

Name Kassra P. Nassiri
 Address 47 Kearny Street, Suite 700
 City, State, Zip San Francisco, CA 94108
 Phone (415) 762-3100
 Fax (415) 534-3200
 E-Mail knassiri@nassiri-jung.com

FPD Appointed CJA Pro Per Retained

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

In re Facebook Privacy Litigation

CASE NUMBER:

10-cv-02389-JW

PLAINTIFF(S),

v.

NOTICE OF APPEAL

DEFENDANT(S).

NOTICE IS HEREBY GIVEN that Plaintiff Mike Robertson, as a representative of the class, hereby appeals to
Name of Appellant
 the United States Court of Appeals for the Ninth Circuit from:

Criminal Matter

- Conviction only [F.R.Cr.P. 32(j)(1)(A)]
- Conviction and Sentence
- Sentence Only (18 U.S.C. 3742)
- Pursuant to F.R.Cr.P. 32(j)(2)
- Interlocutory Appeals
- Sentence imposed:

Bail status:


Civil Matter

- Order (specify):
Granting Defendant's Motions to Dismiss, and
 Denying Plaintiffs' Motion to Alter Judgment
- Judgment (specify):
 Dismissal of Action With Prejudice
- Other (specify):

Imposed or Filed on 5/12/2011, 11/22/2011, & 2/21/2012. Entered on the docket in this action on Dkt Nos. 91, 106, 107 & 115.

A copy of said judgment or order is attached hereto.

March 21, 2012
 Date


 Signature
 Appellant/ProSe Counsel for Appellant Deputy Clerk

Note: The Notice of Appeal shall contain the names of all parties to the judgment or order and the names and addresses of the attorneys for each party. Also, if not electronically filed in a criminal case, the Clerk shall be furnished a sufficient number of copies of the Notice of Appeal to permit prompt compliance with the service requirements of FRAP 3(d).

EXHIBIT A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re Facebook Privacy Litigation

NO. C 10-02389 JW

**ORDER DENYING MOTION TO AMEND
JUDGMENT**

Presently before the Court is Plaintiffs' Motion to Amend Judgment.¹ The Court finds it appropriate to take the Motion under submission without oral argument. See Civ. L.R. 7-1(b). Based on the papers submitted to date, the Court DENIES Plaintiffs' Motion to Amend Judgment.

A. Background

A detailed summary of the factual background of this case is provided in the Court's May 12, 2011 Order.² The Court reviews the procedural history relevant to the present Motion.

On May 12, 2011, the Court granted in part and denied in part Defendant's motion to dismiss. (See May 12 Order.) On June 13, 2011, Plaintiffs filed an Amended Complaint pursuant to the Court's May 12 Order.³ On November 22, 2011, the Court granted Defendant's motion to

¹ (Plaintiffs' Motion to Alter or Amend Judgment, or, Alternatively, for Relief from Judgment and Supporting Memorandum, hereafter, "Motion," Docket Item No. 109.)

² (Order Granting in part and Denying in part Defendant's Motion to Dismiss, hereafter, "May 12 Order," Docket Item No. 91.)

³ (First Amended Consolidated Class Action Complaint, hereafter, "FAC," Docket Item No. 92.)

1 dismiss the Amended Complaint with prejudice.⁴ The same day, the Court entered judgment
2 pursuant to its November 22 Order. (Docket Item No. 107.)

3 Presently before the Court is Plaintiffs' Motion to Amend Judgment.

4 **B. Standards**

5 The Federal Rules of Civil Procedure provide that a party may file a "motion to alter or
6 amend a judgment" no later than twenty-eight days after entry of judgment. Fed. R. Civ. P. 59(e).
7 In general, a Rule 59(e) motion may be granted on one of "four basic grounds," namely: "(1) if [the]
8 motion is necessary to correct manifest errors of law or fact upon which the judgment rests; (2) if
9 [the] motion is necessary to present newly discovered or previously unavailable evidence; (3) if [the]
10 motion is necessary to prevent manifest injustice; or (4) if the amendment is justified by an
11 intervening change in controlling law." Allstate Ins. Co. v. Herron, 634 F.3d 1101, 1111 (9th Cir.
12 2011) (citation omitted). Because specific grounds for a Rule 59(e) motion are not provided in the
13 Federal Rules of Civil Procedure, "the district court enjoys considerable discretion in granting or
14 denying [such a] motion." Id. (citation omitted). However, amending a judgment after it has been
15 entered is "an extraordinary remedy which should be used sparingly." Id. (citation omitted).

16 **C. Discussion**

17 Plaintiffs contend that the Court should amend its judgment to deny Defendant's motion to
18 dismiss Plaintiffs' claim under the Stored Communications Act ("SCA"),⁵ on the ground that the
19 Court's November 22 Order "contains manifest errors of fact" concerning Plaintiffs' claim under the
20 SCA.⁶ (Motion at 1-4.) In particular, Plaintiffs contend that the Court's November 22 Order
21
22

23 ⁴ (Order Granting Defendant's Motion to Dismiss with Prejudice, hereafter, "November 22
24 Order," Docket Item No. 106.)

25 ⁵ (See November 22 Order at 3-6 (discussing both the SCA and Plaintiffs' claim under that
26 Act); see also May 12 Order at 9-10 (discussing the SCA and Plaintiffs' claim under it in an earlier
27 version of the Complaint).)

28 ⁶ Plaintiffs contend that their Motion to Amend Judgment "is directed solely at [their] SCA
cause of action, and not any of [their] other causes of action." (Motion at 1 n.1.)

1 dismissed Plaintiffs' SCA claim on the basis of a "mistake of fact,"⁷ insofar as the November 22
 2 Order failed to recognize that "the communications at issue [in this case] were not requests to be
 3 connected to advertisers, but rather were communications between Plaintiffs and Facebook
 4 concerning [Plaintiffs'] private Facebook browsing and virtual filing cabinet activities."⁸ (*Id.* at 2.)
 5 Defendant responds that the Court did not make any "manifest error of fact" in its November 22
 6 Order, and that Plaintiffs "simply disagree with the Court's decision."⁹

7 Here, in its November 22 Order, the Court stated the following:

8 Upon review, the Court finds that Plaintiffs' argument relies on two mutually
 9 inconsistent propositions. On the one hand, Plaintiffs allege that the communications at issue
 10 in this case were requests to be connected to specific advertisements; that the requests were
 11 addressed to advertisers; and that Defendant merely acted as the "intermediary" for those
 12 communications. . . . On the other hand, Plaintiffs contend that Defendant acted as [a remote
 13 computing service ("RCS")] provider for purposes of Plaintiffs' claim under the SCA. . . .
 14 On the first view, if the communications were addressed to advertisers, then they were not
 15 sent to Defendant in order for Defendant to provide the "processing or storage" of Plaintiffs'
 16 "data," which means that Defendant was not acting as an RCS provider with respect to the
 17 communications. [*Quon v. Arch Wireless Operating Co., Inc.*, 529 F.3d 892, 901-02 (9th
 18 Cir. 2008).] By contrast, on the second view, if Defendant was acting as an RCS provider
 19 for purposes of Plaintiffs' claim, then it must be the case that Plaintiffs' communications
 20 consisted of "data" which Plaintiffs sent to Defendant for "processing or storage." However,
 21

22 ⁷ The Court observes that Plaintiffs' contention is: (1) that the Court "misconstrue[d]"
 23 Plaintiffs' argument; and (2) that such a misconstrual constitutes an "error of fact" for purposes of
 24 Rule 59(e). (Motion at 2-4.) It is not clear that a court's alleged misconstrual of a party's
 25 allegations constitutes an "error of fact" within the meaning of Rule 59(e), though other district
 26 courts have treated such an alleged misconstrual in that way. *See, e.g., Indep. Trust Corp. v. Stewart*
 27 *Info. Servs. Corp.*, No. 10-cv-4430, 2011 WL 1831586, at *3-4 (N.D. Ill. May 11, 2011).
 28 Regardless, as the Ninth Circuit explained in *Herron*, a court "considering a Rule 59(e) motion is not
 limited merely to [the four "basic grounds" upon which a Rule 59(e) motion may be granted]," but
 may consider whether amendment "may be appropriate" under other circumstances. *Herron*, 634
 F.3d at 1111.

⁸ Plaintiffs bring their Motion to Amend Judgment under Fed. R. Civ. P. 59(e), but also
 request relief from the Court's Judgment under Fed. R. Civ. P. 60(b). (Motion at 1-2.) However,
 the grounds under which Plaintiffs move for relief under Rule 60(b) appear to be identical to the
 grounds under which they move under Rule 59(e). (*See id.* (contending, as to Plaintiffs' claim for
 relief from judgment pursuant to Rule 60(b), solely that "there are mistakes and other reasons [sic]
 inherent in the Court's judgment that entitle Plaintiffs to relief from that judgment").) Accordingly,
 the Court treats Plaintiffs' Motion to Amend Judgment solely as a Motion brought pursuant to Rule
 59(e).

⁹ (Facebook, Inc.'s Opposition to Plaintiffs' Motion to Alter or Amend Judgment, or,
 Alternatively, for Relief from Judgment at 3-5, Docket Item No. 113.)

1 Plaintiffs allege that the communications at issue were requests to be connected to
2 advertisements, not data to be processed or stored.¹⁰

3 Upon review, the Court does not find good cause to amend its judgment. In its November 22
4 Order, the Court examined Plaintiffs' Amended Complaint and found that Plaintiffs' argument
5 regarding their SCA claim relied on "two mutually inconsistent propositions," namely: (1) the
6 allegation that the communications were addressed to advertisers, from which it would necessarily
7 follow that the communications were not sent to Defendant for the purpose of "processing or
8 storage" of Plaintiffs' "data";¹¹ and (2) the allegation that Defendant acted as an RCS provider for
9 purposes of Plaintiffs' SCA claim, from which it would necessarily follow that the communications
10 at issue consisted of "data" for "processing or storage" which Plaintiffs sent to Defendant.¹² Thus,
11 in its November 22 Order, the Court expressly recognized that one way to interpret Plaintiffs'
12 Amended Complaint is the way proposed by Plaintiffs in the present Motion, namely, an
13 interpretation under which the communications at issue were sent from Plaintiffs to Defendant.
14 However, the Court found that Plaintiffs had failed to state a claim under the SCA, *regardless* of
15 whether Plaintiffs were alleging that the communications at issue were addressed to advertisers or to
16 Defendant. (November 22 Order at 5-6.) Thus, the Court finds that Plaintiffs have not shown that
17 they are entitled to the "extraordinary remedy" of an amended judgment, insofar as they have not
18 shown that the Court committed a "manifest error of fact" in its November 22 Order. Herron, 634
19 F.3d at 1111.

20 Accordingly, the Court DENIES Plaintiffs' Motion to Amend Judgment.¹³

21 _____
22 ¹⁰ (November 22 Order at 5-6.)

23 ¹¹ (See, e.g., FAC ¶ 74 (alleging that "[w]hen a Facebook user clicks on an advertisement
24 posted on Facebook's website, the user sends a message to Facebook requesting that Facebook
connect the user to the specific advertisement," which means that "Facebook actually acts as the
intermediary between the user and the advertiser").)

25 ¹² (See, e.g., FAC ¶ 81 (alleging that Facebook acts as an RCS provider).)

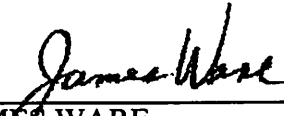
26 ¹³ In their Motion, Plaintiffs also request leave to amend their complaint to "clarify[] the
27 details" concerning their SCA claim. (Motion at 5.) However, the Ninth Circuit has clearly stated
that "once judgment has been entered in a case, a motion to amend [a] complaint can only be
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

D. Conclusion

The Court DENIES Plaintiffs' Motion to Amend Judgment.

Dated: February 21, 2012



JAMES WARE
United States District Chief Judge

United States District Court
For the Northern District of California

entertained if the judgment is first reopened under a motion brought under Rule 59 or 60." Lindauer v. Rogers, 91 F.3d 1355, 1357 (9th Cir. 1996). Thus, in light of the Court's denial of Plaintiffs' Motion to Amend Judgment, the Court may not entertain Plaintiffs' request for leave to amend their complaint. Id.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:

- Benjamin Harris Richman brichman@edelson.com
- Charles Hyunchul Jung cjung@nassiri-jung.com
- Christopher Lilliard Dore cdore@edelson.com
- Donald Amamgbo damamgbo@amamgbolaw.com
- Eric David Freed eric@freedweiss.com
- Eric H. Gibbs ehg@girardgibbs.com
- Francis M. Gregorek gregorek@whafh.com
- James M. Penning jpenning@cooley.com
- Jay Edelson jedelson@edelson.com
- Jordan L. Lurie jlurie@weisslurie.com
- Kassra Powell Nassiri knassiri@nassiri-jung.com
- Matthew Dean Brown mbrown@cooley.com
- Matthew Joseph Zevin mzevin@stanleyiola.com
- Michael James Aschenbrener mja@aschenbrenerlaw.com
- Reginald Von Terrell ReggieT2@aol.com
- Reginald Von Terrell reggiet2@aol.com
- Richard L. Seabolt rlseabolt@duanemorris.com
- Sean Patrick Reis sreis@edelson.com
- Sydney Jay Hall sydneyhalllawoffice@yahoo.com

Dated: February 21, 2012

Richard W. Wicking, Clerk

**By: /s/ JW Chambers
Susan Imbriani
Courtroom Deputy**

United States District Court
For the Northern District of California

EXHIBIT B

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re Facebook Privacy Litigation


NO. C 10-02389 JW

JUDGMENT

Pursuant to the Court's November 22, 2011 Order Granting Defendant's Motion to Dismiss With Prejudice, judgment is entered in favor of Defendant Facebook, Inc. and against Plaintiffs David Gould and Mike Robertson.

Each party shall bear their own fees and costs. The Clerk shall close this file.

Dated: November 22, 2011



JAMES WARE
United States District Chief Judge

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

- 2 Benjamin Harris Richman brichman@edelson.com
3 Charles Hyunchul Jung cjung@nassiri-jung.com
4 Christopher Lilliard Dore cdore@edelson.com
5 Donald Amamgbo damamgbo@amamgbolaw.com
6 Eric David Freed eric@freedweiss.com
7 Eric H. Gibbs ehg@girardgibbs.com
8 Francis M. Gregorek gregorek@whafh.com
9 James M. Penning jpenning@cooley.com
10 Jay Edelson jedelson@edelson.com
11 Jordan L. Lurie jlurie@weisslurie.com
12 Kassra Powell Nassiri knassiri@nassiri-jung.com
13 Matthew Dean Brown mbrown@cooley.com
14 Matthew Joseph Zevin mzevin@stanleyiola.com
15 Michael James Aschenbrener mja@aschenbrenerlaw.com
16 Reginald Von Terrell ReggieT2@aol.com
17 Reginald Von Terrell reggiet2@aol.com
18 Richard L. Seabolt rlseabolt@duanemorris.com
19 Sean Patrick Reis sreis@edelson.com
20 Sydney Jay Hall sydneyhalllawoffice@yahoo.com

21 **Dated: November 22, 2011**

Richard W. Wieking, Clerk

22
23
24
25
26
27
28
By: /s/ JW Chambers
Susan Imbriani
Courtroom Deputy

EXHIBIT C

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re Facebook Privacy Litigation

NO. C 10-02389 JW

**ORDER GRANTING DEFENDANT'S
MOTION TO DISMISS WITH
PREJUDICE**

Presently before the Court is Defendant's Motion to Dismiss.¹ The Court conducted a hearing on October 17, 2011. Based on the papers submitted to date and oral argument, the Court GRANTS Defendant's Motion to Dismiss.

A. Background

A detailed summary of the factual background of this case is provided in the Court's May 12, 2011 Order.² The Court reviews the procedural history relevant to the present Motion.

On May 12, 2011, the Court granted in part and denied in part Defendant's previous motion to dismiss. (See May 12 Order.) On June 13, 2011, Plaintiffs filed an Amended Complaint pursuant to the Court's May 12 Order.³

¹ (Defendant's Motion to Dismiss First Amended Consolidated Action Complaint, hereafter, "Motion," Docket Item No. 96.)

² (Order Granting in part and Denying in part Defendant's Motion to Dismiss, hereafter, "May 12 Order," Docket Item No. 91.)

³ (First Amended Consolidated Class Action Complaint, hereafter, "FAC," Docket Item No. 92.)

1 **B. Standards**

2 Pursuant to Federal Rule of Civil Procedure 12(b)(6), a complaint may be dismissed against
3 a defendant for failure to state a claim upon which relief may be granted against that defendant.
4 Dismissal may be based on either the lack of a cognizable legal theory or the absence of sufficient
5 facts alleged under a cognizable legal theory. Balistreri v. Pacifica Police Dep't, 901 F.2d 696, 699
6 (9th Cir. 1990); Robertson v. Dean Witter Reynolds, Inc., 749 F.2d 530, 533-534 (9th Cir. 1984).
7 For purposes of evaluating a motion to dismiss, the court “must presume all factual allegations of the
8 complaint to be true and draw all reasonable inferences in favor of the nonmoving party.” Usher v.
9 City of Los Angeles, 828 F.2d 556, 561 (9th Cir. 1987). Any existing ambiguities must be resolved
10 in favor of the pleading. Walling v. Beverly Enters., 476 F.2d 393, 396 (9th Cir. 1973).

11 However, mere conclusions couched in factual allegations are not sufficient to state a cause
12 of action. Papasan v. Allain, 478 U.S. 265, 286 (1986); see also McGlinchy v. Shell Chem. Co., 845
13 F.2d 802, 810 (9th Cir. 1988). The complaint must plead “enough facts to state a claim for relief
14 that is plausible on its face.” Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007). Courts
15 may dismiss a case without leave to amend if the plaintiff is unable to cure the defect by
16 amendment. Lopez v. Smith, 203 F.3d 1122, 1129 (9th Cir. 2000).

17 **C. Discussion**

18 Defendant moves to dismiss on the grounds that: (1) Plaintiffs fail to state a claim under
19 either the Wiretap Act or Stored Communications Act (“SCA”), inasmuch as the “addressee or
20 intended recipient” of all communications alleged in the First Amended Complaint was either
21 Defendant or a third-party advertiser; (2) Plaintiffs fail to state a claim under Cal. Penal Code §
22 502(c)(8), as they do not adequately allege that Defendant introduced a “computer contaminant” into
23 their computers to “usurp” the normal function of those computers; (3) Plaintiffs fail to state a claim
24 for breach of contract, because they do not allege that they have suffered any actual damages; and
25 (4) Plaintiffs fail to state a claim under Cal. Civ. Code §§ 1572 and 1573, because they fail to plead
26 this claim adequately under the heightened pleading standard of Rule 9(b). (Motion at 7-25.)
27
28

1 Plaintiffs respond that: (1) Defendant is liable under the SCA, because it was acting as a
 2 “remote computing service provider,” and thus cannot rely on the “intended recipient” exception to
 3 liability; (2) Defendant introduced computer instructions that “usurped” the normal operation of
 4 Plaintiffs’ computers, in violation of Cal. Penal Code § 502(c)(8); (3) Plaintiffs state a claim for
 5 breach of contract, because they have adequately alleged actual damages; and (4) Plaintiffs state a
 6 claim under Cal. Civ. Code §§ 1572 and 1573, because they allege that they relied on Defendant’s
 7 alleged fraudulent misrepresentations.⁴

8 The Court considers each ground in turn.

9 **1. Stored Communications Act**

10 At issue is whether Plaintiffs state a claim under the SCA.⁵

11 Under the SCA, an entity providing an electronic communication service to the public “shall
 12 not knowingly divulge to any person or entity the contents of a communication while in electronic
 13 storage by that service.”⁶ 18 U.S.C. § 2702(a)(1). However, a provider of an electronic
 14 communication service may divulge the contents of a communication to an addressee or intended
 15 recipient of such a communication. *Id.* § 2702(b)(1). A provider of an electronic communication

16
 17 ⁴ (See Plaintiffs’ Opposition to Facebook’s Motion to Dismiss First Amended Consolidated
 Class Action Complaint at 2-18, hereafter, “Opp’n,” Docket Item No. 101.)

18 ⁵ Although the Amended Complaint includes causes of action under both the Wiretap Act
 19 and SCA, Plaintiffs’ Opposition does not address either the Wiretap Act cause of action or
 Defendant’s Motion to Dismiss as to that cause of action. When this issue was raised at the hearing,
 Plaintiffs maintained that they have reserved their rights to assert a claim under the Wiretap Act.
 20 However, Plaintiffs’ vague statement at oral argument is insufficient to save this claim in light of
 their blatant failure to respond to Defendant’s Motion. Accordingly, the Court concludes that
 Plaintiffs have abandoned their Wiretap Act cause of action, which is therefore dismissed with
 21 prejudice. *See, e.g., In re TFT-LCD (Flat Panel) Antitrust Litig.*, 586 F. Supp. 2d 1109, 1131 (N.D.
 22 Cal. 2008) (concluding, where plaintiffs’ opposition did not address a claim or defendants’
 arguments regarding that claim in a motion to dismiss, that the plaintiffs “have abandoned the
 23 claim,” and granting the motion to dismiss the claim “without leave to amend”).

24 ⁶ As the Ninth Circuit has explained, an “electronic communication service” (“ECS”) is
 25 statutorily defined as “any service which provides to users thereof the ability to send or receive wire
 or electronic communications.” *Quon v. Arch Wireless Operating Co., Inc.*, 529 F.3d 892, 900 (9th
 26 Cir. 2008) (rev’d on other grounds by *City of Ontario v. Quon*, 130 S. Ct. 2619 (2010)) (citing
 § 2510(15)). By contrast, a “remote computing service” (“RCS”) is statutorily defined as “the
 27 provision to the public of computer storage or processing services by means of an electronic
 communications system.” *Id.* (citing § 2711(2)).

1 service may also divulge the contents of a communication with “the lawful consent” of an addressee
2 or intended recipient of such a communication. Id. § 2702(b)(3).

3 Here, Plaintiffs allege as follows:

4 [Defendant] is an electronic communications provider within the meaning of the
5 [SCA].

6 When a [user of Defendant’s website] clicks on an advertisement posted on
7 [Defendant’s] website, the user sends a message to [Defendant] requesting that [Defendant]
8 connect the user to the specific advertisement. . . . In other words, [Defendant] actually acts
9 as the intermediary between the user and the advertiser.

10 [Defendant] is also a “remote computing service” provider pursuant to [the SCA].

11 (FAC ¶¶ 69, 74, 81.)

12 Upon review, the Court finds that Plaintiffs fail to state a claim under the SCA. In its May
13 12 Order, the Court observed that Plaintiffs were either alleging “that the communications at issue
14 were sent to Defendant or to advertisers.” (May 12 Order at 10.) The Court explained that, under
15 either interpretation, Plaintiffs had failed to state a claim under the SCA. (Id.) As the Court
16 explained, if the communications were sent to Defendant, then Defendant was their “addressee or
17 intended recipient,” and thus was permitted to divulge the communications to advertisers so long as
18 it had its own “lawful consent” to do so. (Id. (citing 18 U.S.C. § 2702(b)(3)).) In the alternative, if
19 the communications were sent to advertisers, then the advertisers were the addressees or intended
20 recipients of those communications, and Defendant was permitted to divulge the communications to
21 them. (Id. (citing 18 U.S.C. § 2702(b)(1)).) Thus, the Court granted Defendant’s motion to dismiss
22 Plaintiffs’ cause of action under the SCA without prejudice, “with leave to amend to allege specific
23 facts showing that the information allegedly disclosed by Defendant was not part of a
24 communication from Plaintiffs to an addressee or intended recipient of that communication.” (Id.)

25 Here, in their Amended Complaint, Plaintiffs specifically allege that the “message[s]” at
26 issue in this case were sent to advertisers, with Defendant acting as the “intermediary” for those
27 messages. (FAC ¶ 74.) Thus, Plaintiffs allege that their communications were sent by Defendant to
28 the intended recipients of the communications, namely, advertisers. Further, Plaintiffs contend that
29 Defendant “was acting as an RCS provider at the time that it non-consensually divulged the contents
30 of Plaintiffs’ communications.” (Opp’n at 2.) However, Plaintiffs also contend that because “all

1 user communications carried or maintained on an RCS [provider]'s computers are sent to it directly
2 by the user, [the RCS provider] is an 'intended recipient' of all the [user's] communications," which
3 means that the "intended recipient" exception to liability under the SCA cannot be applicable to an
4 RCS provider. (Id. at 6-7.)

5 In order to address Plaintiffs' claims, the Court finds that it is necessary to consider the
6 difference between an ECS provider and an RCS provider under the SCA. The SCA defines an ECS
7 as "any service which provides to users thereof the ability to send or receive wire or electronic
8 communications." 18 U.S.C. § 2510(15). By contrast, the SCA defines an RCS as "the provision to
9 the public of computer storage or processing services by means of an electronic communications
10 system." Id. § 2711(2). As the Ninth Circuit has explained, when the SCA was passed in 1986,
11 Congress intended the term "RCS" to refer to an "off-site third party" which performed the tasks of
12 "processing or storage of data" for subscribers to the RCS. Quon, 529 F.3d at 901-02 (citations
13 omitted). In speaking of "processing" data, Congress referred to a business practice of
14 "transmit[ing] their records to remote computers to obtain sophisticated data processing services" of
15 the type that is currently performed by "advanced computer processing programs such as Microsoft
16 Excel." Id. at 902. In speaking of the "storage of data," Congress referred to a business practice of
17 maintaining files in "offsite data banks," which acted as a "virtual filing cabinet." Id.

18 Upon review, the Court finds that Plaintiffs' argument relies on two mutually inconsistent
19 propositions. On the one hand, Plaintiffs allege that the communications at issue in this case were
20 requests to be connected to specific advertisements; that the requests were addressed to advertisers;
21 and that Defendant merely acted as the "intermediary" for those communications. (FAC ¶¶ 69, 74,
22 81.) On the other hand, Plaintiffs contend that Defendant acted as an RCS provider for purposes of
23 Plaintiffs' claim under the SCA. (Opp'n at 2.) On the first view, if the communications were
24 addressed to advertisers, then they were not sent to Defendant in order for Defendant to provide the
25 "processing or storage" of Plaintiffs' "data," which means that Defendant was not acting as an RCS
26 provider with respect to the communications. Quon, 529 F.3d at 901-02. By contrast, on the second
27 view, if Defendant was acting as an RCS provider for purposes of Plaintiffs' claim, then it must be
28

1 the case that Plaintiffs’ communications consisted of “data” which Plaintiffs sent to Defendant for
2 “processing or storage.” However, Plaintiffs allege that the communications at issue were requests
3 to be connected to advertisements, not data to be processed or stored.⁷

4 Accordingly, the Court finds that Plaintiffs fail to state a claim under the SCA.

5 **2. Cal. Penal Code § 502(c)(8)**

6 At issue is whether Plaintiffs state a claim under Cal. Penal Code § 502(c)(8).

7 Cal. Penal Code § 502, the Comprehensive Computer Data Access and Fraud Act, was
8 enacted to expand the degree of protection to individuals, businesses and government agencies from
9 “tampering, interference, damage, and unauthorized access to lawfully created computer data and
10 computer systems.” Cal. Penal Code § 502(a). Section 502 creates liability for any person who
11 “knowingly introduces any computer contaminant into any computer, computer system, or computer
12 network.” *Id.* § 502(c)(8).

13 Here, Plaintiffs allege as follows:

14 [Defendant] knowingly and without permission introduced a computer contaminant
15 . . . by introducing computer instructions designed to record or transmit to advertisers
16 Plaintiffs’ and the Class’s personally-identifiable information on [Defendant]’s computer
17 networks without the intent or permission of Plaintiffs or the Class in violation of
§ 502(c)(8). These instructions usurped the normal operations of the relevant computers,
which by normal operation would not transmit the [personally identifiable information] of
Plaintiff [and] the Class members.

18 (FAC ¶ 104.)

19 Upon review, the Court finds that Plaintiffs do not allege facts adequate to state a claim
20 under Cal. Penal Code § 502(c)(8). In its May 12 Order, the Court found that Plaintiffs, in their
21 earlier Complaint, had failed to “allege any facts suggesting that Defendant introduced computer
22 instructions designed to ‘usurp the normal operation’ of a computer, computer system or computer

23
24 ⁷ In light of the Court’s disposition of Plaintiffs’ SCA claim, the Court does not reach the
25 merits of Plaintiffs’ contention that “only ECS providers, and not RCS providers like [Defendant],
26 may avail themselves of the SCA’s ‘intended recipient’ exception.” (Opp’n at 4.) Further, the Court
27 notes that Defendant contends that it was acting only as an ECS provider, and not as an RCS
28 provider, in regard to the communications at issue in this case. (See Facebook, Inc.’s Reply in
Support of Motion to Dismiss First Amended Consolidated Class Action Complaint at 3-5, Docket
Item No. 102.) However, in light of the Court’s disposition of Plaintiffs’ SCA claim, the Court does
not reach the question of whether Defendant was acting as an RCS provider.

1 network.” (May 12 Order at 13 n.11.) Here, likewise, Plaintiffs fail to allege any facts in support of
 2 their claim. Moreover, elsewhere in their Amended Complaint Plaintiffs allege that Defendant
 3 “shares its users’ sensitive [personally identifiable] information with third party advertisers without
 4 its users’ knowledge or consent” by sending to advertisers a “Referrer Header” which “reveals the
 5 specific web page address the user was viewing prior to clicking the advertisement.” (FAC ¶¶ 34,
 6 35.) Plaintiffs further allege that this “Referrer Header” is a “standard web browser function
 7 provided by web browsers since . . . 1996.” (*Id.* ¶ 41.) Thus, on Plaintiffs’ own allegations,
 8 Defendant’s alleged transmission of personally identifiable information is caused by a “standard
 9 web browser function,” rather than by a “contaminant” introduced to Plaintiffs’ computers by
 10 Defendant to “usurp” the “normal operations” of those computers.⁸

11 Accordingly, the Court finds that Plaintiffs fail to state a claim under Cal. Penal Code
 12 § 502(c)(8).

13 3. Breach of Contract

14 At issue is whether Plaintiffs state a claim for breach of contract.

15 Under California law, to state a cause of action for breach of contract a plaintiff must plead:
 16 “the contract, plaintiffs’ performance (or excuse for nonperformance), defendant’s breach, and
 17 damage to plaintiff therefrom.” *Gautier v. General Tel. Co.*, 234 Cal. App. 2d 302, 305 (Cal. Ct.
 18 App. 1965). California law requires a showing of “appreciable and actual damage” to assert a
 19 breach of contract claim. *Aguilera v. Pirelli Armstrong Tire Corp.*, 223 F.3d 1010, 1015 (9th Cir.
 20 2000). Nominal damages and speculative harm do not suffice to show legally cognizable damage
 21 under California contract law. *Ruiz v. Gap, Inc.*, 622 F. Supp. 2d 908, 917 (N.D. Cal. 2009).

22 Here, Plaintiffs allege that they suffered “actual and appreciable damages [in] the form of the
 23 value of their [personally identifiable information] that [Defendant] wrongfully shared with

24
 25 ⁸ The Court is not aware of any cases in which a court has allowed a plaintiff to pursue a
 26 claim under Cal. Penal Code § 502(c)(8) under allegations comparable to those in this case. As
 27 another court in the Northern District has explained, § 502(c)(8) is aimed at ““viruses or worms[]
 28 and other malware that usurps the normal operation of the computer or computer system.” See *In re*
iPhone Application Litig., No. 11-MD-02250-LHK, 2011 WL 4403963, at *13 (N.D. Cal. Sept. 20,
 2011).

1 advertisers.”⁹ (FAC ¶ 122.) However, the Court has already rejected Plaintiffs’ theory that their
 2 personally identifiable information has value.¹⁰ Thus, the Court finds that Plaintiffs fail to show that
 3 they have suffered “appreciable and actual damage,” which means that their breach of contract claim
 4 fails. Aguilera, 223 F.3d at 1015.

5 Plaintiffs’ reliance on Claridge v. RockYou, Inc.¹¹ is misplaced. In Claridge, the court
 6 considered a similar allegation that a “defendant’s role in allegedly contributing to the breach of
 7 [the] plaintiff’s [personally identifiable information] caused plaintiff to lose the ‘value’ of their [sic]
 8 [personally identifiable information], in the form of their breached personal data.” Id. at *4. In
 9 assessing this allegation, the court noted that the plaintiff was “advancing a novel theory of
 10 damages,” and observed that there was “no clearly established law regarding the sufficiency of
 11 allegations of injury in the context of the disclosure of online personal information.” Id.
 12 Recognizing the “paucity of controlling authority” in this area, and that the theory of damages by
 13 way of “unauthorized disclosure of personal information via the Internet” was a “relatively new”
 14 one, the court “decline[d] to hold at this juncture” that the plaintiff had “failed to allege an injury in
 15 fact sufficient to support Article III standing.” Id. at *5. Thus, far from having “expressly embraced
 16 the damages theory [presented by Plaintiffs],”¹² the court in Claridge explicitly asserted that there
 17 was “no clearly established law” to support this kind of “novel theory of damages.” Rather, the
 18 court merely declined to dismiss the entirety of the plaintiff’s case for lack of Article III standing,
 19 and found the “plaintiff’s allegations of harm sufficient at this stage to allege a generalized injury in

20
 21 ⁹ Plaintiffs allege that Defendant requires users of its website to assent to its “Terms and
 22 Conditions and Privacy Policy” (the “Agreement”), and that the Agreement constitutes “a valid and
 23 enforceable contract between Plaintiffs and the Class on the one hand, and [Defendant] on the
 24 other.” (FAC ¶¶ 115-16.) Plaintiffs further allege that Defendant breached the Agreement by
 disclosing “Plaintiffs’ and the Class’s personal information to its advertiser partners.” (Id. ¶ 121.)
 Because the Court finds that Plaintiffs fail to adequately allege the damages element of their breach
 of contract claim, the Court does not reach any other issues in regard to this claim.

25 ¹⁰ (See May 12 Order at 11 n.10 (rejecting Plaintiffs’ theory that their personal information
 itself either “constitutes currency” or “is a form of property”).)

26 ¹¹ No. C 09-6032 PJH, 2011 WL 1361588 (N.D. Cal. Apr. 11, 2011).

27 ¹² (Opp’n at 13.)

1 fact.” Id. at *5. In light of the continuing absence of controlling authority, or even clear persuasive
2 authority, in support of Plaintiffs’ theory of damages, the Court finds that Plaintiffs have failed to
3 show “actual and appreciable damages,” and thus have failed to state a claim for breach of contract.

4 Accordingly, the Court finds that Plaintiffs fail to state a claim for breach of contract.

5 **4. Cal. Civ. Code §§ 1572 and 1573**

6 At issue is whether Plaintiffs state a claim under Cal. Civ. Code §§ 1572 and 1573.

7 Sections 1572 and 1573 deal with actual and constructive fraud. See Cal. Civ. Code §§
8 1572, 1573. In California, the elements of a cause of action for fraud are: “(a) misrepresentation
9 (false representation, concealment, or nondisclosure); (b) knowledge of falsity (or ‘scienter’); (c)
10 intent to defraud, i.e., to induce reliance; (d) justifiable reliance; and (e) resulting damage.” Engalla
11 v. Permanente Med. Group, 15 Cal. 4th 951, 974 (1997). To plead a cause of action for fraud under
12 California law, a plaintiff must “establish damages,” because “[d]eception without resulting loss is
13 not actionable fraud.” Leegin Creative Leather Products, Inc. v. Diaz, 131 Cal. App. 4th 1517, 1525
14 (Cal. Ct. App. 2005). Where a “claim of damages” is merely “speculative,” it fails to support a
15 cause of action for fraud. Id. at 1526.

16 Here, as discussed above, Plaintiffs’ theory of damages is that they suffered “actual”
17 damages due to the loss in “value” of their personally identifiable information. However, as
18 discussed above, this theory is not supported by any controlling legal precedents, and as such is
19 purely speculative. Under California law, such a theory of damages cannot support a cause of action
20 for fraud. Diaz, 131 Cal. App. 4th at 1525-26. Thus, Plaintiffs have failed to state a claim for fraud.

21 Accordingly, the Court finds that Plaintiffs fail to state a claim under Cal. Civ. Code §§ 1572
22 and 1573.

23 **D. Conclusion**

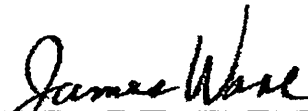
24 The Court GRANTS Defendant’s Motion to Dismiss.

25 Because the Court has already granted Plaintiffs leave to amend to allege specific facts as to
26 each of the claims discussed above, and because the Court finds that Plaintiffs continue to fail to
27

1 state a claim as to each of the claims, the Court finds that further amendment would be futile.
2 Accordingly, the Amended Complaint is dismissed with prejudice.

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: November 22, 2011



JAMES WARE
United States District Chief Judge

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

- 2 Benjamin Harris Richman brichman@edelson.com
- 3 Charles Hyunchul Jung cjung@nassiri-jung.com
- 4 Christopher Lilliard Dore cdore@edelson.com
- 5 Donald Amangbo damangbo@amangbolaw.com
- 6 Eric David Freed eric@freedweiss.com
- 7 Eric H. Gibbs ehg@girardgibbs.com
- 8 Francis M. Gregorek gregorek@whafh.com
- 9 James M. Penning jpenning@cooley.com
- 10 Jay Edelson jedelson@edelson.com
- 11 Jordan L. Lurie jlurie@weisslurie.com
- 12 Kassra Powell Nassiri knassiri@nassiri-jung.com
- 13 Matthew Dean Brown mbrown@cooley.com
- 14 Matthew Joseph Zevin mzevin@stanleyiola.com
- 15 Michael James Aschenbrener mja@aschenbrenerlaw.com
- 16 Reginald Von Terrell ReggieT2@aol.com
- 17 Reginald Von Terrell reggiet2@aol.com
- 18 Richard L. Seabolt rlseabolt@duanemorris.com
- 19 Sean Patrick Reis sreis@edelson.com
- 20 Sydney Jay Hall sydneyhalllawoffice@yahoo.com

21
22
23
24
25
26
27
28

Dated: November 22, 2011

Richard W. Wieking, Clerk

By: /s/ JW Chambers
Susan Imbriani
Courtroom Deputy

EXHIBIT D

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re Facebook Privacy Litigation

NO. C 10-02389 JW

**ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANT'S
MOTION TO DISMISS**

I. INTRODUCTION

Plaintiffs¹ bring this putative class action against Facebook, Inc. (“Defendant”) alleging violations of the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510, *et seq.*, California’s Unfair Competition Law, California Business & Professions Code §§ 17200, *et seq.*, and breach of contract. Plaintiffs allege that Defendant intentionally and knowingly transmitted personal information about Plaintiffs to third-party advertisers without Plaintiffs’ consent.

Presently before the Court is Defendant’s Motion to Dismiss.² The Court conducted a hearing on March 28, 2011. Based on the papers submitted to date and oral argument, the Court GRANTS in part and DENIES in part Defendant’s Motion to Dismiss.

¹ Named Plaintiffs are David Gould and Mike Robertson, both of whom are residents of California who have been registered users of Defendant’s services since at least 2008.

² (See Defendant’s Motion to Dismiss Consolidated Class Action Complaint, hereafter, “Motion,” Docket Item No. 75.)

II. BACKGROUND

1
2 In a Consolidated Class Action Complaint³ filed on October 11, 2010, Plaintiffs allege as
3 follows:

4 Defendant is a Delaware corporation that maintains its headquarters in Santa Clara
5 County, California. (Complaint ¶ 6.) Defendant operates the world’s largest social
6 networking website. (Id. ¶ 11.) Defendant allows anyone with access to a computer and
7 Internet connection to register for its services free of charge. (Id. ¶ 12.) One of the few
8 requirements Defendant places on its registrants is that they provide their actual names. (Id.
9 ¶ 13.) Once registered, a user of Defendant’s website may also post personal information to
10 a “profile” webpage. (Id. ¶ 14.)

11 Each user of Defendant’s website has a user ID number which uniquely identifies that
12 user. (Complaint ¶ 15.) If a person knows the user ID number or “username” of an
13 individual who is a user of Defendant’s website, that person can see the user’s profile
14 webpage and see the user’s real name, gender, picture, and other information. (Id.)

15 Defendant now “serves more ad[vertisement] impressions than any other online
16 entity.” (Complaint ¶ 18.) Because it possesses personal information about its users,
17 Defendant’s advertisers are able to target advertising to users of Defendant’s website. (Id.
18 ¶ 19.) Defendant’s own policies prohibit Defendant from revealing any user’s “true identity”
19 or specific personal information to advertisers. (Id. ¶¶ 20-25.)

20 When a user of Defendant’s website clicks on an advertisement posted on the
21 website, Defendant sends a “Referrer Header” to the corresponding advertiser. (Complaint
22 ¶ 28.) This Referrer Header reveals the specific webpage address that the user was looking
23 at prior to clicking on the advertisement. (Id.) Thus, Defendant has caused users’ Internet
24 browsers to send Referrer Header transmissions which report the user ID or username of the
25 user who clicked on an advertisement, as well as information identifying the webpage the
26

27 ³ (Consolidated Class Action Complaint, hereafter, “Complaint,” Docket Item No. 36.)
28

1 user was viewing just prior to clicking on that advertisement. (Id.) Because of this, when an
 2 advertiser receives a Referrer Header transmission from Defendant, the advertiser can obtain
 3 substantial additional information about a user of Defendant's website, such as the user's
 4 name, gender and picture. (Id. ¶ 29.) Through these transmissions, Defendant shares users'
 5 personal information with third-party advertisers without users' knowledge or consent, in
 6 violation of Defendant's own policies. (Id. ¶ 27.)

7 Defendant began these transmissions no later than February, 2010, and they
 8 continued until May 21, 2010. (Complaint ¶¶ 31-33.) Software engineers employed by
 9 Defendant knew or should have known that these transmissions would divulge private user
 10 information to third-party advertisers. (Id. ¶ 36.) As a result of Defendant's misconduct,
 11 Plaintiffs "suffered injury." (Id. ¶ 109.)

12 On the basis of the allegations outlined above, Plaintiffs assert eight causes of action: (1)
 13 Violation of the Electronic Communications Privacy Act ("ECPA"), 18 U.S.C. §§ 2510, *et seq.*; (2)
 14 Violation of the Stored Communications Act, 18 U.S.C. §§ 2701, *et seq.*; (3) Violation of
 15 California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; (4)
 16 Violation of California's Computer Crime Law, Cal. Penal Code § 502; (5) Violation of the
 17 Consumers Legal Remedies Act ("CLRA"), Cal. Civ. Code §§ 1750, *et seq.*; (6) Breach of Contract;
 18 (7) Violation of Cal. Civ. Code §§ 1572, 1573; and (8) Unjust Enrichment.

19 Presently before the Court is Defendant's Motion to Dismiss pursuant to Rule 12(b)(1) and
 20 Rule 12(b)(6).

21 III. STANDARDS

22 A. Lack of Subject Matter Jurisdiction

23 Rule 12(b)(1) of the Federal Rules of Civil Procedure provides for a motion to dismiss for
 24 lack of subject-matter jurisdiction. A Rule 12(b)(1) motion may be either facial, where the inquiry
 25 is confined to the allegations in the complaint, or factual, where the court is permitted to look
 26 beyond the complaint to extrinsic evidence. Wolfe v. Strankman, 392 F.3d 358, 362 (9th Cir. 2004).
 27 On a facial challenge, all material allegations in the complaint are assumed true, and the question for
 28

1 the court is whether the lack of federal jurisdiction appears from the face of the pleading itself. See
2 Wolfe, 392 F.3d at 362; Thornhill Publishing Co. v. General Telephone Electronics, 594 F.2d 730,
3 733 (9th Cir. 1979). When a defendant makes a factual challenge “by presenting affidavits or other
4 evidence properly brought before the court, the party opposing the motion must furnish affidavits or
5 other evidence necessary to satisfy its burden of establishing subject-matter jurisdiction.” Safe Air
6 For Everyone v. Meyer, 373 F.3d 1035, 1039 (9th Cir. 2004). The court need not presume the
7 truthfulness of the plaintiff’s allegations under a factual attack. White v. Lee, 227 F.3d 1214, 1242
8 (9th Cir. 2000); Augustine v. United States, 704 F.2d 1074, 1077 (9th Cir. 1983). However, in the
9 absence of a full-fledged evidentiary hearing, disputes in the facts pertinent to subject-matter are
10 viewed in the light most favorable to the opposing party. Dreier v. United States, 106 F.3d 844, 847
11 (9th Cir. 1996). The disputed facts related to subject-matter jurisdiction should be treated in the
12 same way as one would adjudicate a motion for summary judgment. Id.

13 **B. Failure to State a Claim**

14 Pursuant to Federal Rule of Civil Procedure 12(b)(6), a complaint may be dismissed against
15 a defendant for failure to state a claim upon which relief may be granted against that defendant.
16 Dismissal may be based on either the lack of a cognizable legal theory or the absence of sufficient
17 facts alleged under a cognizable legal theory. Balistreri v. Pacifica Police Dep’t, 901 F.2d 696, 699
18 (9th Cir. 1990); Robertson v. Dean Witter Reynolds, Inc., 749 F.2d 530, 533-534 (9th Cir. 1984).
19 For purposes of evaluating a motion to dismiss, the court “must presume all factual allegations of the
20 complaint to be true and draw all reasonable inferences in favor of the nonmoving party.” Usher v.
21 City of Los Angeles, 828 F.2d 556, 561 (9th Cir. 1987). Any existing ambiguities must be resolved
22 in favor of the pleading. Walling v. Beverly Enters., 476 F.2d 393, 396 (9th Cir. 1973).

23 However, mere conclusions couched in factual allegations are not sufficient to state a cause
24 of action. Papasan v. Allain, 478 U.S. 265, 286 (1986); see also McGlinchy v. Shell Chem. Co., 845
25 F.2d 802, 810 (9th Cir. 1988). The complaint must plead “enough facts to state a claim for relief
26 that is plausible on its face.” Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007). Courts
27
28

1 may dismiss a case without leave to amend if the plaintiff is unable to cure the defect by
2 amendment. Lopez v. Smith, 203 F.3d 1122, 1129 (9th Cir. 2000).

3 **IV. DISCUSSION**

4 Defendant moves to dismiss on the grounds that: (1) Plaintiffs fail to allege injury-in-fact
5 that would give them standing to maintain an action in federal court; (2) Plaintiffs fail to state a
6 claim under the Wiretap Act, because they do not allege disclosure of the “contents of a
7 communication”; (3) Plaintiffs fail to state a claim under the Stored Communications Act, because
8 they do not allege disclosure of the “contents of a communication” and because the same conduct
9 cannot be a violation of both the Wiretap Act and the Stored Communications Act; (4) Plaintiffs fail
10 to state a claim under the UCL because they lack standing, since they have not alleged that they have
11 lost money or property; (5) Plaintiffs fail to state a claim under Cal. Penal Code § 502 because
12 Defendant’s activities do not amount to the type of “hacking” or “breaking into a computer” that the
13 law was intended to prohibit; (6) Plaintiffs fail to state a claim under the CLRA, because such claims
14 can only be brought by consumers; (7) Plaintiffs fail to state a claim for Breach of Contract, because
15 they do not allege that they suffered appreciable or actual damage; (8) Plaintiffs fail to state a claim
16 under Cal. Civ. Code §§ 1572 and 1573, because they do not allege that they relied upon
17 Defendant’s representations or were damaged by them; and (9) Plaintiffs fail to state a claim for
18 Unjust Enrichment, because Plaintiffs cannot assert unjust enrichment while simultaneously alleging
19 a breach of contract. (Motion at 6-24.)

20 Plaintiffs respond that: (1) Plaintiffs have alleged a violation of their statutory rights, which
21 is a sufficient allegation of injury-in-fact to give them standing; (2) Plaintiffs state a claim under the
22 Wiretap Act, because Plaintiffs allege that Defendant disclosed the contents of Plaintiffs’
23 communications to entities that were not intended recipients of those communications, and the
24 communications were not “readily accessible to the general public”; (3) Plaintiffs state a claim under
25 the Stored Communications Act, because Plaintiffs allege that Defendant disclosed the contents of
26 Plaintiffs’ communications to entities that were not intended recipients of those communications,
27
28

1 and the communications were not “readily accessible to the general public”;⁴ (4) Plaintiffs state a
 2 claim under the UCL, because they have alleged facts sufficient to establish standing under the
 3 UCL, and have alleged that Defendant violated each of the three “prongs” of the UCL; (5) Plaintiffs
 4 state a claim under Cal. Penal Code § 502, because they allege that Defendant accessed their
 5 personal data in an unauthorized way; (6) Plaintiffs state a claim under the CLRA, because they are
 6 “consumers” within the meaning of the CLRA; (7) Plaintiffs state a claim for Breach of Contract,
 7 because they have alleged actionable damages caused by the diminution in value of Plaintiffs’
 8 personal information; (8) Plaintiffs state a claim under Cal. Civil Code §§ 1572 and 1573, because
 9 they have pleaded in sufficient detail Defendant’s fraudulent actions; and (9) Plaintiffs state a claim
 10 for Unjust Enrichment in the alternative to Breach of Contract, because they are entitled to
 11 simultaneously allege the existence of an express contract and maintain a claim for unjust
 12 enrichment. (Opp’n at 4-25.) The Court addresses each ground in turn.

13 **A. Injury-in-Fact**

14 At issue is whether Plaintiffs have alleged injury-in-fact sufficiently to establish standing.

15 To satisfy the standing requirements of Article III, a plaintiff must show that he has suffered
 16 an “injury in fact” that is (a) concrete and particularized and (b) actual or imminent, not conjectural
 17 or hypothetical. Gest v. Bradbury, 443 F.3d 1177, 1181 (9th Cir. 2006) (citing Friends of the Earth
 18 v. Laidlaw Environmental Services (TOC), Inc., 528 U.S. 167, 180-81 (2000)). The injury required
 19 by Article III can exist solely by virtue of “statutes creating legal rights, the invasion of which
 20 creates standing.” Edwards v. First Am. Corp., 610 F.3d 514, 517 (9th Cir. 2010) (quoting Warth v.
 21 Seldin, 422 U.S. 490, 500 (1975)). In such cases, the “standing question . . . is whether the
 22 constitutional or statutory provision on which the claim rests properly can be understood as granting
 23 persons in the plaintiff’s position a right to judicial relief.” Id. (quoting Warth, 422 U.S. at 500)).

24
 25 ⁴ Plaintiffs do not distinguish between their claims under Title I of the ECPA (the Wiretap
 26 Act) and Title II of the ECPA (the Stored Communications Act). (See Plaintiffs’ Opposition to
 27 Facebook’s Motion to Dismiss Consolidated Class Action Complaint 11-17, hereafter, “Opp’n,”
 Docket Item No. 86.) Instead, Plaintiffs appear to assume that the same allegations suffice to state a
 claim under both the Wiretap Act and the Stored Communications Act. (See id. at 11.)

1 Here, Plaintiffs allege as follows:

2 From at least February 2010, and until May 21, 2010, Defendant transmitted to
 3 advertisers communications which disclosed both users' identities and the URL of the
 4 webpage the user was viewing when that user clicked on an advertisement. (Complaint
 5 ¶¶ 31-33.) By divulging user identities and other user information to advertisers without user
 6 consent, Defendant intentionally violated, *inter alia*, 18 U.S.C. § 2511(3)(a). (*Id.* ¶ 57.)
 7 Both Plaintiffs were registered users of Defendant's services during the relevant time period.
 8 (*Id.* ¶¶ 4, 5.) Both Plaintiffs clicked on at least one third-party advertisement displayed on
 9 Defendant's website during the relevant time period. (*Id.*)

10 Based on the allegations above, and without addressing the merits of the claim, the Court
 11 finds that Plaintiffs allege a violation of their statutory rights under the Wiretap Act, 18 U.S.C. §§
 12 2510, *et seq.* The Wiretap Act provides that any person whose electronic communication is
 13 "intercepted, disclosed, or intentionally used" in violation of the Act may in a civil action recover
 14 from the entity which engaged in that violation. 18 U.S.C. § 2520(a). Thus, the Court finds that
 15 Plaintiffs have alleged facts sufficient to establish that they have suffered the injury required for
 16 standing under Article III.⁵

17 Defendant's contention that at the pleading stage of a class action, each individual plaintiff
 18 must include allegations sufficient to establish injury-in-fact as to each of them is mistaken.
 19 (Motion at 6-7.) In Hepting v. AT&T Corp.,⁶ the court rejected a similar argument. In Hepting, the
 20 court considered allegations that the defendant had "created a dragnet" which collected the contents
 21 of its customer's communications. *Id.* at 1000. The court found that it would be impossible for "any
 22 one plaintiff [to] have failed to demonstrate injury-in-fact if that plaintiff effectively demonstrates
 23 that all class members have so suffered." *Id.* The court held that the mere fact that the named
 24 plaintiffs each alleged that they were the defendant's "customers during the relevant time period"
 25 was sufficient to establish that the defendant's alleged conduct "would have imparted a concrete
 26 injury on each of them." *Id.* Similarly, if Plaintiffs here are able to show that Defendant transmitted

27 ⁵ A plaintiff may satisfy the injury-in-fact requirements to have standing under Article III,
 28 and thus may be able to "bring a civil action without suffering dismissal for want of standing to
 sue," without being able to assert a cause of action successfully. See Doe v. Chao, 540 U.S. 614,
 624-25 (2004) (stating that a plaintiff may have "injury enough to open the courthouse door, but
 without more [may have] no cause of action" under which he can successfully obtain relief).

⁶ 439 F. Supp. 2d 974 (N.D. Cal. 2006).

1 the contents of its users' communications in the manner alleged, they will have effectively
2 demonstrated that all of the users of Defendant's website suffered the same injury, which will
3 necessarily mean that each individual Plaintiff will have demonstrated that he was injured.

4 Accordingly, the Court DENIES Defendant's Motion to Dismiss on the ground that Plaintiffs
5 have failed to allege injury-in-fact sufficient to establish standing.

6 **B. Wiretap Act**

7 At issue is whether Plaintiffs state a claim under the Wiretap Act.

8 The Wiretap Act states that an entity "providing an electronic communication service to the
9 public shall not intentionally divulge the contents of any communication (other than one to such
10 entity, or an agent thereof) while in transmission on that service to any person or entity other than an
11 addressee or intended recipient of such communication or an agent of such addressee or intended
12 recipient." 18 U.S.C. § 2511(3)(a).

13 Here, Plaintiffs allege as follows:

14 When a user of Defendant's website clicks on an advertisement banner displayed on
15 that website, the user is asking Defendant to send an electronic communication to the
16 advertiser who supplied the advertisement. (Complaint ¶ 56.) However, users do not expect
17 and do not consent to Defendant's disclosure of all contents of that communication. (Id.)
18 Users expect that certain aspects of their communications concerning advertisers—namely,
19 their identities and the webpage they were viewing at the time they clicked on an
20 advertisement—will be configured by Defendant to be private. (Id.)

21 Based on the allegations above, the Court finds that there are two possible ways to
22 understand Plaintiffs' allegations. On the first view, Plaintiffs allege that when a user of
23 Defendant's website clicks on an advertisement banner displayed on that website, that click
24 constitutes an electronic communication from the user to Defendant.⁷ Under this interpretation, the
25 content of the user's communication with Defendant is a request that Defendant "send [a further]
26 electronic communication to [an] advertiser." On the second view, Plaintiffs allege that when a user
27 of Defendant's website clicks on an advertisement banner, that click constitutes an electronic
28

⁷ This interpretation is embraced by Plaintiffs themselves in their Opposition, though the Consolidated Class Action Complaint itself is ambiguous on this point. (See Opp'n at 11-12, 16.)

1 communication from the user to the advertiser. Under this interpretation, Plaintiffs are merely
2 “asking Defendant” to pass the communication along to its intended recipient, who is the advertiser.

3 The Court finds that as a matter of law, Plaintiffs cannot state a claim under the Wiretap Act
4 under either interpretation. Under the first interpretation, the communication is sent from the user to
5 Defendant. However, the Wiretap Act states that an “entity providing an electronic communication
6 service to the public shall not intentionally divulge the contents of any communication (*other than*
7 *one to such person or entity, or an agent thereof*) . . . “ 18 U.S.C. § 2511(3)(a) (emphasis added).
8 Because, under the first interpretation, the communication at issue is one from a user *to* Defendant,
9 Defendant cannot be liable under the Wiretap Act for divulging it. Under the second interpretation,
10 the communication is sent from the user to an advertiser. However, the Wiretap Act states that an
11 “entity providing an electronic communication service to the public shall not intentionally divulge
12 the contents of any communication . . . to any person or entity *other than an addressee or intended*
13 *recipient of such communication.*” *Id.* (emphasis added). Because, under the second interpretation,
14 the communication at issue is a communication from a user to an advertiser, the advertiser is its
15 “addressee or intended recipient,” and Defendant cannot be liable under the Wiretap Act for
16 divulging it. Thus, because Plaintiffs cannot state a claim under the Wiretap Act on their own
17 allegations, the Court dismisses Plaintiffs’ Wiretap Act claim.

18 Accordingly, the Court GRANTS Defendant’s Motion to Dismiss Plaintiffs’ Cause of Action
19 under the Wiretap Act without prejudice, with leave to amend to allege specific facts showing that
20 the information allegedly disclosed by Defendant was not part of a communication from Plaintiffs to
21 an addressee or intended recipient of that communication, if so desired.

22 **C. Stored Communications Act**

23 At issue is whether Plaintiffs state a claim under the Stored Communications Act.

24 Under the Stored Communications Act, an entity providing an electronic communication
25 service to the public “shall not knowingly divulge to any person or entity the contents of a
26 communication while in electronic storage by that service.” 18 U.S.C. § 2702(a)(1). However, a
27 provider of an electronic communication service may divulge the contents of a communication to an
28

1 addressee or intended recipient of such communication. Id. § 2702(b)(1). A provider of an
2 electronic communication service may also divulge the contents of a communication with “the
3 lawful consent” of an addressee or intended recipient of such communication. Id. § 2702(b)(3).

4 As discussed previously, Plaintiffs either allege that the communications at issue were sent to
5 Defendant or to advertisers. Under either interpretation, Plaintiffs fail to state a claim under the
6 Stored Communications Act. If the communications were sent to Defendant, then Defendant was
7 their “addressee or intended recipient,” and thus was permitted to divulge the communications to
8 advertisers so long as it had its own “lawful consent” to do so.⁸ 18 U.S.C. § 2702(b)(3). In the
9 alternative, if the communications were sent to advertisers, then the advertisers were their
10 addressees or intended recipients, and Defendant was permitted to divulge the communications to
11 them. Id. § 2702(b)(1). Thus, because Plaintiffs cannot state a claim under the Stored
12 Communications Act on their own allegations, the Court dismisses Plaintiffs’ Stored
13 Communications Act claim with prejudice.

14 Accordingly, the Court GRANTS Defendant’s Motion to Dismiss Plaintiffs’ Cause of Action
15 under the Stored Communications Act without prejudice, with leave to amend to allege specific facts
16 showing that the information allegedly disclosed by Defendant was not part of a communication
17 from Plaintiffs to an addressee or intended recipient of that communication, if so desired.

18
19
20
21
22
23 ⁸ Plaintiffs do not contend that Defendant would be unable to give itself “lawful consent” to
24 divulge Plaintiffs’ communications to Defendant. In similar situations, courts have held that a
25 defendant cannot be liable under the Stored Communications Act for disclosing communications
26 where the defendant was itself the “addressee or intended recipient” of those communications. See,
27 e.g., In re Am. Airlines, Inc., Privacy Litig., 370 F. Supp. 2d 552, 560-61 (N.D. Tex. 2005) (holding
28 that a defendant was not liable under the Stored Communications Act for disclosing personal
information of which it was the intended recipient, even if the defendant was “contractually bound
by its privacy policy not to disclose [such] information” and could be held liable for breach of
contract for doing so).

1 **D. UCL**

2 At issue is whether Plaintiffs state a claim for violation of the UCL.

3 To assert a UCL claim, a private plaintiff needs to have “suffered injury in fact and . . . lost
4 money or property as a result of the unfair competition.” Rubio v. Capital One Bank, 613 F.3d
5 1195, 1203 (9th Cir. 2010). A plaintiff’s “personal information” does not constitute property under
6 the UCL. Thompson v. Home Depot, Inc., No. 07cv1058 IEG, 2007 WL 2746603, at *3 (S.D. Cal.
7 Sept. 18, 2007).

8 Here, Plaintiffs do not allege that they lost money as a result of Defendant’s conduct.
9 Instead, Plaintiffs allege that Defendant unlawfully shared their “personally identifiable
10 information” with third-party advertisers. (Complaint ¶¶ 1-3.) However, personal information does
11 not constitute property for purposes of a UCL claim. Thompson, 2007 WL 2746603, at *3.

12 Plaintiffs’ reliance on Doe 1 v. AOL, LLC⁹ is misplaced. In AOL, the court considered
13 claims under the UCL brought by plaintiffs whose personal and financial information had been
14 disclosed to the public by an Internet service provider. Id. at 1111. Significantly, the AOL court
15 found that the defendant’s “disclosure of members’ undeniably sensitive information,” including
16 such “highly-sensitive financial information” as credit card numbers, social security numbers,
17 financial account numbers and passwords, was “not something that members bargained for when
18 they signed up and *paid fees for* [the defendant’s] service.” Id. at 1113 (emphasis added). The
19 court’s opinion in AOL does not stand for the broad proposition that personal information of any
20 kind “equates to money or property.” (See Opp’n at 9.) Rather, it indicates that a plaintiff who is a
21 *consumer* of certain services (i.e., who “paid fees” for those services) may state a claim under
22 certain California consumer protection statutes when a company, in violation of its own policies,
23 discloses personal information about its consumers to the public. See AOL, 719 F. Supp. 2d at
24 1111-13. Here, by contrast, Plaintiffs do not allege that they paid fees for Defendant’s services.
25 Instead, they allege that they used Defendant’s services “free of charge.” (Complaint ¶ 12.)

26 _____
27 ⁹ 719 F. Supp. 2d 1102 (N.D. Cal. 2010).

1 Because Plaintiffs allege that they received Defendant's services for free, as a matter of law,
 2 Plaintiffs cannot state a UCL claim under their own allegations. Thus, the Court dismisses
 3 Plaintiffs' UCL claim with prejudice.¹⁰

4 Accordingly, the Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action
 5 under the UCL with prejudice.

6 **E. Cal. Penal Code § 502**

7 At issue is whether Plaintiffs state a claim under Cal. Penal Code § 502.

8 Cal. Penal Code § 502, the Comprehensive Computer Data Access and Fraud Act, was
 9 enacted to expand the degree of protection to individuals, businesses and government agencies from
 10 "tampering, interference, damage, and unauthorized access to lawfully created computer data and
 11 computer systems." Cal. Penal Code § 502(a). With one exception, the subsections of Section 502
 12 that potentially apply in this case require that the defendant's actions be taken "without permission."
 13 See Cal. Penal Code §§ 502(c)(1), (2), (3), (6), & (7). Individuals may only be subjected to liability
 14 for acting "without permission" under Section 502 if they "access[] or us[e] a computer, computer
 15 network, or website in a manner that overcomes technical or code-based barriers." Facebook, Inc. v.
 16 Power Ventures, Inc., No. C 08-05780-JW, 2010 WL 3291750, at * 11 (N.D. Cal. July 20, 2010).
 17 Additionally, Section 502 creates liability for any person who "knowingly introduces any computer
 18 contaminant into any computer, computer system, or computer network." Cal. Penal Code §
 19 502(c)(8).

20 In a recent case, this Court considered the meaning of the term "without permission" in
 21 Section 502. See Power Ventures, 2010 WL 3291750, at *6. In Power Ventures, the Court found
 22 that the statutory language of Section 502, caselaw, and legislative intent all failed to provide clear

24 ¹⁰ Plaintiffs further contend that personal information itself: (1) "constitutes currency"; and
 25 (2) is a form of property. (See Opp'n at 6-11.) However, Plaintiffs offer no caselaw in support of
 26 these propositions. As another court has noted when confronted with a similar claim: "Nor has [the
 27 plaintiff] presented any authority to support the contention that unauthorized release of personal
 28 information constitutes a loss of property. Without any such authority, the Court is constrained to
 find that [the plaintiff] has not alleged any loss of property and therefore has not stated a valid claim
 under [the UCL]." Ruiz v. Gap, Inc., 540 F. Supp. 2d 1121, 1127 (N.D. Cal. 2008).

1 guidance as to how to interpret this term. Id. at *6-10. The Court found that the statute would be
 2 unconstitutionally vague unless it was read narrowly, so as to provide adequate notice of the conduct
 3 which it criminally prohibits. Id. at *10. The Court then held that the statute must be read to limit
 4 criminal liability to circumstances “in which a user gains access to a computer, computer network,
 5 or website to which access was restricted through technological means,” since anyone “applying the
 6 technical skill necessary to overcome such a barrier will almost always understand that any access
 7 gained through such action is unauthorized.” Id. at *11. Applying that construction of the statute to
 8 the facts before it, the Court concluded that the defendant could only be held liable for a violation of
 9 Section 502 if the plaintiff could prove that the defendant “circumvented . . . technical barriers” that
 10 had been put in place to block defendant’s access to the plaintiff’s website. Id. at *12.

11 Here, Plaintiffs’ allegations under those subsections of Section 502 which require a
 12 defendant to act “without permission” allege that Defendant acted “without permission” under that
 13 statute.¹¹ (Complaint ¶¶ 86-91.) However, Plaintiffs do not allege that Defendant circumvented
 14 technical barriers to gain access to a computer, computer network or website. To the contrary,
 15 Plaintiffs allege that Defendant caused “nonconsensual transmissions” of their personal information
 16 as a consequence of Defendant’s “re-design” of its own website. (Id. ¶¶ 34-36.) It is thus
 17 impossible, on Plaintiffs’ own allegations, for Defendant to be liable under the subsections of
 18

19 ¹¹ Plaintiffs also allege a violation of Cal. Penal Code § 502(c)(8), which unlike the other
 20 sections of Cal. Penal Code § 502(c) does not require that a defendant act “without permission.”
 21 Cal. Penal Code § 502(c)(8) applies to any person who “knowingly introduces any computer
 contaminant into any computer, computer system, or computer network.” The term “computer
 contaminant” is defined as follows:

22 . . . any set of computer instructions that are designed to modify, damage, destroy,
 23 record, or transmit information within a computer, computer system, or computer network
 without the intent or permission of the owner of the information. They include, but are not
 24 limited to, a group of computer instructions commonly called viruses or worms, that are
 self-replicating or self-propagating and are designed to contaminate other computer
 25 programs or computer data, consume computer resources, modify, destroy, record, or
 transmit data, or in some other fashion usurp the normal operation of the computer, computer
 system, or computer network.

26 Cal. Penal Code § 502(b)(10).

27 Plaintiffs do not allege any facts suggesting that Defendant introduced computer instructions
 designed to “usurp the normal operation” of a computer, computer system or computer network.
 28 Thus, under California law Plaintiffs fail to state a claim under Cal. Penal Code § 502(c)(8).

1 Section 502 which require a defendant to act “without permission,” as there were clearly no
2 technical barriers blocking Defendant from accessing its own website. Because Plaintiffs cannot
3 state a claim under Section 502 for any action done “without permission” under their own
4 allegations, the Court dismisses Plaintiffs’ claim under Cal. Penal Code §§ 502(c)(1), (2), (3), (6), &
5 (7) with prejudice.

6 Accordingly, the Court GRANTS Defendant’s Motion to Dismiss Plaintiffs’ Cause of Action
7 under Section 502 with prejudice as to Cal. Penal Code §§ 502(c)(1), (2), (3), (6), & (7), and without
8 prejudice as to § 502(c)(8), with leave to amend to allege specific facts in support of their claim
9 under § 502(c)(8), if so desired.

10 **F. CLRA**

11 At issue is whether Plaintiffs state a claim under the CLRA.

12 The CLRA provides protection to a specific category of consumers from damages suffered in
13 connection with a consumer transaction. Robinson v. HSBC Bank USA, 732 F. Supp. 2d 976, 987
14 (N.D. Cal. 2010). A violation of the CLRA may only be alleged by a consumer. Von Grabe v.
15 Spring PCS, 312 F. Supp. 2d 1285, 1303 (S.D. Cal. 2003). Under the CLRA, a “consumer” is an
16 individual who purchases or leases any goods or services for personal, family or household
17 purposes. Schauer v. Mandarin Gems of Cal., Inc., 125 Cal. App. 4th 949, 960 (Cal. Ct. App. 2005).

18 Here, Plaintiffs allege that Defendant “allows anyone . . . to register for its services free of
19 charge.” (Complaint ¶ 12.) As discussed previously, Plaintiffs’ contention that their personal
20 information constitutes a form of “payment” to Defendant is unsupported by law. Since it is not
21 possible for Plaintiffs to state a claim pursuant to the CLRA under Plaintiffs’ own allegations, the
22 Court dismisses Plaintiffs’ CLRA claim with prejudice.

23 Accordingly, the Court GRANTS Defendants’ Motion to Dismiss Plaintiffs’ Cause of Action
24 under the CLRA with prejudice.

25 **G. Breach of Contract**

26 At issue is whether Plaintiffs state a claim for breach of contract.

1 Under California law, to state a cause of action for breach of contract a plaintiff must plead:
2 “the contract, plaintiffs’ performance (or excuse for nonperformance), defendant’s breach, and
3 damage to plaintiff therefrom.” Gautier v. General Tel. Co., 234 Cal. App. 2d 302, 305 (Cal. Ct.
4 App. 1965). California law requires a showing of “appreciable and actual damage” to assert a
5 breach of contract claim. Aguilera v. Pirelli Armstrong Tire Corp., 223 F.3d 1010, 1015 (9th Cir.
6 2000). Nominal damages and speculative harm do not suffice to show legally cognizable damage
7 under California contract law. Ruiz v. Gap, Inc., 622 F. Supp. 2d 908, 917 (N.D. Cal. 2009).

8 Here, in regard to damages, Plaintiffs allege only that as a result of the alleged breach of
9 contract, Plaintiffs “suffered injury.” (Complaint ¶ 109.) However, Plaintiffs fail to allege any
10 actual damages in their Complaint. Thus, under California law Plaintiffs fail to state a claim for
11 breach of contract.

12 Accordingly, the Court GRANTS Defendant’s Motion to Dismiss Plaintiffs’ Cause of Action
13 for breach of contract, with leave to amend to allege specific facts showing appreciable and actual
14 damages in support of their claim, if so desired.

15 **H. Cal. Civ. Code §§ 1572 and 1573**

16 At issue is whether Plaintiffs state a claim under Sections 1572 and 1573 of the California
17 Civil Code.

18 Sections 1572 and 1573 deal with actual and constructive fraud. See Cal. Civ. Code §§
19 1572, 1573. In California, the elements of a cause of action for fraud are: “(a) misrepresentation
20 (false representation, concealment, or nondisclosure); (b) knowledge of falsity (or ‘scienter’); (c)
21 intent to defraud, i.e., to induce reliance; (d) justifiable reliance; and (e) resulting damage.” Engalla
22 v. Permanente Med. Group, 15 Cal. 4th 951, 974 (1997).

23 Here, Plaintiffs fail to allege that they relied upon any allegedly fraudulent
24 misrepresentations by Defendant. Thus, under California law Plaintiffs fail to state a claim for fraud
25 under either Cal. Civ. Code § 1572 or § 1573.

1 Accordingly, the Court GRANTS Defendant’s Motion to Dismiss Plaintiffs’ Cause of Action
2 under Cal. Civ. Code §§ 1572 and 1573, with leave to amend to allege specific facts in support of
3 their claim, if so desired.¹²

4 **I. Unjust Enrichment**

5 At issue is whether Plaintiffs are entitled to state a claim for unjust enrichment in the
6 alternative, given that they allege breach of an express contract.

7 Under California law, unjust enrichment is an action in quasi-contract. Gerlinger v.
8 Amazon.com, Inc., 311 F. Supp. 2d 838, 856 (N.D. Cal. 2004). However, “as a matter of law, a
9 quasi-contract action for unjust enrichment does not lie where . . . express binding agreements exist
10 and define the parties’ rights.” Villager Franchise Systems, Inc. v. Dhani, Dhani & Virk, No.
11 CVF046393RECSMS, 2006 WL 224425 (E.D. Cal. Jan. 26, 2006) (quoting Cal. Med. Ass’n v.
12 Aetna U.S. Healthcare of Cal., 94 Cal. App. 4th 151, 172 (Cal. Ct. App. 2001)). Although Rule 8 of
13 the Federal Rules of Civil Procedure allows a party to state multiple, even inconsistent claims, the
14 rule does not allow a plaintiff invoking state law to assert an unjust enrichment claim while also
15 alleging an express contract. Gerlinger, 311 F. Supp. 2d at 856.

16 Here, Plaintiffs allege that they assented to Defendant’s “Terms and Conditions and Privacy
17 Policy,” and that the provisions of this Policy “constitute a valid and enforceable contract” between
18 Plaintiffs and Defendant. (Complaint ¶¶ 101, 102.) Because Plaintiffs allege that an express
19 contract existed between themselves and Defendant, they cannot also assert an unjust enrichment
20 claim. Gerlinger, 311 F. Supp. 2d at 856. Since it is not possible to state a claim for unjust
21 enrichment under Plaintiffs’ own allegations, the Court dismisses Plaintiffs’ unjust enrichment claim
22 with prejudice.

23 Accordingly, the Court GRANTS Defendant’s Motion to Dismiss Plaintiffs’ Cause of Action
24 for unjust enrichment with prejudice.

25
26
27 ¹² Any allegations of fraud must be pleaded with particularity. See Fed. R. Civ. P. 9(b).
28

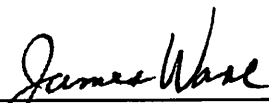
V. CONCLUSION

The Court GRANTS in part and DENIES in part Defendant's Motion to Dismiss as follows:

- (1) The Court DENIES Defendant's Motion to Dismiss on the ground that Plaintiffs lack standing under Article III;
- (2) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action under the Wiretap Act with leave to amend;
- (3) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action under the Stored Communications Act with leave to amend;
- (4) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action under the UCL with prejudice;
- (5) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action under Cal. Penal Code §§ 502(c)(1), (2), (3), (6), & (7) with prejudice, and as to § 502(c)(8) with leave to amend;
- (6) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action under the CLRA with prejudice;
- (7) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action for breach of contract with leave to amend;
- (8) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action under Cal. Civ. Code §§ 1572, 1573 with leave to amend; and
- (9) The Court GRANTS Defendant's Motion to Dismiss Plaintiffs' Cause of Action for unjust enrichment with prejudice.

Any Amended Complaint shall be filed on or before **June 13, 2011** and shall be consistent with the terms of this Order.

Dated: May 12, 2011



 JAMES WARE
 United States District Chief Judge

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

- 2 Benjamin Harris Richman brichman@edelson.com
3 Charles Hyunchul Jung cjung@nassiri-jung.com
4 Christopher Lilliard Dore cdore@edelson.com
5 Donald Amangbo damangbo@amangbolaw.com
6 Eric David Freed eric@freedweiss.com
7 Eric H. Gibbs ehg@girardgibbs.com
8 Francis M. Gregorek gregorek@whafh.com
9 James M. Penning jpenning@cooley.com
10 Jay Edelson jedelson@edelson.com
11 Jordan L. Lurie jlurie@weisslurie.com
12 Kassra Powell Nassiri knassiri@nassiri-jung.com
13 Matthew Dean Brown mbrown@cooley.com
14 Matthew Joseph Zevin mzevin@stanleyiola.com
15 Michael James Aschenbrener maschenbrener@edelson.com
16 Reginald Von Terrell ReggieT2@aol.com
17 Richard L. Seabolt rlseabolt@duanemorris.com
18 Sean Patrick Reis sreis@edelson.com
19 Sydney Jay Hall sydneyhalllawoffice@yahoo.com

20
21
22
23
24
25
26
27
28
Dated: May 12, 2011

Richard W. Wieking, Clerk

By: /s/ JW Chambers
Susan Imbriani
Courtroom Deputy

EXHIBIT E

1 KASSRA P. NASSIRI (215405)
(knassiri@nassiri-jung.com)
2 CHARLES H. JUNG (217909)
(cjung@nassiri-jung.com)
3 NASSIRI & JUNG LLP
47 Kearny Street, Suite 700
4 San Francisco, California 94108
Telephone: (415) 762-3100
5 Facsimile: (415) 534-3200

6 MICHAEL J. ASCHENBRENER (277114)
(mja@aschenbrennerlaw.com)
7 ASCHENBRENER LAW, P.C.
795 Folsom Street, First Floor
8 San Francisco, California 94107
Telephone: (415) 813-6245
9 Facsimile: (415) 813-6246

10 *ATTORNEYS FOR PLAINTIFFS AND THE PUTATIVE CLASS*

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

15
16
17 **IN RE: FACEBOOK PRIVACY
LITIGATION**

Case No. 10-cv-02389-JW

CLASS ACTION

**RULE 3-2 REPRESENTATION
STATEMENT**

Judge: Hon. James Ware

18
19
20
21
22 Plaintiffs in this action, David Gould, Mike Robertson, Karen Bryant, Christopher Brock,
23 Barbara Moskowitz, Howard L. Schreiber, Wendy Marfeo, Valerie Gudac, Richard Beiles, Zetha
24 Noble, are represented by the following counsel:
25
26
27
28

1 *Attorneys for Plaintiff David Gould*

2 **Michael James Aschenbrener**
3 Aschenbrener Law P.C.
4 795 Folsom Street
5 First Floor
6 San Francisco, CA 94107
7 415-813-6245
8 Fax: 415-813-6246
9 Email: mja@aschenbrenerlaw.com
10 *PRO HAC VICE*

11 **Kassra Powell Nassiri**
12 Nassiri & Jung LLP
13 47 Kearny Street
14 Suite 700
15 San Francisco, CA 94108
16 415-762-3100
17 Fax: 415-534-3200
18 Email: knassiri@nassiri-jung.com

19 **Charles Hyunchul Jung**
20 Nassiri & Jung LLP
21 47 Kearny Street
22 Suite 700
23 San Francisco, CA 94108
24 415-762-3100
25 Fax: 415-534-3200
26 Email: cjung@nassiri-jung.com

27 *Attorneys for Plaintiff Karen Bryant and Christopher Crock*

28 **Eric H. Gibbs**
Girard Gibbs LLP
601 California Street
14th Floor
San Francisco, CA 94108
415-981-4800
Fax: 415-981-4846
Email: ehg@girardgibbs.com

1 ***Attorneys for Plaintiff Barbara Moskowitz***

2 **Jordan L. Lurie**
3 Weiss & Lurie
4 10940 Wilshire Boulevard
5 23rd Floor
6 Los Angeles, CA 90024
7 (310) 208-2800
8 Fax: (310) 209-2348
9 Email: jlurie@weisslurie.com

10 ***Attorneys for Plaintiff Howard L. Schreiber***

11 **Eric David Freed**
12 Complex Litigation Group
13 111 W Washington Street
14 Suite 1331
15 Chicago, IL 60602
16 312-220-0000
17 Fax: 312-220-7777
18 Email: eric@freedweiss.com

19 ***Attorneys for Plaintiff Mike Robertson***

20 **Kassra Powell Nassiri**
21 Nassiri & Jung LLP
22 47 Kearny Street
23 Suite 700
24 San Francisco, CA 94108
25 415-762-3100
26 Fax: 415-534-3200
27 Email: knassiri@nassiri-jung.com

28 **Michael James Aschenbrener**
Aschenbrener Law P.C.
795 Folsom Street
First Floor
San Francisco, CA 94107
415-813-6245
Fax: 415-813-6246
Email: mja@aschenbrenerlaw.com
PRO HAC VICE

1 **Charles Hyunchul Jung**
Nassiri & Jung LLP
2 47 Kearny Street
Suite 700
3 San Francisco, CA 94108
415-762-3100
4 Fax: 415-534-3200
5 Email: cjung@nassiri-jung.com

6
7 *Attorneys for Plaintiff Wendy Marfeo*

8 **Matthew Joseph Zevin**
9 STANLEY IOLA, LLP
525 B Street, Suite 760
10 San Diego, CA 92101
619-235-5306
11 Email: mzevin@stanleyiola.com

12
13 *Attorneys for Plaintiff Valerie Gudac and Richard Beiles*

14 **Francis M. Gregorek**
15 Wolf Haldenstein Adler Freeman & Herz LLP
Symphony Towers
16 750 B Street
Suite 2770
17 San Diego, CA 92101
619-239-4599
18 Email: gregorek@whafh.com

19
20 *Attorneys for Plaintiff Zetha Noble*

21 **Donald Amangbo**
22 Amangbo & Associates
7901 Oakport Street, Suite 4900
Oakland, CA 94621
23 510 615-6000
24 Fax: 510 615-6025
Email: damangbo@amamgbolaw.com

25 **Reginald Von Terrell**
26 The Terrell Law Group
Post Office Box 13315, PMB #148
27 Oakland, CA 94661

1 510-237-9700
2 Fax: 510-237-4616
3 Email: reggiet2@aol.com

4 **Sydney Jay Hall**
5 Attorney at Law
6 1308 Bayshore Hwy.,
7 Suite 220
8 Burlingame, Ca 94010
9 650/342-1830
10 Email: sydneyhalllawoffice@yahoo.com

11 *Attorneys for Defendant Facebook, Inc.*

12 **James M. Penning**
13 Cooley Godward Kronish LLP
14 Five Palo Alto Square
15 3000 El Camino Real
16 Palo Alto, CA 94306-2155
17 650-843-5000
18 Fax: 650-857-0663
19 Email: jpenning@cooley.com

20 **Matthew Dean Brown**
21 Cooley LLP
22 101 California St. Flr 5
23 San Francisco, CA 94111-5800
24 (415) 693-2000
25 Fax: 415-693-2222
26 Email: mbrown@cooley.com


27 *Attorneys for Interested Party Zynga Game Network, Inc.*

28 **Richard L. Seabolt**
Duane Morris LLP
One Market
Spear Tower, Ste. 2200
San Francisco, CA 94105
415-957-3212
Fax: 415-957-3000
Email: rlseabolt@duanemorris.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: March 21, 2012

Respectfully submitted,
NASSIRI & JUNG LLP



Kassra P. Nassiri
Attorneys for Plaintiffs and the Putative Class