity and clarity of the craigslist user experience are fundamental to
24 CL's reputation, and garner substantial and valuable goodwill with users.

25 68. As an online venture, the intellectual property rights underlying craigslist
26 (including, but not limited to, the unique, creative works comprising its website pages and service
27 features) are vital assets to CL and CL is careful to protect them.

28

1 69. craigslist (including the unique expressions embodied in its website pages and
2 the unique display and expression of its services) is a work of authorship protected by copyright
3 law.

4 70. CL owns all right, title and interest, including copyrights, in and to craigslist,
5 including, but not limited to, the expressions of its website and services, and specifically
6 including, but not limited to, the post-to-classifieds, account registration and account log-in
7 expressions and compilations, and CL copyright notices are displayed on the website.

8 71. CL has registered copyrights in its website, including, but not limited to, the
9 post-to-classifieds, account registration and account log-in features of the website. These
10 registrations include:

11 Reg. No.	Reg. Date	Title
12 TX0006866660	September 19, 2008	Accounts.craigslist.org 2004.
13 TX0006866658	September 19, 2008	Accounts.craigslist.org 2008.
14 TX0006866657	September 19, 2008	Craigslist website 2006.
15 TX0006866662	September 19, 2008	Post.craigslist.org 2004.
16 TX0006866661	September 19, 2008	Post.craigslist.org 2008.

17 **G. CRAIGSLIST'S TRADEMARKS**

18 72. CL also owns and carefully protects its federally-registered and common law
19 rights in the CRAIGSLIST and related trademarks.

20 73. The CRAIGSLIST mark has been used in commerce by CL since 1995. CL's
21 use has been substantially continuous and exclusive.

22 74. CL has attained strong name recognition in the CRAIGSLIST mark. The mark
23 has come to be associated with CL and identifies CL as the source of advertising, information,
24 bulletin board and database services offered in connection with the mark.

25 75. CL has also developed substantial goodwill in the CRAIGSLIST mark.

26 76. As noted previously, the CL website is one of the most visited websites in the
27 world, and, in the United States alone, it receives more than 40 million new posts each month.
28

1 77. Moreover, CL is also the owner of U.S. federal registration nos. 2395628,
2 2905107, 2985065, and 3008562 for the CRAIGSLIST mark, covering, *inter alia*, "[a]dvertising
3 and information distribution services," "online interactive bulletin boards for transmission of
4 messages among computer users concerning classified listings," and "on-line computer data bases
5 and on-line searchable databases featuring information, classified listings and announcements."
6 CL has also registered the CRAIGSLIST mark in many other countries throughout the world.

7 78. CL considers the CRAIGSLIST mark among its most important and valuable
8 assets.

9 **H. DEFENDANTS KNOWINGLY AND WILLFULLY VIOLATE CL'S TOU AND**
10 **FEDERAL AND STATE LAW TO ILLICITLY PROFIT FROM CRAIGSLIST**

11 79. Defendants have unabashedly violated CL's TOU and various federal and state
12 laws to earn an unjustified profit from abuse of CL's free services. CL has implemented
13 numerous technological measures (some described above, *supra* Part E) to thwart such misuse.
14 However, in response to each of CL's efforts to block them, Defendants have strategically
15 developed methods to intentionally circumvent, and continue to circumvent, those measures,
16 including, without limitation, PVA requirements, CAPTCHA tests and posting limits per account,
17 email address and IP address. Indeed, whenever CL implements a new protective measure,
18 Defendants are deterred only as long as it takes them to devise an illegitimate means of
19 circumventing the new measure.

20 **TOU Violations and Circumvention of CL Security Measures**

21 80. Defendants develop, offer, market, sell and engage in third party posting
22 services in violation of CL's TOU, and routinely circumvent CL security measures in order to do
23 so, including the PVAs and CAPTCHA protocols and posting limits established by CL to regulate
24 access to sections of its website and prevent improper bulk posting.

25 81. In addition to acting as a Posting Agent for others, Defendant Stover has also
26 posted ads repetitively and in multiple geographic locations on his own behalf and/or on behalf of
27 Defendant Paradigm and www.justminisplits.com in violation of the TOU, and continues to do
28 so. He routinely circumvents CL security measures in order to engage in bulk posting.

1 82. Defendant Stover claims that he posts 2000-3000 ads per day, and describes
2 himself as someone "who post[s] massive amounts of ads every day." He has advertised his
3 posting services on the Internet marketing forum, Warrior Forum, stating: "Need a professional
4 Poster? We are your guys." He directs potential customers to his website,
5 www.webtraffic2night.com, for craigslist posting services.

6 83. On their website, www.webtraffic2night.com, Defendants advertise that they
7 provide ad posting services on craigslist: "We can post your ad up to 50 cities a day on
8 Craigslist....Spending to [sic] much time posting your ads on Craigslist or Backpage. Why not
9 let us do the work, so you can concentrate on the important parts of your business."

10 84. Defendants offer various pricing schemes for their posting services, including,
11 but not limited to, a weekly plan of 50 ads per day on craigslist and Backpage for \$199 per week.
12 They also offer a monthly plan of 50 ads per day on craigslist and Backpage for \$699 per month.
13 Defendant Stover has stated that he "make[s] a boat load of money" and is "making tons of
14 money" from posting on craigslist.

15 85. To enable their bulk posting, Defendants use various techniques to bypass CL's
16 security measures. Defendant Stover has admitted that he circumvents these measures, stating:
17 "These filters they try to install may stop spam for a bit but most of us who spam and make
18 money off of it are resilient and eventually overcome them."

19 86. To facilitate their bulk posting of ads on craigslist, Defendants have used, and
20 continue to use, auto-posting computer software, including software entitled "CLAD Genius."
21 CLAD Genius enables the automated posting of ads on craigslist by including numerous features
22 primarily designed or produced for the purpose of circumventing CL's technological security
23 measures to effectively control access to portions of its copyrighted website, and to protect CL's
24 rights as copyright owner.

25 87. For example, CLAD Genius incorporates a CAPTCHA solving feature that
26 allows users to bypass the CAPTCHA security measure used by CL to protect access to its
27 website and services.
28

1 88. CLAD Genius includes a PVA Creator feature that allows users to create
2 craigslist PVAs.

3 89. CLAD Genius also includes the Proxy Finder and IP Rotator features, which are
4 advertised as providing "full support for all types of internet proxies . . . for staying under the
5 radar when doing mass posting," thereby allowing users to circumvent CL's efforts to stop bulk
6 posters by blocking multiple postings from the same IP address.

7 90. Defendants also have used, and continue to use multiple PVAs that they have
8 purchased and/or manufactured to improperly post large numbers of ads in violation of the CL
9 TOU. Defendant Stover states: "I try to only post one ad per day per PVA" and "I have a 90% to
10 95% stick rate on any given day, and I have had some of my PVAs for over 3 months now." He
11 advises other users that "CL is trying to put PVA suppliers out of business. Just start making
12 your own." By purchasing and/or manufacturing multiple PVAs, Defendants have circumvented,
13 and continue to circumvent, the account verification protocol that CL has established to control
14 access to its site and services.

15 **Inducing TOU Violations and Circumvention by Others**

16 91. Through the sale of PVAs and by offering to set up advertising campaigns for
17 others, Defendant Stover has directly and intentionally induced and assisted others in
18 circumventing CL's security measures in order to engage in improper bulk posting in violation of
19 the CL TOU, and continues to do so.

20 92. In a video posted on www.youtube.com in January 2009, Defendant Stover
21 advised viewers to contact him to obtain PVAs. He created and sold PVAs to others for the
22 purpose of knowingly and intentionally inducing and facilitating the circumvention by others of
23 the phone verification protocol that CL has put in place to regulate access to its website and
24 services.

25 93. Defendants have used, and continue to use, multiple accounts on craigslist in
26 order to evade CL's posting limits per account, which is one of the security measures designed to
27 prevent bulk posting. Defendant Stover advises other users to buy or create more accounts if CL
28

1 places their accounts on hold, stating: "If you only knew how many accounts I go through, you
2 would definitely kill yourself."

3 94. Defendant Stover knowingly, willfully, intentionally, fraudulently and
4 maliciously induces, encourages and assists other craigslist users to circumvent CL's
5 technological access controls, abuse CL systems and services, and violate the CL TOU.
6 Specifically, by providing users with PVAs and bulk advertising campaign setup services,
7 Defendant Stover knowingly and willfully induced, encouraged, substantially assisted and
8 facilitated third parties to post large numbers of ads on the CL website, and continues to do so,
9 even though Defendant Stover knows that doing so involves accessing CL's computer systems
10 and servers without authorization, circumventing the technological measures that CL has put in
11 place to effectively control access, and violating CL's TOU.

12 **Defendants Operate Multiple Websites**

13 95. Defendant Stover also operates or operated the website
14 www.badcreditcarloanstoday.com and has posted ads for this website repetitively and across
15 multiple geographic areas on craigslist. In order to post these ads, Defendant Stover
16 circumvented CL security measures by, among other things, using multiple PVAs and auto-
17 posting software such as CLAD Genius.

18 96. Defendants also operate the website www.justminisplits.com and own the
19 related domain names www.justminisplit.com, www.airconsplit.com, www.airconminisplit.com,
20 www.shincominisplit.com, and www.airconditionermini.net.¹ Defendants have posted ads for
21 this website repetitively and across multiple geographic areas on craigslist. In order to post these
22 ads, Defendants circumvented CL security measures by, among other things, using multiple
23 PVAs and auto-posting software such as CLAD Genius.

24 97. In addition, on www.CLADtraining.com,² Defendant Stover markets services
25 that are designed to encourage, induce, facilitate, and assist others to circumvent CL's posting
26

27 ¹ Defendants advertise using all six of these domain names, but all of them default to the
www.justminisplits.com website.

28 ² Access to the site has been and is currently available at
"http://www.cladtraining.com/training/login/php."

1 limits. On this website, Defendant Stover sells consulting services that purchasers can buy in
2 order to obtain assistance from Defendant Stover for bulk posting on craigslist and other websites
3 using CLAD Genius.

4 98. For example, Defendant Stover offers to provide customers with the complete
5 setup of their advertising campaigns as part of his "CLAD Genius & Pro Setup" package, which
6 he offers for \$699.00. This package is marketed to those customers who "need to learn CLAD
7 and want a professional to set up your campaigns." In setting up ad campaigns for others,
8 Defendant Stover provides purchasers of this package with the means to circumvent CL's security
9 measures and induces them to violate CL's TOU.

10 99. Defendant Stover has also been one of the operators of www.botwiz.com. On
11 this website, he has offered assistance with "the basics and advance [sic] techniques to auto-
12 posting on Craigslist.org." He has advertised help in circumventing CL's security measures,
13 stating: "We will teach you how to keep your ads from getting ghosted, banned, or blocked. Also
14 what other tricks you can use to keep you [sic] posting success rate as high as possible."

15 100. On www.botwiz.com, Defendant Stover has offered several different
16 membership plans. For \$99.95, customers could purchase a 12-month membership to the
17 www.botwiz.com website, which included "speedy email support" for bulk posting issues. For
18 \$299.95, customers received email support plus a 30-minute phone or online chat session on bulk
19 posting. For \$399.95, customers received email support plus a 60-minute phone or online chat
20 session.

21 101. On www.botwiz.com, Defendant Stover has told users to watch his "Craigslist
22 video" in order to become a "Craigslist Power Poster." He has described one of the services
23 being offered as "Craigslist.org posting training."

24 102. Defendants are "Posting Agents" as defined in CL's TOU. They post ads on
25 craigslist for customers in exchange for a fee.

26 103. Defendant Stover has also encouraged, induced, facilitated and substantially
27 assisted others in bypassing CL's security measures by selling PVAs and by setting up bulk
28 advertising campaigns for them as part of the "CLAD Genius & Pro Setup" package that he

1 advertises for sale on his www.CLADtraining.com website. Defendant Stover offered PVAs for
2 sale and continues to offer his advertising campaign setup service for the purpose of knowingly
3 and intentionally inducing and facilitating the efforts of others in circumventing the security
4 measures that CL has put in place to regulate access to its website and services. By offering to
5 sell PVAs and his bulk advertising campaign set up service, Defendant Stover has provided and
6 continues to provide substantial assistance to others for the precise purpose of circumventing CL's
7 security measures and its TOU in order to generate improper bulk postings.

8 **Unauthorized Access to the CL Website**

9 104. Defendants accessed, and continue to access, the CL website to engage in their
10 illicit posting services for third parties in violation of the CL TOU. In obtaining access to CL's
11 copyrighted website for the bulk posting of repetitive ads across multiple categories and
12 geographic locations, and for fraudulently creating multiple accounts and PVAs, Defendants' acts
13 were and are unauthorized or in excess of authorization for access to and use of the CL website,
14 services, computers and systems.

15 105. Defendants have improperly posted, and continue to improperly post, large
16 numbers of advertisements on craigslist using CLAD Genius software, multiple PVAs, and other
17 unauthorized techniques and methods to circumvent the various technological measures that were
18 put in place by CL to effectively control access to its copyrighted website. As such, Defendants'
19 acts were and are unauthorized or in excess of authorization for access to and use of the craigslist
20 website, services, computers and systems.

21 **Fraudulent Acceptance of TOU**

22 106. Defendants were required to affirmatively agree to and accept, and did
23 affirmatively agree to accept, CL's TOU at one or more times when they accessed the CL website
24 and services.

25 107. Each time Defendants affirmatively accepted and agreed to abide by CL's TOU,
26 Defendants intended to violate the TOU and concealed their intent to violate the TOU from CL.
27
28

1 108. Defendants understood that CL's principal place of business is located in San
2 Francisco, that CL's computers are primarily located in San Francisco, and that any access to and
3 use of the CL website and services would affect CL and its computers.

4 109. Defendants' actions described above were and are knowing, intentional, willful,
5 malicious and fraudulent.

6 110. Defendants' posting services and Defendant Stover's PVAs and advertising
7 campaign services have been purchased and utilized by California residents.

8 **Unauthorized Copying of the CL Website**

9 111. In advertising his illicit posting services to post unauthorized ads on craigslist,
10 Defendant Stover has accessed and copied the copyrighted CL website and/or portions thereof.
11 Defendant Stover reproduced an image of the www.craigslist.org homepage, copying it in its
12 entirety without authorization, and prominently displayed or displays it on two of his websites,
13 www.botwiz.com and www.CLADtraining.com, thereby falsely suggesting and creating a
14 likelihood of confusion concerning affiliation, association, sponsorship or approval by CL, and
15 diluting the famous CRAIGSLIST mark. Defendant Stover has also copied and reproduced
16 portions of the copyrighted CL website in videos that he has posted on www.youtube.com in
17 which he explains to others how to bulk post on the CL website.

18 **Unauthorized Use of the CRAIGSLIST Mark**

19 112. Defendant Stover without authorization has used the famous CRAIGSLIST
20 mark in commerce to promote his products and services on the Internet in a manner likely to
21 confuse consumers as to his association, affiliation, endorsement or sponsorship with or by
22 craigslist.

23 113. Defendant Stover's unauthorized use of the CRAIGSLIST mark includes, but is
24 not limited to, use of the mark and an image of the www.craigslist.org homepage on
25 www.botwiz.com and www.CLADtraining.com, two of the websites that he uses or used to
26 promote his services. He has also used the mark and images of the www.craigslist.org website in
27 a video that he posted on www.youtube.com in which he offered to sell PVAs to others. On
28 www.botwiz.com, Defendant Stover referred to one of the services being offered by him as

1 "Craigslist.org posting training." He also advised users to watch his "Craigslist video" to become
2 a "Craigslist Power Poster." "Craigslist.org posting training" and "Craigslist video" refer to
3 services and products developed by Defendant Stover and/or others acting in concert with him,
4 and not the services offered by CL on www.craigslist.org.

5 114. Defendant Stover's use of the CRAIGSLIST mark causes confusion and mistake
6 and is likely to deceive customers and potential customers regarding the origin, affiliation,
7 association, connection and/or endorsement of Defendant Stover's products and services,
8 Defendant Stover's website, and/or Defendant Stover with or by CL.

9 115. In addition, Defendant Stover's conduct as alleged above wrongfully dilutes the
10 famous CRAIGSLIST mark by impairing its distinctiveness as a mark associated exclusively with
11 craigslist, Inc. and its website and services.

12 116. At no time has CL authorized or consented to Defendant Stover's use of the
13 CRAIGSLIST mark or any other CL intellectual property.

14 117. At no time has CL had any association, affiliation or connection with, or
15 endorsed Defendant Stover's products or services, Defendant Stover's websites, or Defendant
16 Stover. Specifically, Defendant Stover's products and services are *not* authorized, approved,
17 endorsed, or sponsored by, or associated, affiliated, or connected with CL, and Defendant Stover
18 and his websites are *not* authorized, approved, endorsed, or sponsored by, or associated, affiliated,
19 or connected with CL.

20 118. In using the CRAIGSLIST mark, Defendant Stover has willfully and
21 deliberately sought to profit from CL's pre-established goodwill and reputation.

22 I. CRAIGSLIST'S INJURIES

23 119. Defendants' unlawful, unfair, and fraudulent practices burden, interfere with and
24 harm CL's systems, services, and resources; burden, interfere with and harm CL's relationship,
25 reputation, and goodwill with legitimate users; and violate numerous provisions of the TOU.

26 120. Defendants have caused CL to incur substantial costs to investigate, remediate,
27 prevent and combat Defendants' unlawful, unfair and fraudulent practices, bulk postings, and
28 unauthorized access to and use of CL's systems and services, and to investigate, remediate and

1 prevent harm to CL's computer systems and services caused by Defendants. These costs
2 constitute injury in fact and lost money directly and proximately caused by Defendants' acts
3 complained of herein.

4 121. For example, the increased load and burden on CL's servers, and the burden on
5 CL's personnel to develop counter measures, investigate incidents, remove unauthorized ads, and
6 address user complaints as a result of Defendants' mass postings and other activities cost CL well
7 in excess of \$5,000 per year.

8 122. Damages and losses incurred by CL include, without limitation, interference
9 with proper and efficient service to legitimate users; requiring CL to undertake extraordinary
10 actions to monitor and enhance website infrastructure; and significantly increasing costs of
11 computer hardware, software, bandwidth, co-location fees, troubleshooting, customer service, and
12 systems maintenance.

13 123. Furthermore, the harm to CL's relationships, reputation and goodwill with
14 legitimate users is real and irreparable.

15 124. For example, users have blamed CL for interference with the fair and efficient
16 operation of CL services caused by improper bulk posting, and have accused CL of conspiring
17 with parties responsible for such conduct, like Defendants. Users who become frustrated by
18 posting abuses on craigslist may stop using craigslist and never return. Such injuries to CL
19 cannot be compensated by monetary damages and are irreparable.

20 125. The CL TOU include a liquidated damages provision to compensate CL for
21 harm and injury from certain unauthorized and prohibited activities.

22 126. Under the TOU's liquidated damages provision, as a result of their violations,
23 Defendants are liable to CL for, among other relief and remedies, the following amounts:

- 24 • \$1,000 for each post or message that impersonates any person or entity, or
25 falsely states the affiliation of the sender with another person or entity;
- 26 • \$100 for each message posted in excess of limits established by CL or each
27 day that craigslist is accessed after CL terminates access to or use of the
28 service; and
- \$100 for each and every item posted by a Posting Agent.

1 127. CL is entitled to an injunction to stop Defendants' unlawful activities and the
2 irreparable harm they are causing CL. CL is also entitled to monetary damages, including, but
3 not limited to, compensatory, exemplary, and/or liquidated damages, to compensate for the harm
4 and injury Defendants have caused and continue to cause CL, to appropriately punish Defendants
5 for their willful and malicious misconduct, and to deter others from engaging in similar
6 misconduct.

7 **VI. CLAIMS FOR RELIEF**

8 **FIRST CLAIM FOR RELIEF**
9 **COPYRIGHT INFRINGEMENT**
10 **17 U.S.C. § 101, *ET SEQ.***

11 128. CL realleges and incorporates by reference all of the allegations in paragraphs 1
12 through 127 above.

13 129. CL owns and has registered copyrights in its website and specific portions
14 thereof.

15 130. Defendant Stover had and has access to CL's website.

16 131. Defendant Stover has copied CL's original copyright-protected website and/or
17 portions thereof.

18 132. The copies made by Defendant Stover are substantially similar to CL's original
19 copyright-protected website.

20 133. The copies created by Defendant Stover were and are unauthorized and
21 infringing of CL's copyright-protected website, or portions thereof.

22 134. At all relevant times, Defendant Stover obtained direct financial benefit from
23 the infringement and had the right and ability to control the infringing conduct, and/or
24 intentionally induced, encouraged, caused or materially contributed to the infringement.

25 135. The foregoing acts of Defendant Stover constitute direct infringement of CL's
26 exclusive rights in its copyrighted works under 17 U.S.C. § 106.

27 136. Upon information and belief, Defendant Stover's actions were intentional,
28 willful, wanton, and performed in disregard of CL's rights.

1 137. CL has been damaged, and Defendant Stover has been unjustly enriched, by
2 Defendant Stover's unlawful infringement of CL's copyrighted works in an amount to be proven
3 at trial.

4 138. Defendant Stover's conduct also has caused irreparable and incalculable harm
5 and injury to CL, and, unless enjoined, will cause further irreparable and incalculable injury, for
6 which CL has no adequate remedy at law.

7 139. CL is entitled to the relief provided by 17 U.S.C. §§ 502-505, including, but not
8 limited to, injunctive relief, compensatory damages (including, but not limited to actual damages
9 and/or Defendant Stover's profits), statutory damages, punitive damages, and CL's costs and
10 attorneys' fees in amounts to be determined at trial.

11 **SECOND CLAIM FOR RELIEF**
12 **VIOLATION OF THE DIGITAL MILLENNIUM COPYRIGHT ACT ("DMCA")**
13 **17 U.S.C. § 1201, *ET SEQ.***

14 140. CL realleges and incorporates by reference all of the allegations in paragraphs 1
15 through 127 above.

16 141. CL has registered copyrights in its website and specific portions thereof.

17 142. CL employs numerous technological measures, including, but not limited to,
18 identification of recurrent IP addresses, CAPTCHAs and telephone verification systems, to
19 effectively protect and control access to and use of its copyrighted website and/or portions
20 thereof.

21 143. Defendants have circumvented and are circumventing technological measures
22 that effectively control access to CL's copyrighted website and/or portions thereof, and protect its
23 rights as copyright owner. Defendant Stover also knowingly and willfully induced, facilitated,
24 and substantially assisted others in doing so, and he continues to provide such inducement and
25 assistance.

26 144. Defendants provide, offer to the public, or otherwise traffic in services that are
27 primarily designed for the purpose of circumventing technological measures that effectively
28 control access to CL's copyrighted website and/or portions thereof, and protect its rights as
copyright owner.

1 145. Defendant Stover has manufactured, provided, marketed, offered to the public,
2 and otherwise trafficked in technology, products, services, devices, components, or parts thereof,
3 that are primarily designed or produced for the purpose of circumventing technological measures
4 that effectively control access to CL's copyrighted website and/or portions thereof, and protect its
5 rights as copyright owner.

6 146. Defendants' technology, products, services, devices, components, or parts
7 thereof have no or limited commercially significant purpose or use other than to circumvent
8 technological measures that effectively control access to or provide protection for the CL website
9 and/or portions thereof.

10 147. As a result of Defendants' conduct alleged above, CL has been and will continue
11 to be damaged in an amount to be proven at trial.

12 148. Defendants' conduct also has caused irreparable and incalculable harm and
13 injuries to CL, and, unless enjoined, will cause further irreparable and incalculable injury, for
14 which CL has no adequate remedy at law.

15 149. CL is entitled to the range of relief provided by 17 U.S.C. §§ 1201-1203,
16 including, but not limited to, injunctive relief, compensatory damages or statutory damages,
17 punitive damages, and CL's costs and attorneys' fees in amounts to be proven at trial.

18 **THIRD CLAIM FOR RELIEF**
19 **VIOLATION OF COMPUTER FRAUD AND ABUSE ACT**
20 **18 U.S.C. § 1030**

21 150. CL realleges and incorporates by reference all of the allegations in paragraphs 1
22 through 127 above.

23 151. CL's computers are involved in interstate and foreign commerce and
24 communication, and are therefore protected computers under the Computer Fraud and Abuse Act
25 ("CFAA"), U.S.C. § 1030(e)(2).

26 152. On information and belief, Defendants intentionally accessed CL's computers
27 without authorization or in excess of authorized access, and through interstate or foreign
28 communication, obtained information from CL's computers in violation of the CFAA, 18 U.S.C.
§ 1030(a)(2)(C).

1 153. On information and belief, Defendants knowingly and with intent to defraud,
2 accessed CL's computers without authorization or in excess of authorized access, and thereby
3 furthered the intended fraud and obtained services of value (other than use of the computers) in
4 violation of the CFAA, 18 U.S.C. § 1030(a)(4).

5 154. On information and belief, Defendants knowingly caused the transmission of a
6 program, information, code, or command, and as a result of such conduct, intentionally caused
7 damage without authorization to a protected computer in violation of the CFAA, 18 U.S.C.
8 § 1030(a)(5)(A).

9 155. On information and belief, Defendants intentionally accessed a protected
10 computer without authorization, and as a result of such conduct, recklessly caused damage and
11 loss in violation of the CFAA, 18 U.S.C. § 1030(a)(5)(B) and (C).

12 156. Defendants' actions have caused loss to one or more persons, including, but not
13 limited to CL, in a one year period aggregating at least \$5,000 in value in accordance with the
14 CFAA, 18 U.S.C. § 1030(c)(4)(A)(i)(I).

15 157. Defendants' conduct has also caused irreparable and incalculable harm and
16 injuries to CL, and, unless enjoined, will cause further irreparable and incalculable injury, for
17 which CL has no adequate remedy at law.

18 158. Under the CFAA, 18 U.S.C. § 1030(g), CL is entitled to injunctive relief,
19 compensatory damages, and other equitable relief.

20 **FOURTH CLAIM FOR RELIEF**
21 **VIOLATION OF CALIFORNIA PENAL CODE § 502**

22 159. CL realleges and incorporates by reference all of the allegations in paragraphs 1
23 through 127 above.

24 160. CL is the owner or lessee of the computers, computer systems, computer
25 network, computer programs, and data that operate the CL website and services.

26 161. Defendants have knowingly accessed and without permission used CL data,
27 computers, computer systems and/or computer network in order to devise and/or execute a
28

1 scheme to defraud and deceive or wrongfully control or obtain money, property, or data in
2 violation of California Penal Code § 502(c)(1).

3 162. Defendants have knowingly accessed and without permission taken, copied,
4 and/or made use of data from CL's computers, computer systems and/or computer networks in
5 violation of California Penal Code § 502(c)(2).

6 163. Defendants have knowingly and without permission used or caused to be used
7 CL's computer services in violation of California Penal Code § 502(c)(3).

8 164. Defendants have knowingly and without permission accessed and added data to
9 CL computers, computer systems and/or computer networks in violation of California Penal Code
10 § 502(c)(4).

11 165. Defendants have knowingly and without permission disrupted or caused the
12 disruption of CL's computer services and/or have knowingly and without permission denied or
13 caused the denial of computer services to authorized users of CL's computers, computer services
14 and/or computer networks in violation of California Penal Code §502(c)(5).

15 166. Defendants have knowingly and without permission provided or assisted in
16 providing a means of accessing CL computers, computer systems, and/or computer network in
17 violation of California Penal Code § 502(c)(6).

18 167. Defendants have knowingly and without permission accessed or caused to be
19 accessed CL computers, computer systems, and/or computer networks in violation of California
20 Penal Code § 502(c)(7).

21 168. CL has suffered and continues to suffer damage as a result of Defendants'
22 violations of the California Penal Code § 502 identified above.

23 169. Defendants' conduct also has caused irreparable and incalculable harm and
24 injuries to CL (including, but not limited to, CL's reputation and goodwill), and, unless enjoined,
25 will cause further irreparable and incalculable injury, for which CL has no adequate remedy at
26 law.

1 170. Defendants willfully violated California Penal Code § 502 in disregard and
2 derogation of CL's rights and the rights of legitimate craigslist users, and their actions as alleged
3 above were carried out with oppression, fraud and malice.

4 171. Pursuant to California Penal Code § 502(e), CL is entitled to injunctive relief,
5 compensatory damages, punitive or exemplary damages, attorneys' fees, costs and other equitable
6 relief.

7 **FIFTH CLAIM FOR RELIEF**
8 **TRADEMARK INFRINGEMENT,**
9 **15 U.S.C. §§ 1114, 1125(a), AND 1125(c)**

10 172. CL realleges and incorporates by reference all of the allegations in paragraphs 1
11 through 127 above.

12 173. CL owns U.S. federal registration nos. 2395628, 2905107, 2985065, and
13 3008562 for the CRAIGSLIST mark. These registrations are in full force and effect and are
14 enforceable. The CRAIGSLIST mark is widely recognized by the general consuming public of
15 the United States as a designation of the source of goods or services, and is a famous mark within
16 the meaning of 15 U.S.C. § 1125(c)(2)(A).

17 174. At all times relevant, Defendant Stover exercised ownership or control over
18 online advertising for his products, services and websites, and knowingly cooperated in and/or
19 induced, encouraged, enabled or aided the infringement of CL's trademark rights in online
20 advertising for his products, services and websites.

21 175. Defendant Stover's use of the CRAIGSLIST mark in interstate commerce is
22 likely to cause consumer confusion or to cause mistake or to deceive as to the origin of the
23 products and services offered and sold by Defendant Stover and as to their affiliation, connection,
24 or association with and/or endorsement or approval by CL.

25 176. The foregoing acts of Defendant Stover constitute false designation of
26 association, affiliation, connection, endorsement and/or approval under 15 U.S.C. § 1125(a),
27 and/or vicarious or contributory infringement of CL's rights under 15 U.S.C. § 1125(a).

28 177. Defendant Stover's actions also constitute the use in interstate commerce of a
reproduction, counterfeit, copy, or colorable imitation of a registered trademark of CL in

1 connection with the sale, offering for sale, distribution, or advertising of goods or services on or
2 in connection with which such use is likely to cause confusion or mistake, or to deceive, in
3 violation of 15 U.S.C. § 1114.

4 178. In addition, Defendant Stover has willfully used in commerce marks or trade
5 names likely to cause dilution by blurring of the famous CRAIGSLIST mark, in violation of 15
6 U.S.C. § 1125(c). In doing so, Defendant Stover has willfully and deliberately intended to trade
7 on and/or impair the distinctiveness of the famous CRAIGSLIST mark.

8 179. Upon information and belief, Defendant Stover has engaged in such false
9 designation of origin, association, affiliation, connection, endorsement and/or approval
10 knowingly, willfully, deliberately, and in conscious disregard of CL's rights, making this an
11 exceptional case within the meaning of 15 U.S.C. § 1117.

12 180. CL has been damaged, and Defendant Stover has been unjustly enriched, by
13 such unlawful conduct in an amount to be proven at trial.

14 181. In addition, Defendant Stover's conduct described herein has caused irreparable
15 damage to CL's rights in its marks, and to the business, positive reputation and goodwill of CL,
16 which cannot be adequately compensated solely by monetary damages. CL therefore has no
17 adequate remedy at law and seeks permanent injunctive relief pursuant to 15 U.S.C. § 1116.

18 **SIXTH CLAIM FOR RELIEF**
19 **TRADEMARK INFRINGEMENT UNDER CALIFORNIA LAW**

20 182. CL realleges and incorporates by reference all of the allegations in paragraphs 1
21 through 127 above.

22 183. CL owns common law rights in the CRAIGSLIST mark that date back to 1995.

23 184. The acts and conduct of Defendant Stover as alleged in the CLAIM FOR
24 RELIEF immediately above constitute trademark infringement under the common law of
25 California.

26 185. As a direct and proximate result of Defendant Stover's conduct, CL has been
27 damaged in an exact amount to be proven at trial.
28

SEVENTH CLAIM FOR RELIEF
BREACH OF CONTRACT

1
2
3 186. CL realleges and incorporates by reference all of the allegations in paragraphs 1
4 through 127 above.

5 187. Use of the CL website and use of CL services are governed by and subject to the
6 TOU.

7 188. At all relevant times, the main craigslist homepage and the homepage for each
8 geographic region have provided links to the TOU.

9 189. In addition, users are presented with the TOU and must affirmatively accept the
10 TOU to register for a craigslist account to post ads.

11 190. In addition, users are presented with the TOU and must affirmatively accept the
12 TOU before they can post an ad without an account.

13 191. On information and belief, Defendants affirmatively accepted and agreed to the
14 TOU.

15 192. On information and belief, Defendants have repeatedly accessed and used CL's
16 website and services, and thereby accepted the TOU.

17 193. On information and belief, Defendants affirmatively accepted the TOU by
18 clicking the "ACCEPT the terms of use" option (not the "DECLINE the terms of use" option)
19 when they set up accounts on craigslist.

20 194. On information and belief, Defendants affirmatively accepted the TOU by
21 clicking the "ACCEPT the terms of use" option (not the "DECLINE the terms of use" option)
22 when they posted ads on craigslist.

23 195. The TOU are binding on Defendants, who received consideration for their
24 acceptance of the TOU in the form of a limited license to access and use the CL website and
25 services.

26 196. Defendants have, as described above, willfully, repeatedly and systematically
27 breached the TOU.
28

1 197. CL has performed all conditions, covenants, and promises required to be
2 performed by it in accordance with the TOU.

3 198. Defendants' conduct has damaged CL, and caused and continues to cause
4 irreparable and incalculable harm and injury to CL.

5 199. CL is entitled to injunctive relief, compensatory damages, liquidated damages
6 under the TOU, attorneys' fees, costs and/or other equitable relief.

7 **EIGHTH CLAIM FOR RELIEF**
8 **INDUCING BREACH OF CONTRACT**

9 200. CL realleges and incorporates by reference all of the allegations in paragraphs 1
10 through 127 above.

11 201. CL's TOU constitute a valid and existing contract between CL and craigslist
12 users.

13 202. Defendants had knowledge of the TOU and of the valid and existing contract
14 between CL and craigslist users created by the TOU.

15 203. Defendants intended to induce users to breach their contracts with CL.

16 204. Users who were induced to utilize Defendants' products and services did in fact
17 breach the TOU by acts, including, but not limited to:

- 18 • Repeatedly posting the same or similar content;
- 19 • Posting the same item or service in more than one category;
- 20 • Posting the same item or service in more than one geographic area;
- 21 • Gaining unauthorized access to CL's computer systems; and
- 22 • Using a Posting Agent to post to craigslist.

23 205. These breaches of the TOU were caused by Defendants' unjustified and
24 wrongful conduct.

25 206. Defendants' conduct has damaged CL and caused irreparable and incalculable
26 harm and injury to CL.

27 207. CL is entitled to injunctive relief, compensatory damages, liquidated damages
28 under the TOU, attorneys' fees, costs and/or other equitable relief.

TENTH CLAIM FOR RELIEF
FRAUD

1
2
3 217. CL realleges and incorporates by reference all of the allegations in paragraphs 1
4 through 127 above.

5 218. On information and belief, Defendants have repeatedly accessed and used CL's
6 website and services, including, but not limited to, the post to classified, account registration and
7 account log in portions and services of the website, and, in doing so, represented to CL that they
8 would comply with the TOU, and thus that they would not, among other things, post on behalf of
9 third parties, use automated devices, post duplicative ads, post ads in multiple categories or
10 multiple geographic areas, or otherwise abuse or interfere with the website or services.

11 219. On information and belief, Defendants affirmatively accepted the TOU by
12 clicking the "ACCEPT the terms of use" option (not the "DECLINE the terms of use" option)
13 when they set up accounts and/or posted ads on craigslist, and thereby expressly represented to
14 CL that they would comply with the TOU, and thus that they would not, among other things, post
15 on behalf of third parties, use automated devices, post duplicative ads, post ads in multiple
16 categories or multiple geographic areas, or otherwise abuse or interfere with the website or
17 services.

18 220. CL reasonably relied on Defendants' representations to provide Defendants with
19 access to portions of the CL website and access to certain services offered on the CL website.

20 221. Defendants' representations that they would comply with the TOU were false.

21 222. Defendants have accessed and used the CL website and services, and, when they
22 accepted the TOU, they intended to, and did, access and use the craigslist website and services, in
23 violation of the TOU as described above.

24 223. On information and belief, when Defendants accepted the TOU and accessed
25 and used CL's website and services, they concealed from CL their true intention to violate the
26 TOU.

27 224. As a result of Defendants' fraudulent representations and omissions, Defendants
28 obtained information about the structure and operating features of CL's website and services to

1 enable them to circumvent CL's security measures, which are designed for the smooth operation
2 of the service and the protection of CL's other customers.

3 225. Defendants' conduct has damaged CL, and caused and continues to cause
4 irreparable and incalculable harm and injury to CL.

5 226. CL is entitled to injunctive relief, compensatory damages, liquidated damages
6 under the TOU, attorneys' fees, costs and/or other equitable relief.

7 227. CL is informed and believes that Defendants' conduct was undertaken with the
8 intent to injure CL, or with a willful and conscious disregard for CL's rights, and constitutes clear
9 and convincing evidence of oppression, fraud and malice under California Civil Code § 3294. As
10 a result, CL is entitled to an award of punitive damages against Defendants in an amount
11 sufficient to deter them from future misconduct.

12 **ELEVENTH CLAIM FOR RELIEF**
13 **VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE § 17200**

14 228. CL realleges and incorporates by reference all of the allegations in paragraphs 1
15 through 127 above.

16 229. Defendants' conduct as described above constitutes unlawful, unfair, and
17 fraudulent business acts or practices in violation of California Business and Professions Code
18 § 17200.

19 230. As a direct and proximate result of Defendants' unlawful, unfair, and fraudulent
20 acts or practices, CL has suffered actual injury in fact and lost money or property. Defendants'
21 conduct has damaged CL, and caused and continues to cause irreparable and incalculable harm
22 and injury to CL.

23 231. CL is entitled to injunctive relief, other equitable relief, and recovery of such
24 damages as are available pursuant to law.

1 **VII. PRAYER FOR RELIEF**

2 WHEREFORE, plaintiff craigslist, Inc. prays for the following relief:

3 232. A preliminary injunction and permanent injunction enjoining and restraining
4 Defendants, their employees, representatives, agents, and all persons or entities acting in concert
5 with them during the pendency of this action, and thereafter perpetually, from:

6 (a) Posting content to the CL website on behalf of others, causing content to be
7 so posted, or accessing the CL website and service to post or facilitate posting content on behalf
8 of others, and from inducing, encouraging, causing, assisting, aiding, abetting or materially
9 contributing to any other person or entity doing the same;

10 (b) Repeatedly posting the same or similar content on craigslist, posting the
11 same item or service in more than one category on craigslist, posting the same item or service in
12 more than one geographic area on craigslist, and from inducing, encouraging, causing, assisting,
13 aiding, abetting or materially contributing to any other person or entity doing the same;

14 (c) Circumventing technological measures that control access to CL's
15 copyrighted website and/or portions thereof, or that protect CL's rights as copyright owner
16 (including, but not limited to, CAPTCHAS, telephone verification of accounts, and technological
17 tools employed to enforce posting limits per individual account, email address and IP address),
18 and from inducing, encouraging, causing, assisting, aiding, abetting or materially contributing to
19 any other person or entity doing the same;

20 (d) Manufacturing, developing, creating, adapting, modifying, exchanging,
21 offering, selling, distributing, providing, importing, trafficking in, or using technology, products,
22 services, devices, components, or parts thereof, that are primarily designed or produced for the
23 purpose of circumventing technological measures that control access to, or provide protection for,
24 CL's copyrighted website and/or portions thereof, including but not limited to PVAs and auto-
25 posting computer software, and from inducing, encouraging, causing, assisting, aiding, abetting or
26 materially contributing to any other person or entity doing the same;

27 (e) Accessing or attempting to access CL's computers, computer systems,
28 computer network, computer programs, and data, without authorization or in excess of authorized

1 access as conditioned by the CL TOU, including, but not limited to, creating accounts or posting
2 content on the CL website in a manner that violates the CL TOU, and from inducing,
3 encouraging, causing, assisting, aiding, abetting or materially contributing to any other person or
4 entity doing the same;

5 (f) Misusing or abusing craigslist, the craigslist website and craigslist services
6 in any way prohibited by the CL TOU;

7 (g) Accessing or using CL's website for any commercial purpose whatsoever;

8 (h) Using the CRAIGSLIST mark and any confusingly similar designations in
9 Internet advertisements, domain names, or otherwise in commerce in any manner likely to
10 confuse consumers as to their association, affiliation, endorsement or sponsorship with or by CL;
11 and

12 (i) Copying or reproducing CL's copyrighted material, including but not
13 limited to, the www.craigslist.org homepage or portions thereof.

14 233. An order requiring Defendants to account for, hold in constructive trust, pay
15 over to CL and otherwise disgorge all profits derived by Defendants from their unlawful conduct
16 and unjust enrichment as permitted by law;

17 234. An order directing the transfer to CL of the domain names owned or operated by
18 Defendants that are used for purposes of violating CL's TOU or substantially assisting others to
19 violate CL's TOU, including, without limitation, www.webtraffic2night.com,
20 www.badcreditcarloantoday.com, www.justminisplits.com, www.justminisplit.com,
21 www.airconsplit.com, www.airconminisplit.com, www.shincominisplit.com,
22 www.airconditionermini.net, www.CLADtraining.com, and www.botwiz.com;

23 235. An award to CL of damages, including, but not limited to, liquidated,
24 compensatory, statutory, and punitive damages, as permitted by law;

25 236. An award of prejudgment and post-judgment interest;

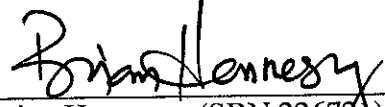
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237. An award to CL of its costs of suit, including, but not limited to, reasonable attorneys' fees, as permitted by law; and

238. For such other relief as the Court deems just and proper.

DATED: July 6, 2011

PERKINS COIE LLP

By: 

Brian Hennessy (SBN 226721)
BHennessy@perkinscoie.com
Joseph M. McMillan (WA Bar No. 26527)
JMcMillan@perkinscoie.com

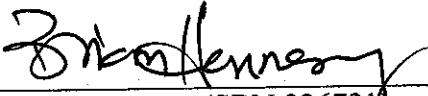
Attorneys for Plaintiff craigslist, Inc.

DEMAND FOR JURY TRIAL

1
2 Plaintiff hereby demands a jury trial of all issues in the above-captioned action which are
3 triable to a jury.

4 DATED: July 6, 2011

PERKINS COIE LLP

5 By: 
6 Brian Hennessy (SBN 22672)
7 BHennessy@perkinscoie.com
8 Joseph M. McMillan (WA Bar No. 26527)
9 JMcMillan@perkinscoie.com

10 Attorneys for Plaintiff craigslist, Inc.

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