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1 David N. Lake, Esq., State Bar No. 180775
 2 **LAW OFFICES OF DAVID N. LAKE,**
 3 **A Professional Corporation**
 4 16130 Ventura Boulevard, Suite 650
 5 Encino, California 91436
 Telephone: (818) 788-5100
 Facsimile: (818) 788-5199
 david@lakelawpc.com

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JAN 29 2010

RICHARD W. WIEKING
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND

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POC

(99) ISS.

6 Attorneys for Plaintiffs

8 **UNITED STATES DISTRICT COURT**
 9 **NORTHERN DISTRICT OF CALIFORNIA**

ADR

10 DONALD SILVERSTRI, DAWN
 11 KEER, KIMBERLY MANCELLA,
 12 JILL SILVERMAN STRELZIN, and
 13 CHRISTOPHER LEMOLE, on behalf
 14 of themselves and all others similarly
 situated,

Case No. **C10-00429 JF**

PVT

**CLASS ACTION COMPLAINT
 FOR:**

- 1) VIOLATION OF THE ELECTRONIC DATA PRIVACY ACT;
- 2) VIOLATION OF THE STATUTORY RIGHT OF PUBLICITY;
- 3) VIOLATION OF CALIFORNIA BUS. & PROF. CODE SECTION 17200 *et seq.*;
- 4) COMMON LAW TORT OF APPROPRIATION;
- 5) UNJUST ENRICHMENT;
- 6) VIOLATION OF CALIFORNIA PENAL CODE § 502; AND
- 7) INJUNCTIVE RELIEF

1

15 Plaintiffs,

16 v.

17 **FACEBOOK, INC.**, a Delaware
 18 corporation,

19 Defendant.

CLASS ACTION

JURY TRIAL DEMANDED

FILE BY FAX

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1 themselves, family, and friends; causes they support. (Users often create "cause"
 2 pages, and encourage other members to "join"); and lists of Facebook members who
 3 the User has designated as "friends" (a "Friend List").

4 4. Until recently, Facebook has taken heed of Users' need for privacy, and
 5 has provided simple "one-click" methods by which they could keep all or almost all
 6 of their information private and away from persons who might cause them harm.

7 5. In November 2009, however, Facebook suddenly reversed course.
 8 Under the guise of giving Users greater control over their personal information,
 9 Facebook adopted a new privacy settings system which has been described by
 10 Internet experts, academics, and privacy organizations as leading unwary Users into
 11 inadvertently revealing large amounts of information about themselves, placing their
 12 personal safety and financial security at risk. The new settings are confusing and
 13 materially deceptive, and a firestorm of criticism has erupted over these so-called
 14 privacy "enhancements." The Electronic Frontier Foundation termed Facebook's
 15 statements as to how much privacy its users could now obtain using the revised
 16 settings "at best confusing and at worst simply untrue" Internet expert Jason
 17 Calacanis stated even more bluntly on December 13, 2009 that Facebook's actions
 18 were "highly unethical" and "deceitful" and opined that:

19 Facebook is trying to dupe hundreds of millions of users they've spent
 20 years attracting into exposing their data for Facebook's personal gain:
 21 pageviews. Yes, Facebook is tricking us into exposing all our items so
 22 that those personal items get indexed in search engines—including
 23 Facebook's—in order to drive more traffic to Facebook.

24 6. Calacanis concluded by stating:

25 I've been a member of every social network since Six Degrees and
 26 Ryze, almost a decade before Facebook became available to the
 27 public, and I was confused by their settings page. An average user,
 28 certainly, has no idea what is going on by these changes.

1 Defendant's principal place of business is located in this District and Defendant
 2 engaged in numerous activities herein, which give rise to the causes of actions
 3 asserted in this Complaint. In addition, Defendant has provided in its Terms of Use
 4 that all subscribers bringing any actions they may have must do so in federal or state
 5 court in Santa Clara County, California, and that all disputes are governed by
 6 California law.

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 8

PARTIES

9 12. (a) Plaintiff Donald Silverstri is a resident of Florida, and a
 10 registered user of Facebook.com.

11 (b) Plaintiff Dawn Keer is a resident of Pennsylvania, and a
 12 registered user of Facebook.com.

13 (c) Plaintiff Kimberly Mancella is a resident of New Jersey, and a
 14 registered user of Facebook.com.

15 (d) Plaintiff Jill Silverman Strelzin is a resident of Illinois, and a
 16 registered user of Facebook.com.

17 (e) Plaintiff Christopher LeMole is a resident of California, and a
 18 registered user of Facebook.com.

19 13. Defendant is a Delaware corporation with its principal place of
 20 business at 156 University Avenue, Palo Alto, California 94301.

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FACTUAL ALLEGATIONS

23 **A. Facebook Adopts a Materially Deceptive and**
 24 **Misleading Set of "Privacy Controls"**

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14. Facebook is the largest social networking site in the world. Facebook
 is estimated to have over 350 million individual worldwide subscribers, and annual
 revenues of \$500 million per year. The company claims to have more than 100

1 million U.S. citizens on Facebook.

2 15. Facebook allows members to communicate and share information with
 3 friends, family, coworkers, classmates, and other people who share similar interests,
 4 or who are interested in exploring the interests and activities of others. The
 5 company requires Users to register to use these services. Registration requires
 6 providing a name, gender, date of birth and a valid e-mail address. After providing
 7 this information, registered Users can create personal profiles, and post messages,
 8 photos, and videos. To create profiles, they are prompted to provide the names of
 9 their high schools, colleges, and employers. They can expand their profiles by
 10 adding information about various interests and hobbies. They may also send e-mail
 11 type messages to other Users on the site. Users can also add friends and send them
 12 messages, and update their profiles to notify friends about their activities,
 13 whereabouts or musings. Additionally, Users can join networks organized by city,
 14 workplace, school, and region.

15 16. Signing up for Facebook is a pecuniary transaction in that Users
 16 exchange their property (*i.e.*, certain personal information) for unfettered use of the
 17 Facebook website and services. Facebook then monetizes this personal information
 18 through the sale of targeted advertising by well-known merchants and others. These
 19 advertisements appear on the Users' "home page" or on a page that contains items
 20 posted by their friends known as the "news feed" page. Financial academics have
 21 recognized that: "[r]egardless of use, personal information of users has a great value
 22 on the Web today." Plaintiffs have no complaint as to the limited commercial use of
 23 their personal information by Facebook in this manner (the "Expected Commercial
 24 Use"). Plaintiffs have serious complaint with the deceptive actions Facebook has
 25 recently taken, without full and complete disclosure and effective prior
 26 authorization, to allow almost everyone access to Users' personal information,
 27 including hackers, scammers, criminals, sociopaths and the like. Facebook's claim
 28 was that the new privacy settings were designed to empower Users with greater

1 control over their personal information, when the truth is anything but.

2 17. Indeed, the market and financial incentives for Facebook to collect,
3 harvest, mine and process its members' personal information are extremely high.
4 Facebook generates revenue primarily through various types of advertisements
5 which are targeted to Users based on their profiles and information. In fact, the data
6 collected from its members is the key commercial asset Facebook employs to sell
7 advertising and drive traffic to the Facebook website.

8 18. Facebook was once known for protecting privacy to the point of
9 exclusivity. Indeed, its original privacy policy acknowledged that Users "may not
10 want everyone in the world to have the information you share on Facebook."

11 19. On February 4, 2009, however, Facebook revised its Terms of Service,
12 asserting broad, permanent, and retroactive rights to Users' information, even as to
13 Users who deleted their Facebook accounts. The Company stated it could make
14 public a User's "name, likeness and image for any purpose, including commercial or
15 advertising."

16 20. Users objected to these revisions and Facebook reversed them on the
17 eve of an EPIC complaint to the Federal Trade Commission.

18 21. Facebook again revised its privacy policy on or about April 24, 2009,
19 November 19, 2009, and December 9, 2009. These last two revisions are the subject
20 of this Complaint.

21 22. Facebook has repeatedly given Users the impression that it values and
22 upholds User privacy. In June 2009, Facebook's Chief Privacy Officer, Chris Kelly,
23 represented that Users "may not want everyone in the world to have the information
24 you share on Facebook," and that Users "have extensive and precise controls
25 available to choose who sees what among their network and friends, as well as tools
26 that give them the choice to make a limited set of information available to search
27 engines and other outside entities."

28 23. He also stated that Facebook gives "users controls over how they share

1 their personal information that model real world information sharing and provide
2 them transparency about how we use their information in advertising." Kelly
3 further stated, "many of our users choose to limit what profile information is
4 available to non-friends. Users have extensive and precise controls available to
5 choose who sees what among their networks and friends, as well as tools that give
6 them the choice to make a limited set of information available to search engines and
7 other outside entities."

8 24. In its "Statement of Rights and Responsibilities" under "Privacy
9 Policy," Facebook represents that:

10
11 Your privacy is very important to us. We designed our Privacy Policy
12 to make important disclosures about how you can use Facebook to
13 share with others and how we collect and can use your content and
14 information. We encourage you to read the Privacy Policy, and to use
it to help make informed decisions.

15 Further, under "Sharing Your Content and Information," the website states:

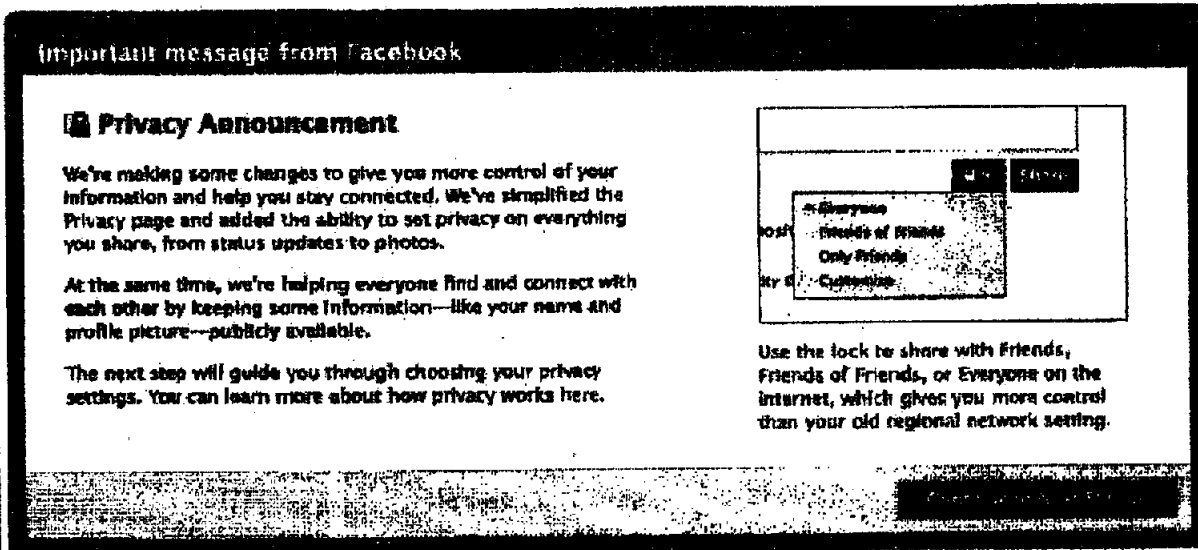
16 You own all of the content and information you post on Facebook, and
17 you can control how it is shared through your privacy and application
18 settings.

19 25. Despite holding itself out as valuing User privacy, the Company makes
20 public and/or disseminates personal User information to third parties for commercial
21 purposes or economic benefit.

22 26. Prior to the most recent November and December 2009 revisions, the
23 only categories of personal information publicly available were (i) a User's name
24 and (ii) networks the User belonged to. A User had the option of including
25 additional information in his or her public search listing, including (i) the User's
26 profile pictures; (ii) a Friend List; (iii) a link to add the User as a friend; (iv) a link
27 to send the User a message; and (v) pages the User is a fan of.

28 27. In connection with the most recent revisions, Facebook sent Users an

1 "Important Message from Facebook" that represented that Facebook was increasing
 2 privacy controls. The message began, "[w]e're making some changes to give you
 3 more control of your information" and "added the ability to set privacy on
 4 everything you share," as the image below illustrates:



15 28. This message was materially misleading, confusing, and disingenuous.
 16 In fact, changes to the privacy settings that Facebook implemented and represented
 17 to *increase* User privacy had the outright opposite effect of resulting in the public
 18 dissemination of personal information that was originally private. The Company
 19 now makes the following categories of personal data "publicly available
 20 information": (i) Users' names; (ii) profile photos; (iii) Friend Lists; (iv) pages
 21 Users are fans of, including controversial political causes, organizations,
 22 individuals, and products they support; (v) their genders; (vi) their geographic
 23 regions; and (vii) networks they belong to.

24 29. Further, Facebook sets the default privacy setting for certain types of
 25 information Users post on Facebook to "everyone."

26 30. Facebook allows "publicly available information" to "everyone" to be:
 27 "accessed by everyone on the Internet (including people not logged into
 28 Facebook);" made subject to "indexing by third party search engines;" "associated

1 with you outside of Facebook (such as when you visit other sites on the internet);"
2 and "imported and exported by us and others without privacy limitations."

3 31. As the *New York Times* has observed, "[u]nfortunately, most Facebook
4 users likely opted for the recommended settings without really understanding what
5 they were agreeing to. If you did so, you may now be surprised to find that you
6 inadvertently gave Facebook the right to publicize your private information
7 including status updates, photos, and shared links." Indeed, Facebook now even
8 "pre-clicks" certain options which diminish privacy, a method known in the Internet
9 and marketing industries as a "negative option," and a practice proven to be
10 deceptive, confusing and misleading.

11 32. Not only do the revised privacy settings result in the disclosure of the
12 aforementioned personal information, impacting privacy directly, but the revelation
13 of this data has other devastating privacy implications. Based on Users' Friend
14 Lists, MIT researchers discovered that, "just by looking at a person's online friends,
15 they could predict whether the person was gay." Some criminal impersonators use
16 Friend Lists to contact a User's friends seeking funds needed to help in a concocted
17 emergency situation.

18 33. Facebook claims that its revised privacy policy still enables users to
19 "opt-out" of the Facebook Platform and Facebook Connect altogether through the
20 company's privacy settings.

21 34. The tools provided by Facebook to its Users are materially misleading
22 and very difficult for them to use. There are at least 29 different privacy and
23 security settings spread over numerous web pages. (Additionally, applications
24 which use data obtained from Facebook each have their own privacy settings.) In
25 addition, there are several additional web pages devoted to a discussion of privacy
26 issues, including a long and detailed Privacy Policy. None of the foregoing is
27 designed to explain how a User can best protect his information and data. Rather,
28 the default privacy settings are all set at the minimum level of protection. As a

1 result, the privacy setting procedures are grossly ineffective and Users are misled
 2 into allowing Facebook to having their personal information easily accessed for
 3 commercial use, exposing them to identity theft, harassment, embarrassment,
 4 intrusion, and all types of cybercrime.

5 **B. Facebook Inappropriately Reveals Excessive Personal User Information**
 6 **to Third-Party Application Developers and Websites**

7 35. As part of the November 2009 revisions to the privacy policy,
 8 Facebook caused the Users' privacy settings to default to the settings which
 9 permitted their private information to be fully available to third-party applications
 10 and to data miners on the internet, such as Google.com. In so doing, Facebook
 11 misleadingly told Users in its revised privacy policy that as a User, "you can control
 12 how you share information with [] third-party applications and websites through
 13 your application settings." The control mechanisms provided, however are
 14 materially deceptive, confusing, and ineffective. Indeed, the new privacy settings
 15 permit third-party application developers and websites to access more information
 16 than Facebook previously authorized.

17 36. According to Facebook:
 18 Examples of the types of information that applications and websites
 19 may have access to include the following information, to the extent
 20 visible on Facebook: your name, your profile picture, your gender,
 21 your birthday, your hometown location (city/state/country), your
 22 current location (city/state/country), your political view, your
 23 activities, your interests, your musical preferences, television shows in
 24 which you are interested, movies in which you are interested, books in
 25 which you are interested, your favorite quotes, your relationship status,
 26 your dating interests, your relationship interests, your network
 27 affiliations, your education history, your work history, your course
 28 information, copies of photos in your photo albums, metadata
 associated with your photo albums (e.g., time of upload, album name,
 comments on your photos, etc.), the total number of messages sent
 and/or received by you, the total number of unread messages in your
 in-box, the total number of "pokes" you have sent and/or received, the
 total number of wall posts on your Wall, a list of user IDs mapped to

1 your friends, your social timeline, notifications that you have received
2 from other applications, and events associated with your profile.

3 37. In the limited circumstances in which Users have the option of
4 withholding information from third-party application developers, the new privacy
5 policy makes doing so far more confusing and cumbersome.

6 38. Third-party application developers create applications and games on
7 Facebook for Users to utilize. They access "profile, friend, page, group, photo, and
8 event data," through the Facebook Application Programming Interface (the "API").
9 The API is a detailed group of commands and interfaces which permit an
10 application to run on Facebook.

11 39. The original privacy settings contained a universal one-click option to
12 prevent the disclosure of personal information through the Facebook API systems,
13 as the image below indicates:

14 o Do not share any information about me through the
15 Facebook API

16 40. Under the revised settings, Facebook has eliminated the one-click
17 option and substituted it with the setting demonstrated below:

18 ///

19 ///

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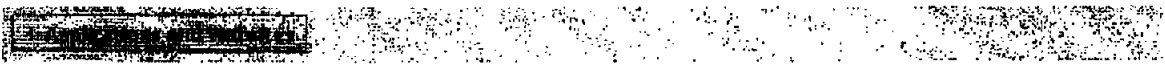
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What your friends can share about you through applications and websites

When your friend visits a Facebook-enhanced application or website, they may want to share certain information to make the experience more social. For example, a greeting card application may use your birthday information to prompt your friend to send a card.

If your friend uses an application that you do not use, you can control what types of information the application can access. Please note that applications will always be able to access your publicly available information (Name, Profile Picture, Gender, Current City, Networks, Friend List, and Pages) and information that is visible to Everyone.

- Personal info (activities, interests, etc.)
- Status updates
- Online presence
- Website
- Family and relationship
- Education and work
- My videos
- My links
- My notes
- My photos
- Photos and videos of me
- About me
- My birthday
- My hometown
- My religious and political views



41. The revised setting states that “applications will always be able to access [User] publicly available information (Name, Profile Picture, Gender, Current City, Networks, Friend List, and Pages) and information that is available to Everyone,” making publicly available information mandatorily accessible to third parties. A User merely has the option to safeguard other personal information by unchecking their respective boxes.

42. Thus, the new “security setting” mandates that the Facebook Platform share Facebook Users’ personal information with application developers without their knowledge or consent, and the Users have no way to countermand this change.

43. Thus, currently, Facebook does not present the User the realistic option to restrict third party access to all User information through the Facebook Platform.

44. Users can block third-party applications from attaining personal information through privacy controls which are deceptive and confusing, and which

1 result in Users unwittingly maximizing the unintentional public disclosure of
2 personal information. These controls require Users to search the Application
3 Directory, visit the application's "about" page, click a small link on that page, and
4 then confirm their decisions. To block the more than 350,000 applications from
5 accessing their information, Users would have to perform these steps for every
6 single application. (Even assuming a User has only 20 applications, locating and
7 correctly setting the myriad privacy settings of each such application is daunting.)

8 45. A great majority of the time, Facebook provides third-party application
9 developers with more information than their respective applications require.
10 According to a 2007 University of Virginia study of Facebook applications, "90.7%
11 of applications are being given more privileges than they need."

12 46. Contrary to the ideals it represents in its privacy policy, Facebook has
13 been implementing policies that decrease user privacy and continues to do so. On
14 January 20, 2010, it launched a program making the e-mail addresses of Users more
15 accessible to third-party developers, personal information Facebook requires Users
16 to provide but that is not necessarily available to others.

17 **C. Opposition to Facebook's Misleading Privacy Changes**

18 47. Many Facebook Users have voiced opposition to the company's
19 Privacy Policy alterations. One Facebook group, entitled "Petition: Facebook, stop
20 invading my privacy!", states on its home page:

21 On December 9, 2009 Facebook once again breached our privacy by
22 imposing new 'privacy settings' on 365+ million users. These settings
23 notably give us LESS privacy than we had before, so I ask, how
24 exactly do they make us more secure? . . . Perhaps the most frustrating
25 and troublesome part is the changes Facebook made on our behalf
26 without truly making us aware or even asking us.

27 48. Additionally, *New York Times* technology writer Brad Stone invited
28 readers to comment on their interpretations of the changes. He received more than
50 responses, most of which expressed concern, confusion, or anger. One User

1 complained:

2 I find the changes to be the exact opposite of what Facebook claims
3 them to be. Things that were once private for me, and for carefully
4 selected Facebook friends, are now open to everyone on the Internet.
5 This is simply not what I signed up for. These are not the privacy
6 settings I agreed to. It is a complete violation of privacy, not the other
7 way around.

8 49. In an article entitled "Facebook's Great Betrayal", Internet magazine
9 *Gawker* summed up the degree to which Facebook members have been victimized
10 by the new privacy practices:

11 Its new privacy policy have turned the social network inside out:
12 millions of people have signed up because Facebook offers a sense of
13 safety. For the last five years — as long as you're relatively careful
14 about who you accept as your friends — what you do and say on
15 Facebook for the most part stays on Facebook. Katie Couric's
16 daughter first posted pictures of her famous mom dancing silly in
17 2006, but it took three years for them to leak to us. (Thank you
18 tipsters!) But virtually overnight and without a clear warning,
19 Facebook has completely reversed those user expectations. Their new
20 privacy settings amount to making anything you post on Facebook to
21 be public, unless you go to great lengths to keep your info private.

22 The most insidious part of Facebook's scheme to expose user data has
23 been how the company framed them, claiming to want to enhance
24 privacy. In an open letter to his 350 million+ users, CEO Mark
25 Zuckerberg claimed he believed the old privacy framework was "no
26 longer the best way for you to control your privacy," and that the new
27 system would give people "even more control of their information." It
28 would be "simpler" and finer-grained.

But when the system came out a week later, it actually gave less, not
more, control over information. Gone was the ability to hide your
friends list, profile pictures, fan pages and network membership from
all strangers; Facebook's new, formal privacy policy explicitly made
this information public (despite the ability to keep some of it, like the
friends list, off your profile page).

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But it's not just that Facebook is tricking its users; it's betraying them. It did so when it literally communalized private friend lists that people spent years accumulating, without which their accounts would be useless. It did so when it mislead them by saying it wanted to enhance their privacy, when the real goal was growth and profit.

CLASS ACTION ALLEGATIONS

50. Plaintiffs bring this action pursuant to Rules 23(a), (b)(1), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure on behalf of themselves and all others similarly situated. Plaintiffs seek to represent a Class consisting of all persons in the United States who presently have Facebook accounts.

51. Subject to additional information obtained through further investigation and discovery, the foregoing definition of the Class may be expanded or narrowed by amendment thereto. Specifically excluded from the Class are the officers, directors, agents, trustees, parents, children, corporations, trusts, representatives, employees principals, servants, partners, joint ventures or entities controlled by Defendant and their heirs, successors, assigns or other persons or entities related to or affiliated with Defendants and/or their offices and/or directors, or any of them; the Judge assigned to this action and any member of the Judge's immediate family.

52. **Numerosity - Fed.R.Civ.P. 23(a)(1)**- Members of the Class are so numerous that their individual joinder is impracticable. Plaintiffs are informed and believe that the proposed Class should contain millions of members. The precise number of Class members is unknown to Plaintiffs. The number of Class members is known to Defendant.

53. **Existence and Predominance of Common Questions of Fact and Law - Fed.R.Civ.P. 23(a)(2), 23(b)(3)**- There are questions of law and fact of general interest to the Class. The common questions include, but are not limited to, the following:

1 a. Whether Facebook has exceeded its authorized access to Users'
2 personal information and thereby improperly obtained that information in violation
3 of the provisions of the Electronic Data Privacy Act;

4 b. Whether Facebook has improperly invaded Users' privacy by
5 misappropriating or converting their names or likenesses in violation of California
6 Civil Code §3344;

7 c. Whether Facebook has violated California Bus. & Prof. Code
8 §17200 *et seq.*;

9 d. Whether Facebook has violated California Penal Code § 502;

10 e. Whether Facebook has committed the common law tort of
11 wrongful misappropriation;

12 f. Whether Defendant has been unjustly enriched as a result of the
13 conduct described herein;

14 g. Whether the Plaintiffs and Class are entitled to declaratory and
15 injunctive relief; and

16 h. Whether Defendant's conduct caused damages to Plaintiffs and
17 members of the Class and the measure of such damages.

18 54. The defenses of Defendant, to the extent that any such defenses apply,
19 are applicable generally to Plaintiffs and the entire Class and are not distinguishable
20 as to proposed Class members.

21 55. **Typicality - Fed.R.Civ.P. 23(a)(3)-** Plaintiffs' claims are typical of
22 the claims of the Class as a whole which has sustained and/or will sustain damages
23 as a proximate or legal result of the common course of conduct of Defendant.
24 Plaintiffs' claims are typical of the Class because Defendant subjected all Class
25 members to the same course of conduct.

26 56. **Adequacy - Fed.R.Civ.P. 23(a)(4)-** Plaintiffs will fairly and
27 adequately protect the interests of the Class and have no interest which is
28 antagonistic to those of the Class. Plaintiffs have retained counsel that are highly

1 experienced in the prosecution of complex consumer class action litigation.

2 57. Superiority - Fed.R.Civ.P. 23(b)(3)- A class action is superior to
3 other available means for the fair and efficient adjudication of the claims of
4 Plaintiffs and members of the Class. The injury suffered by each individual Class
5 member is relatively small, given the burden and expense of individual persecution
6 of the complex and extensive litigation necessitated by Defendant's conduct. It
7 would be virtually impossible for members of the Class individually to redress
8 effectively the wrongs done to them. Even if the members of the Class could afford
9 such individual litigation, the court system could not.

10 58. Individualized litigation presents a potential for inconsistent or
11 contradictory judgments arising from the same set of facts. Individualized litigation
12 increases the delay and expense to all parties and to the court system, presented by
13 the complex legal and factual issues of the case. By contrast, the class action device
14 presents far fewer management difficulties and provides the benefits of single
15 adjudication economy of scale and comprehensive supervision by a single court.

16 59. In the alternative, the Class may be certified under Rule 23(b)(1) and/or
17 (b)(2) because:

18 a. The prosecution of separate actions by individual
19 Class members would create a risk of inconsistent or
20 varying adjudication with respect to individual Class
21 members that would create incompatible standards of
22 conduct for Defendants.

23 b. The prosecution of separate actions by individual
24 Class members would create a risk of adjudication with
25 respect to them that would as a practical matter be
26 dispositive of the interests of other Class members not
27 parties to the adjudication or substantially impair or
28 impede their ability to protect their interests; and/or

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c. Defendants have acted or refused to act on the grounds generally applicable to the Class, thereby making appropriate final and injunctive relief with respect to the members of the class as a whole.

FIRST CLAIM FOR RELIEF
VIOLATION OF THE ELECTRONIC DATA PRIVACY ACT

60. Plaintiffs repeat and re-allege each and every allegation contained in paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth herein.

61. Defendant has violated the Electronic Data Privacy Act (the "EDPA").

62. Defendant operates an "electronic communications service", as defined in 18 U.S.C. §2510(15). Facebook provides to Users the ability to send or receive electronic communications to any of Facebook's millions of members.

63. Pursuant to the EDPA, electronic storage includes any storage of communications by an electronic communication service for purposes of backup protection of such communication. The Facebook website serves as backup both for Users and Facebook of all communications, internal e-mails, and postings.

64. Pursuant to 18 U.S.C. § 2701(a), whoever intentionally exceeds an authorization to access that facility and thereby obtains, alters, or prevents authorized access to a wire or electronic communication while it is in electronic storage in such system, has violated the EDPA. Defendant has violated this provision of the EDPA.

65. Additionally, pursuant to 18 U.S.C. § 2702(a), a person or entity providing an electronic communication service to the public shall not knowingly divulge to any person or entity the contents of a communication while in electronic storage by that service. Defendant has violated this provision as well.

66. By reason of the foregoing acts, Plaintiffs and the Class are entitled to actual and statutory damages for each violation, as well as attorneys' fees as

1 provided in 18 U.S.C. § 2707(c).

2 **SECOND CLAIM FOR RELIEF**
3 **VIOLATION OF THE STATUTORY RIGHT OF PUBLICITY**

4 67. Plaintiffs repeat and re-allege each and every allegation contained in
5 paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth
6 herein.

7 68. Under California Civil Code §3344, Defendant is prohibited from
8 knowingly using "another's name, voice, signature, photograph, or likeness, in any
9 manner, on or in products, merchandise, or goods, or for purposes of advertising or
10 selling, or soliciting purchases of, products, merchandise, goods or services, without
11 such person's prior consent"

12 69. Defendant's conduct as described herein constitutes the use of Users'
13 names, photographs, or likenesses without proper prior consent.

14 70. By reason of the foregoing, Defendant is liable for actual and statutory
15 damages to Plaintiffs and the Class as provided in California Civil Code §3344(a).

16
17 **THIRD CLAIM FOR RELIEF**
18 **VIOLATION OF CALIFORNIA BUS. & PROF. CODE §17200 et seq.**

19 71. Plaintiffs repeat and re-allege each and every allegation contained in
20 paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth
21 herein.

22 72. Facebook's actions, which had the effect of inducing Users to
23 unwittingly permit disclosure of sensitive personal information, constituted an
24 unfair, unlawful, and deceptive business practice, in violation of Cal. Bus. & Prof.
25 Code § 17200.

26 73. By reason of Defendant's misstatement and omissions, Plaintiffs and
27 all Class members have suffered injury in fact and have lost money or property as a
28

1 result of the alleged violations.

2 74. Plaintiffs and the Class are entitled to restitution of their property, and
3 the value of that property. Such restitution may be made by: (a) a return to the
4 privacy settings in place prior to the improper conduct alleged herein; and/or (b) the
5 disgorgement of ill-gotten gains.

6 75. Defendant's actions have caused and will cause Plaintiffs and all Class
7 members to be exposed to threats to their personal and financial security, harms
8 which cannot readily be measured by money damages and for which there is no
9 adequate remedy at law. Accordingly, Plaintiffs and the Class members are entitled
10 to injunctive relief under Cal. Bus. & Prof. Code §§ 17203 and 17204.

11 **FOURTH CLAIM FOR RELIEF**
12 **COMMON LAW TORT OF APPROPRIATION**

13 76. Plaintiffs repeat and re-allege each and every allegation contained in
14 paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth
15 herein.

16 77. Defendant's actions constitute the common law tort of wrongful
17 appropriation in that such conduct involves: (1) Defendant's use of the Users'
18 identities; (2) the appropriation of Users' names or likenesses to Defendant's
19 advantage, commercially or otherwise; (3) lack of Users' consent; and (4) resulting
20 injury. For purposes of this Fourth Claim for Relief, Plaintiffs disclaim any
21 allegation that Defendant has acted "knowingly."

22 78. By reason of the foregoing, Defendant is liable in damages to Plaintiffs
23 and the Class for their actual damages, as may be measured by the value of the
24 property misappropriated to Defendants.

25 **FIFTH CLAIM FOR RELIEF**
26 **UNJUST ENRICHMENT**

27 79. Plaintiffs repeat and re-allege each and every allegation contained in
28 paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth

1 herein.

2 80. Defendant has benefitted and been enriched by the above alleged
3 conduct. Defendant has collected fees and generated revenue from the unlawful
4 conduct described herein.

5 81. Defendant has knowledge of this benefit.

6 82. Defendant has voluntarily accepted and retained all benefit that it
7 received regarding the acts described herein.

8 83. The circumstances, as described herein, render it inequitable for
9 Defendant to retain the ill-gotten benefit without paying the value thereof to
10 Plaintiffs and the Class.

11 84. Plaintiffs and the Class are entitled to the amount of Defendant's ill-
12 gotten gains, including interest, resulting from its unlawful, unjust, unfair and
13 inequitable conduct, as alleged herein. Plaintiffs and the Class may make claims on
14 a pro rata basis for restitution.

15 85. Accordingly, Plaintiffs seek the imposition of a constructive trust on
16 those monies by which the Defendant has been unjustly enriched as a result of the
17 unlawful practices described herein.

18 **SIXTH CLAIM FOR RELIEF**
19 **VIOLATION OF CALIFORNIA PENAL CODE § 502**

20 86. Plaintiffs repeat and re-allege each and every allegation contained in
21 paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth
22 herein.

23 87. As a result of the wrongs committed here Defendant has knowingly and
24 without permission caused to be accessed the personal information of Users, within
25 the meaning of California Penal Law § 502(a)(7).

26 88. This section provides for a private right of action for anyone who has
27 suffered a violation of this statute and provides for the recovery of compensatory
28 damages as well as the imposition of injunctive relief or other equitable relief, and

1 an award of attorneys' fees.

2 89. As a result of the Defendants' conduct, it is liable to Plaintiffs and the
3 Class for violation of § 502.

4 **SEVENTH CLAIM FOR RELIEF**
5 **INJUNCTION**

6 90. Plaintiffs repeat and re-allege each and every allegation contained in
7 paragraphs 1 through 59, inclusive, and incorporate them as though fully set forth
8 herein.

9 91. Absent a reformation of Facebook's business practices, Plaintiffs and
10 the Class will be faced with the bringing of successive actions at law to compensate
11 them for past wrongs. Since successive actions at law for the same conduct are not
12 favored and Cal. Bus. & Prof. Code § 17200 and California Penal Law § 502
13 specifically authorize the entry of an Injunction, the entry of an Injunction is proper
14 here. Moreover, the Defendant's invasions of privacy and unauthorized release of
15 private information subject Plaintiffs and the Class to types of harm that cannot be
16 fully compensated in a pecuniary fashion.

17 92. Defendant knew and knows that the acts and practices complained of
18 herein are materially deceptive and misleading, and pose certain intangible dangers.

19 93. There is every reason to believe that if the conduct complained of
20 herein is not enjoined, Defendant will continue to mislead Users into disclosing
21 personal information for Facebook's advantage, in violation of statutory and
22 common law.

23 94. As to Defendant's continuing illegal commercial efforts and especially
24 as to its intangible effects, Plaintiffs and the Class have no adequate remedy at law.

25 95. Accordingly, a permanent injunction should enter preventing and
26 enjoining Defendant from operating Facebook in such a deceptive and unfair
27 manner, causing the unwanted disclosure of personal information. Plaintiffs request
28 that the Court Order that Facebook, at a minimum, take the following specific

1 actions as the required equitable remedies:

2 a. The required dissemination of a detailed plain-language notice
3 to Users explaining that prior privacy settings were defaulted to an unreasonably
4 low level; explaining that at these default settings, data miners such as Google.com
5 were able to capture the Users' personal information; and that at the prior default
6 privacy settings, Users' personal information was open to misuse. The Notice
7 should also make Users aware of the new features described in ¶ 95(c) below.

8 b. Require Facebook to change certain default privacy settings as
9 follows:

- 10 i. **Public Search Results** Default to Not Allow;
- 11 ii. **Facebook Search Results** Default to Friends;
- 12 iii. **Religious and Political Views** Default to Friends;
- 13 iv. **Family and Relationship** Default to Friends;
- 14 v. **Posts by Me** Default to Friends of Friends;
- 15 vi. **Personal Info** Default to Friends of Friends;
- 16 vii. **Applications and Websites Enabled by a User As to His**
17 **Own Information** Default to the disclosure of Personal
18 Info and Online presence only; and
- 19 viii. **Applications and Websites Enabled by Another As to a**
20 **User's Information** Default to Not Allowed.

21 c. Require Facebook to institute privacy and security User Help
22 features as follows:

23 i. Provide an 800 number, and live chat system where Users
24 can obtain information in English and Spanish about the privacy and security
25 settings in Facebook and obtain meaningful answers to their questions as provided
26 by knowledgeable technical personnel;

27 ii. Provide an on-site video and make available a PowerPoint
28 presentation which in plain English and Spanish proceeds through all of the privacy

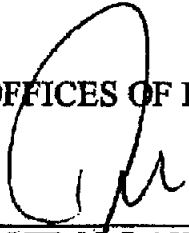
1 expert's fees, and reimbursement of reasonably incurred expenses; and
 2 5. That Plaintiffs and the Class be entitled to such other and further relief
 3 as this Court may deem just and proper.

JURY DEMAND

To the full extent available, Plaintiffs demand a trial by jury.

7 DATED: January 28, 2010

LAW OFFICES OF DAVID N. LAKE

8
 9 By: 
 10 DAVID N. LAKE
 Attorneys for Plaintiffs

Of Counsel:

11 Brian M. Felgoise, Esq.
 12 **FELGOISE LAW FIRM**
 13 261 Old York Rd. Suite 423
 14 Jenkintown, PA 19001-2616
 15 215-985-0500
 16 215-985-0850 (Fax)
 Felgoiselaw@verizon.net

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