DEFENDANTS' REQUEST FOR JUDICIAL NOTICE ISO MOTION TO DISMISS SAC CASE NO. 5:10-CV-01177-JW

DECHERT LLP ATTORNEYS AT LAW

NEW YORK

In support of their joint Motion to Dismiss the Second Amended Complaint ("SAC") filed by Plaintiff Mary McKinney ("Plaintiff"), Defendants Google Inc. ("Google") and HTC Corporation ("HTC") hereby respectfully submit this short memorandum concerning the following two documents, which are properly before the Court on Defendants' motion:

- (1) The copy of Google's Terms of Sale for the Nexus One that Plaintiff's counsel themselves attached to Plaintiff's original complaint filed in California state court, and alleged to be the "agreement" between Plaintiff and Google, attached hereto as Exhibit 1 ("Terms of Sale"); and
- (2) The copy of HTC's End User License Agreement, including its Limited Warranty Statement, attached hereto as Exhibit 2 ("Limited Warranty").

As explained below, these two documents are properly considered by the Court on Defendants' motion to dismiss under the "incorporation by reference" doctrine. In addition, the documents are also subject to judicial notice and, therefore, Defendants hereby request that the Court take judicial notice of the fact and content of Exhibits 1 and 2, pursuant to Federal Rule of Civil Procedure 201.

## I. Exhibits 1 And 2 Are Properly Before The Court On Defendants' Rule 12(b)(6) Motion To Dismiss Pursuant To The "Incorporation By Reference" Doctrine.

The Court can properly consider Exhibits 1 and 2 pursuant to the "incorporation by reference" doctrine. *Knievel v. ESPN*, 393 F.3d 1068, 1076-77 (9th Cir. 2005); *In re Silicon Graphics Sec. Litig.*, 183 F.3d 970, 986 (9th Cir. 1999); *Marolda v. Symantec Corp.*, 672 F. Supp. 2d 992, 996 (N.D. Cal. 2009); *see also Datel Holdings Ltd. v. Microsoft Corp.*, 712 F. Supp. 2d 974, 984 (N.D. Cal. 2010); *Long v. Hewlett-Packard Co.*, 2007 U.S. Dist. LEXIS 79262, \*\*17-18 n.3 (N.D. Cal., July 27, 2007).

Under this doctrine, courts routinely consider documents on motions to dismiss that the plaintiff has not physically attached to the complaint so long as (1) the complaint explicitly references the documents and their contents or its claims depend or rely upon them in whole or in part; and (2) the authenticity of the documents is not reasonably subject to dispute. *See Knievel*, 393 F.3d at 1076-77; *Parrino v. FHP, Inc.*, 146 F.3d 699, 705-06 (9th Cir. 1998); *see also Datel Holdings Ltd.*, 712 F. Supp. 2d at 984. The Ninth Circuit has extended the "incorporation by reference" doctrine to permit courts to consider on Rule 12(b)(6) motions an array of documents,

such as the terms of agreements governing the relationship between the parties, *id.*; SEC filings, *In re Silicon Graphics Sec. Litig.*, 183 F.3d at 986, "internet pages" and "newspaper articles," *Knievel*, 393 F.3d at 1076 (citing *Horsley v. Feldt*, 304 F.3d 1125, 1135 (11th Cir. 2002).

The incorporation-by-reference doctrine furthers the "policy concern" of preventing plaintiffs from surviving Rule 12(b)(b) motions "by deliberately omitting references to documents upon which their claims are based," or otherwise failing to attach referenced documents to their complaints that support defendants' motions to dismiss. *Parrino*, 146 F.3d at 706. Under this doctrine, the documents that the plaintiff failed to attach to the complaint are properly before the Court once the defendant simply attaches the document to its motion to dismiss. *See Knievel*, 393 F.3d at 1076.

Here, Exhibits 1 and 2 may be considered on Google and HTC's pending motion because both prerequisites to the incorporation-by-reference doctrine are met.

First, Plaintiff explicitly references and necessarily relies on these two agreements with Defendants in her Second Amended Complaint. As Plaintiff alleges, she and putative class members "entered into agreements" when they purchased the Nexus One and thereby "received uniform warranties in connection with the purchase of such phones." SAC, ¶ 100. Plaintiff in fact attached Exhibit 1's Google "Terms of Sale" for the Nexus One to her original complaint, and her only agreement with HTC is embodied in its "Limited Warranty" for the Nexus One, attached as Exhibit 2. Moreover, Plaintiff's claims – including especially her breach of warranty claims – necessarily depend upon whether Google and HTC made any "warranties" about the Nexus One's 3G connectivity, SAC, ¶ 100, including whether and to what extent there exists any legally enforceable warranty disclaimers in their respective agreements. *See Long*, 2007 U.S. Dist. LEXIS 79262, at \*\*17-18 n.3 (citing *Branch v. Tunnel*, 14 F.3d 449, 454 (9th Cir. 1994)).

Second, Plaintiff and her counsel cannot reasonably dispute the authenticity of the documents attached as Exhibits 1 and 2. In fact, Plaintiff's themselves attached the exact copy of the Google "Terms of Sale" attached hereto as Exhibit 1 as an exhibit to Plaintiff's original complaint, which was filed in California state court and removed to this Court. See Docket No. 2. By virtue of Defendants' removal, that exact copy of Google's "Terms of Sale" is already in this

Court's judicial records, within Exhibit A to the Declaration of Steven K. Taylor in support of

Defendant's Notice of Removal. Id. Further still, Plaintiff's counsel themselves have alleged that

the "Nexus One Phone – Terms of Sale" that they "attached" to their original state-court

complaint constitutes and reflects the "agreement" between Google and "Google Phone

customers, including Plaintiff." Docket No. 2 (Pltf's Class Action Complaint (filed Jan. 10,

2010), ¶ 11 & Exh. A). The Google Terms of Sale attached as Exhibit 1, in turn, expressly refers

to HTC's Limited Warranty for the Nexus One, Exhibit 2, which is also included in Nexus One

box packaging. Plaintiff cannot reasonably dispute the authenticity of either Exhibits 1 or 2.1

Accordingly, Plaintiff has incorporated Exhibit 1 and Exhibit 2 by reference into her Second Amended Complaint, and both may be considered by the Court on Google and HTC's Rule 12(b)(6) motion to dismiss without transforming it into a summary judgment motion. As the Ninth Circuit has confirmed, the documents are properly before the Court under this doctrine once "the defendant attaches [them] to its motion to dismiss," *Knievel*, 393 F.3d at 1076, as Google and HTC have done with both Exhibits 1 and 2 here. *See* Exhibits 1 & 2 to Defendants Google Inc. And HTC Corporation's Notice Of Motion And Motion To Dismiss Second Amended Complaint (filed concurrently herewith).

## II. The Court May Also Take Judicial Notice Of The Fact And Contents Of Exhibits 1 And 2.

In addition, Exhibits 1 and 2 are subject to judicial notice. Under Federal Rule of Evidence 201, the Court may take judicial notice of any facts "not subject to reasonable dispute" in that they are "capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." FED. R. EVID. 201(b)(2). Moreover, the Court "shall take judicial notice if requested by a party and supplied with the necessary information." FED. R.

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entirely conclusory assertion that "Plaintiff disputes the authenticity of the documents proffered," see Docket No. 51 at 4, without providing any basis in fact or law for that assertion. Such bald assertions cannot establish that the authenticity of Exhibits 1 and 2 is reasonably subject to dispute. In any event, the authenticity of Exhibit 1 is confirmed by this Court's own judicial records, as well as Plaintiff's own allegations in her original state-court complaint. The authenticity of Exhibit 2 is confirmed by the declaration of HTC's counsel, filed concurrently herewith. See Declaration of Rosemarie Ring ("Ring Decl.").

On the last round of motions in this action, Plaintiff's counsel signed a pleading including the

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EVID. 201(d) (emphasis added).

As courts in this District have held in analogous circumstances, it is proper to take "judicial notice" of documents such as Exhibits 1 and 2 where the fact of their existence and their content is not reasonably subject to dispute by reference to sources whose accuracy cannot reasonably be questioned. See, e.g., Datel Holdings Ltd. v. Microsoft Corp., 712 F. Supp. 2d 974, 983-84 (N.D. Cal. 2010) (Laporte, J.); Hovsepian v. Apple, Inc., 2009 U.S. Dist. LEXIS 80868, \*2 & n.3, \*\*23-24 (N.D. Cal., Aug. 21, 2009) (Fogel, J.) (granting Apple's request for judicial notice of "the terms" of its limited warranty provided to iMAC G5 purchasers where complaints "reference to warranty" and plaintiff's claims "depend at least in part of [its] enforceability"); Berenblat v. Apple, Inc., 2009 U.D. Dist. LEXIS 80734, \*2 & n.3 (N.D. Cal., Aug. 21, 2009) (same); see also Inter-Mark USA, Inc. v. Intuit, Inc., 2008 U.S. Dist. LEXIS 18834, \*\*8-9, 16-17, 22-25 (N.D. Cal., Feb. 27, 2008) (dismissing implied warranty claims given "valid disclaimer of any warranties" in Intuit's Software License Agreement, which was properly considered on 12(b)(6) motion and subject to judicial notice).

In *Datel Holdings*, for instance, Judge Laporte of the Northern District of California properly took "judicial notice of the existence and content of" several documents on defendant Microsoft Corp.'s Rule 12(b)(6) motion – including its Xbox 360 "Limited Warranty" and Xbox Live "Terms of Use." 712 F. Supp. 2d at 983-84. After noting the incorporation-by-reference doctrine, the court ruled that "judicial notice is appropriate because Plaintiff's complaint depends, at least in part, on the contents of the documents." *Id.* at 984. In reaching this result, the court quoted the analogous reasoning from *In re Samsung Elecs. Am., Inc. Blu-Ray Class Action Litig.*, 2008 U.S. Dist. LEXIS 105199, \*4 (D.N.J., Dec. 31, 2008): "Those documents are integral to Plaintiffs' Amended Complaint, as the warranty language serves, as a matter of law, to either support or erode Plaintiffs' claims. As a result, the Court will consider the warranty information, without converting Defendant's motion to dismiss into one for summary judgment." *Datel Holdings*, 712 F. Supp. 2d at 984 (quoting *In re Samsung Elecs., supra*). Similarly here, the Court may take judicial notice of both the existence and content of Exhibits 1 and 2, while leaving to the parties to debate their legal significance and effect in the context of Defendants'

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joint Rule 12(b)(6) motion to dismiss.

The fact that the copy of Google's "Terms of Sale" attached as Exhibit 1 is *already* in this Court's official judicial records supports Google's request for judicial notice. Judicial notice of matters of public record – including those pleadings and documents contained in public court files and records – is entirely proper. *See*, *e.g.*, *Emrich* v. *Touche Ross* & Co., 846 F.2d 1190, 1198 (9th Cir. 1988); *MGIC Indem. Corp.* v. *Weisman*, 803 F.2d 500, 504 (9th Cir. 1986); *see also Reyn's Pasta Bella, LLC* v. *Visa USA, Inc.*, 442 F.3d 741, 746 n.6 (9th Cir. 2006). Plaintiff's own counsel attached this exact version of Google's "Terms of Sale" to their original state-court complaint, and alleged that it embodied Google's "agreement" for the Nexus One with Plaintiff and putative class members. *See* Docket No. 2 (Pltf's Class Action Complaint (filed Jan. 10, 2010), ¶ 11 & Exh. A). Plaintiff used this exact copy of Google's Terms of Sale to support their allegations that jurisdiction was proper in Santa Clara County. *Id.* Because the document is already contained this Court's files, the facts of its existence and contents cannot reasonably be subject to dispute. Nor can Plaintiff or her counsel reasonably dispute the authenticity of the very document that they attached to Plaintiff's original complaint.

Accordingly, although Exhibits 1 and 2 are properly before the Court pursuant to the incorporation-by-reference doctrine, Defendants' alternative request that the Court take judicial notice of these documents also should be granted.

Dated: February 22, 2010

Respectfully submitted,

## DECHERT LLP

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## **CERTIFICATION** I, Matthew L. Larrabee, am the ECF User whose identification and password are being used to file this motion. In compliance with General Order 45.X.B., I hereby attest that Steven B. Weisburd and Rosemarie T. Ring have concurred in this filing.