

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

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

10 Attorneys for Plaintiffs and the Putative Class

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

15 PALOMA GAOS and ANTHONY ITALIANO,  
 16 individually and on behalf of all others similarly  
 17 situated,

18 Plaintiffs,

19 v.

20 GOOGLE INC., a Delaware Corporation,  
 21 Defendant.

Case No. 5:10-cv-04809-EJD

CLASS ACTION

22 **PLAINTIFFS' OPPOSITION TO**  
 23 **GOOGLE'S MOTION TO**  
 24 **DISMISS SECOND AMENDED**  
 25 **COMPLAINT PURSUANT TO**  
 26 **RULES 12(b)(1) AND 12(b)(6)**

27 Date: September 21, 2012  
 28 Time: 9:00 a.m.  
 Place: Courtroom 1, 5th Floor  
 Judge: Hon. Edward J. Davila

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

**TABLE OF CONTENTS**

I. INTRODUCTION ..... 1

II. STATEMENT OF FACTS ..... 2

III. LEGAL STANDARDS ..... 3

IV. ARGUMENT ..... 3

    A. Google’s 12(b)(1) Motion to Dismiss Plaintiffs’ SCA Claim Is Effectively Moot..... 3

    B. Plaintiff Italiano Has Standing to Pursue His Breach of Contract Claim Because the Harm  
        He Suffered Is Both Concrete and Imminent..... 4

    C. Plaintiff’s State Law Claims Are Not Preempted by the SCA. .... 6

    D. Plaintiff Italiano Has Sufficiently Alleged a Breach of Contract. .... 7

        1. Plaintiff Has Identified with Specificity the Provisions of the Privacy Policy that Google  
           Violated. .... 7

        2. Plaintiff Elects Restitutionary Damages to Remedy Google’s Breach of the Privacy  
           Policy..... 8

    E. Plaintiff has Sufficiently Alleged a Claim for Unjust Enrichment. .... 9

V. CONCLUSION..... 11

**TABLE OF AUTHORITIES**

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

**CASES**

*Alder v. Drudis*, 30 Cal. 2d 372 (1947) ..... 9

*Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009) ..... 3

*Baur v. Veneman*, 352 F.3d 625 (2d Cir. 2003) ..... 5

*Bunnell v. Mot. Picture Ass’n of Am.*, 567 F. Supp. 2d 1148 (C.D. Cal. 2007)..... 6, 7

*California v. Levi Strauss & Co.*, 41 Cal. 3d 460 (1986)..... 11

*Cassirer v. Kingdom of Spain*, 580 F.3d 1048 (9th Cir. 2009) ..... 3

*Central Delta Water Agency v. U.S.*, 306 F.3d 938 (9th Cir. 2002) ..... 4

*Chodos v. West Publishing Co.*, 292 F.3d 992 (9th Cir. 2002) ..... 9

*County of San Bernardino v. Wash*, 158 Cal. App. 4th 533 (2008)..... 11

*Doe v. Veterans Admin.*, 474 F. Supp. 2d 1100 (D. Minn. 2007) ..... 5

*Edwards v. First Am. Corp.*, 610 F.3d 514 (9th Cir. 2010) ..... 1, 2, 3

*First Am. Financial Corp. v. Edwards*, Case No. 10-708, 567 U.S. \_\_\_\_ (2012) ..... 3

*Friends of the Earth v. Gaston Copper Recycling Corp.*, 204 F.3d 149 (4th Cir. 2000)..... 5

*Friends of the Earth, Inc. v. Laidlaw Envtl. Servs. (TOC), Inc.*, 528 U.S. 167 (2000)..... 3

*Ileto v. Glock Inc.*, 349 F.3d 1191 (9th Cir. 2003)..... 3

*In re National Security Agency Telecomm. Records Litig.*, 483 F. Supp. 2d 934 (N.D. Cal. 2007). 6

*In re National Security Agency Telecomm. Records Litig.*, 633 F.Supp.2d 892 (N.D. Cal. 2007)... 6

*Krottner v. Starbucks Corp.*, 628 F.3d 1139 (9th Cir. 2010) ..... 5

*Landmark Land Co. Inc. v. Fed. Deposit Ins. Corp.*, 256 F.3d 1365 (Fed. Cir. 2001)..... 9

*Lierboe v. State Farm Mut. Auto. Ins. Co.*, 350 F.3d 1018 (9th Cir. 2003) ..... 3

*Lujan v. Defenders of Wildlife*, 504 U.S. 555 (1992)..... 3

*Noll v. eBay, Inc.*, Case No. 5:11-cv-4585-EJD, 2012 WL 1413442 (N.D. Cal. April 23, 2012).. 10

*Quon v. Arch Wireless Operating Co.*, 445 F. Supp. 2d 1116 (C.D. Cal. 2006) ..... 6

*Sanders v. Apple, Inc.*, 672 F. Supp. 2d 978 (N.D. Cal. 2009) ..... 10

*Ward v. Taggart*, 51 Cal. 2d 736 (1959) ..... 11

1 **STATUTES**

2 18 United States Code § 2518 ..... 6

3 Federal Rules of Civil Procedure 8 ..... 3

4 **TREATISES**

5 Restatement (Second) of Contracts, § 344(c)..... 9

6 Restatement (Second) of Contracts, § 371 ..... 9

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1 **I. INTRODUCTION**

2 The remaining issues in this case can be summarized as follows:

- 3 1. Whether Plaintiffs have standing to pursue their Stored Communications Act  
4 (“SCA”) claims;
- 5 2. Whether Plaintiff Italiano’s state law claims are preempted by the SCA;<sup>1</sup> and
- 6 3. Whether Plaintiff Italiano has sufficiently alleged breach of contract and unjust  
7 enrichment.

8 Google’s lone challenge to Plaintiffs’ SCA claims depended on the U.S. Supreme Court  
9 overturning the Ninth Circuit’s decision in *Edwards v. First Am. Corp.*, 610 F.3d 514, 517 (9th  
10 Cir. 2010). But the U.S. Supreme Court did not overturn or otherwise disturb the Ninth Circuit’s  
11 decision in *Edwards*. Accordingly, the Court should find that Plaintiffs have standing to pursue  
12 their SCA claims.

13 Concerning preemption, Plaintiff Italiano contends that the SCA does not preempt his  
14 claims for breach of contract and unjust enrichment. The preemption clause of the SCA is  
15 designed solely to prevent criminal defendants from suppressing evidence based on electronic  
16 communications or customer records obtained in violation of the SCA. Alternatively, at most, the  
17 SCA preempts claims under state wiretap statutes and state stored communications statutes, but  
18 not other state law claims, such as unjust enrichment.

19 Google argues that Plaintiff Italiano’s allegations of harm resulting from Google’s breach  
20 of its Privacy Policy are insufficient as a matter of law to support his claim for breach of contract.  
21 Google ignores black letter law, which provides that Plaintiff may elect restitution as a remedy for  
22 Google’s breach. Google cannot reasonably contend that its user search queries, upon which  
23 Google’s market value is built, are incapable of valuation as a matter of law. Plaintiff Italiano is  
24 entitled to pursue his claim for breach of contract.

25 Finally, Plaintiff Italiano has sufficiently alleged an unjust enrichment claim because: (1)  
26 this Court recognizes an independent claim of unjust enrichment; (2) this Court permits alternative

---

27 <sup>1</sup> Plaintiffs hereby withdraw Plaintiff Italiano’s Cal. Bus. & Prof. Code § 17200 claim with  
28 prejudice.

1 pleading for claims of unjust enrichment; and, (3) Plaintiff has alleged facts sufficient to satisfy  
2 both elements of a claim of unjust enrichment.

3 For these reasons, Plaintiffs request that the Court deny Google's Rule 12(b)(1) motion as  
4 to the SCA and deny Google's Rule 12(b)(1) and 12(b)(6) motions as to breach of contract and  
5 unjust enrichment.

## 6 **II. STATEMENT OF FACTS**

7 The essence and substance of the case remains the same as it did when the Court ruled on  
8 Google's prior motion to dismiss. (Dkt. 38.) Google is still the largest search engine in the United  
9 States. (Second Amended Complaint "SAC", Dkt. 39, ¶ 2.) Google still earns substantial revenues  
10 from advertising programs and exploits its knowledge of its users' search preferences to increase  
11 these revenues. (SAC ¶ 16.) And Google still transmits its users' search queries to third parties  
12 without authorization in order to generate additional revenue. (SAC ¶¶ 42-67, 137.) Plaintiff Gaos  
13 also still alleges Google's conduct violates the SCA. (SAC ¶¶ 110-21.)

14 Several details have changed, though, since the Court ruled on Google's prior motion to  
15 dismiss. First, Plaintiff Gaos amended her complaint. (SAC Dkt. 39.) In doing so, she added  
16 Anthony Italiano as an additional plaintiff (SAC ¶ 8), and dropped her claims of fraudulent  
17 misrepresentation, negligent misrepresentation, public disclosure of private facts, and statutory  
18 fraud. In addition, Plaintiff Gaos no longer brings claims for breach of contract or unjust  
19 enrichment; rather, Plaintiff Italiano now takes her place in pursuing those claims.<sup>2</sup> (SAC ¶¶ 122-  
20 26, 127-35, 136-40.) Plaintiff Italiano also joins Plaintiff Gaos in her claim under the SCA. (SAC  
21 ¶¶ 110-21.)

22 Additionally, the U.S. Supreme Court did not disturb the Ninth Circuit's ruling in *Edwards*  
23 *v. First Am. Corp.*, 610 F.3d 514, 517 (9th Cir. 2010).<sup>3</sup> Thus, other than the addition of Plaintiff  
24 Italiano, nothing has changed legally or factually in relation to Plaintiffs' SCA claim since this  
25 Court determined Plaintiff Gaos had standing to pursue her SCA claim. (Dkt. 38 at 7.)

26 \_\_\_\_\_  
27 <sup>2</sup> Plaintiff Italiano withdraws his § 17200 claim with prejudice, though he continues to pursue his  
28 claim of breach of contract and unjust enrichment.

<sup>3</sup> *First Am. Financial Corp. v. Edwards*, Case No. 10-708, 567 U.S. \_\_\_\_ (2012).

1 **III. LEGAL STANDARDS**

2 In reviewing a motion to dismiss, the court “accept[s] all well-pleaded factual allegations  
3 in the complaint as true, and determines whether the factual content allows the court to draw the  
4 reasonable inference that the defendant is liable for the misconduct alleged.” *Cassirer v. Kingdom*  
5 *of Spain*, 580 F.3d 1048, 1052 n.2 (9th Cir. 2009) (internal citations omitted). A motion to dismiss  
6 must be denied if the complaint contains factual allegations that, when accepted as true, “plausibly  
7 give rise to an entitlement to relief.” *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1950 (2009). Moreover,  
8 Fed. R. Civ. P. 8(a) requires a plain and short statement of a plaintiff’s claim, a standard that  
9 “contains a powerful presumption against rejecting pleadings for failure to state a claim.” *Ileto v.*  
10 *Glock Inc.*, 349 F.3d 1191, 1200 (9th Cir. 2003).

11 To satisfy Article III standing, a plaintiff seeking damages must allege: (1) an injury in fact  
12 that is concrete and particularized, as well as actual or imminent; (2) that the injury is fairly  
13 traceable to the challenged action of the defendant; and, (3) that it is likely (not merely  
14 speculative) that injury will be redressed by a favorable decision. *Friends of the Earth, Inc. v.*  
15 *Laidlaw Envtl. Servs. (TOC), Inc.*, 528 U.S. 167, 180-81 (2000); *Lujan v. Defenders of Wildlife*,  
16 504 U.S. 555, 561-62 (1992). At least one named plaintiff must have suffered an injury in fact. *See*  
17 *Lierboe v. State Farm Mut. Auto. Ins. Co.*, 350 F.3d 1018, 1022 (9th Cir. 2003).

18 **IV. ARGUMENT**

19 **A. Google’s 12(b)(1) Motion to Dismiss Plaintiffs’ SCA Claim Is Effectively Moot.**

20 Google moves to dismiss Plaintiffs’ SCA claim for lack of standing—specifically for  
21 “lack(ing) any factual allegations of actual or imminent injury.” But Google’s motion is expressly  
22 conditioned on the U.S. Supreme Court overturning the Ninth Circuit’s decision regarding  
23 standing based on alleged violations of statutory rights in *Edwards v. First Am. Corp.*, 610 F.3d  
24 514, 517 (9th Cir. 2010), which did not happen.<sup>4</sup> (Dkt. 44 at 10.) In the absence of *Edwards*  
25 getting overturned, Google effectively does not move to dismiss Plaintiffs’ SCA claims.

26 \_\_\_\_\_  
27 <sup>4</sup> On June 25, 2012, the U.S. Supreme Court dismissed *First Am. Financial Corp. v. Edwards*,  
28 Case No. 10-708, 567 U.S. \_\_\_\_\_ (2012). (The entire opinion is as follows: “The writ of certiorari  
is dismissed as improvidently granted.”).

1 Accordingly, this Court should continue to follow *Edwards*, as it did when ruling on  
2 Google’s prior motion to dismiss,<sup>5</sup> and deny Google’s Rule 12(b)(1) motion to dismiss Plaintiffs’  
3 SCA claim. (Dkt. 38 at 4, 6.)<sup>6</sup>

4 **B. Plaintiff Italiano Has Standing to Pursue His Breach of Contract Claim**  
5 **Because the Harm He Suffered Is Both Concrete and Imminent.**

6 Google moves to dismiss Plaintiff’s state law claims for lack of standing. Specifically,  
7 Google argues that Plaintiff lacks standing only because he has not pled facts demonstrating that  
8 he suffered actual injury or imminent harm.

9 A party has Article III standing if he alleges injury in fact, which requires “an invasion of a  
10 legally protected interest which is (a) concrete and particularized . . . and (b) actual or imminent,  
11 not conjectural or hypothetical.” *Lujan*, 504 U.S. at 560 (internal citations and quotations omitted).  
12 Contrary to Google’s arguments, Plaintiff has alleged that he has suffered injuries that are both (a)  
13 concrete and particularized and (b) actual or imminent because Google’s disclosure of his search  
14 queries places him in imminent danger of identity theft.

15 Plaintiff Italiano conducted searches that are of the same nature of as those in *Doe I v.*  
16 *AOL, LLC*, 719 F. Supp. 2d 1102 (N.D. Cal. 2010) and *Krottner v. Starbucks Corp.*, 628 F.3d  
17 1139, 1140 (9th Cir. 2010), cases in which courts found standing and to which this Court cited in  
18 its Order. (Dkt. 38 at 4.) Like the plaintiffs in those cases, the injury Plaintiff Italiano suffered as a  
19 result of Google’s dissemination of his search queries is the increased risk of identity theft. (SAC  
20 ¶ 3.) This injury is sufficient to confer standing. The Ninth Circuit has held that “the possibility of  
21 future injury may be sufficient to confer standing on plaintiffs; threatened injury constitutes  
22 ‘injury in fact.’” *Central Delta Water Agency v. U.S.*, 306 F.3d 938, 947 (9th Cir. 2002).

23 In *Doe I v. AOL*, the court ruled that the plaintiffs had Article III standing after AOL  
24 disclosed millions of its members’ private search queries to third parties in violation of AOL’s  
25 privacy policy. 719 F. Supp. 2d at 1111-12. The published data included vanity searches and

26 \_\_\_\_\_  
27 <sup>5</sup> “The injury required by Article III, however, can exist solely by virtue of ‘statutes creating  
legal rights, the invasion of which creates standing.’” (Dkt. 38 at 4 (citing *Edwards*)).

28 <sup>6</sup> Google does not move to dismiss Plaintiffs’ SCA claim under Rule 12(b)(6).



1 other information that could allow third parties to match anonymous search queries to specific  
2 individuals. *Id.* at 1105. Given that the parties were at an early stage of the litigation, the court  
3 determined that these allegations were “sufficient to allege an ongoing injury.” *Id.* at 1109.

4 Similarly, Plaintiff here alleges that Google transmitted personal searches he conducted  
5 that included his name, address, and terms related to his pending divorce, short sale and  
6 foreclosure of this home. (SAC ¶¶ 92.) Plaintiff further alleges that Google’s disclosures increase  
7 the likelihood that third parties will connect those queries to Plaintiff, his online behavior will be  
8 traced, tracked, analyzed and sold, and he will suffer harm as a result.<sup>7</sup> (SAC ¶¶ 28-37, 68-76.)  
9 Plaintiff’s well-pleaded allegations establish that he is at risk of suffering real and imminent  
10 injury, just like the plaintiff in *Doe I v. AOL*.

11 In *Krottner v. Starbucks Corp.*, 628 F.3d 1139, 1140 (9th Cir. 2010), a laptop computer  
12 was stolen from Starbucks containing the unencrypted personal information of approximately  
13 97,000 Starbucks employees. The Ninth Circuit found that although there were no allegations that  
14 the information in the stolen laptop had actually been misused, the risk of future identity theft  
15 constituted an injury-in-fact for purposes of Article III standing. *Id.* at 1143.<sup>8</sup>

16 Here, Plaintiff Italiano’s allegations that Google’s systematic disclosure of his search  
17 queries places him immediately in danger of increased risk of identity theft and other privacy  
18 harms (SAC ¶¶ 3, 96) are sufficient to confer Article III standing, particularly at the pleading  
19 stage. *E.g.*, *Lujan*, 504 U.S. at 561 (“At the pleading stage, general factual allegations of injury  
20 resulting from the defendant’s conduct may suffice . . .”).

---

21 <sup>7</sup> Google itself has admitted that search queries often contain sensitive information and “may  
22 reveal personally identifying information,” such that Google “will keep private whatever  
23 information users communicate absent a compelling reason.” (SAC ¶¶ 30-31.) Google has also  
24 argued that the risk of privacy harm from disclosure of search queries “is no minor  
25 fear because search query content can disclose identities and personally identifiable information.”  
(SAC ¶ 31.) Google’s CEO publicly stated that if Google “were to make a mistake to release  
26 private information that could be used against somebody . . . it would be a terrible thing . . . I’ve  
27 always worried that the query stream was a fertile ground for governments to randomly snoop on  
28 people.” (SAC ¶ 37.)

<sup>8</sup> See also *Friends of the Earth v. Gaston Copper Recycling Corp.*, 204 F.3d 149, 160-61 (4th Cir.  
2000) (en banc) (“The Supreme Court has consistently recognized that threatened rather than  
actual injury can satisfy Article III standing requirements”); *Baur v. Veneman*, 352 F.3d 625 (2d  
Cir. 2003); *Pisciotta v. Old Nat’l Bancorp*, 499 F.3d 629, 634 (7th Cir. 2007); *Doe v. Veterans  
Admin.*, 474 F. Supp. 2d 1100, 1103 (D. Minn. 2007).

1 For the foregoing reasons, Plaintiff has Article III standing to assert his remaining state law  
2 claims for damages against Google.

3 **C. Plaintiff’s State Law Claims Are Not Preempted by the SCA.**

4 Google argues that § 2708 of the ECPA expressly preempts any of Plaintiff’s state law  
5 claims that are premised on the same conduct alleged to have violated the ECPA. Courts  
6 examining the ECPA, however, have determined that there is no applicable express preemption  
7 language and Congress did not intend for § 2708 to broadly preempt state regulation for conduct  
8 touched upon by the ECPA.

9 Courts examining the supposed preemption provision of the ECPA have found that  
10 “[s]ection 2708 of the SCA serves a limited purpose: to prevent criminal defendants from  
11 suppressing evidence based on electronic communications or customer records obtained in  
12 violation of [the statute’s] provisions.” *In re National Security Agency Telecomm. Records Litig.*,  
13 633 F. Supp. 2d 892, 905 (N.D. Cal. 2007) (“In re NSA II”); *see also In re National Security*  
14 *Agency Telecomm. Records Litig.*, 483 F. Supp. 2d 934, 939 (N.D. Cal. 2007) (“In re NSA I”)  
15 (“the court concludes that the SCA does not completely preempt suits under state law”).<sup>9</sup> Section  
16 2708 is the counterpart to 18 U.S.C. § 2518(10)(c), both of which were added by Congress to the  
17 ECPA for a very specific and limited purpose: to prevent defendants in a criminal prosecution  
18 from suppressing evidence based on electronic communications or customer records obtained in  
19 violation of the ECPA’s provisions.<sup>10</sup>

20 As such, Google’s reliance on *Quon v. Arch Wireless Operating Co.*, 445 F. Supp. 2d 1116  
21 (C.D. Cal. 2006) and *Bunnell v. Mot. Picture Ass’n of Am.*, 567 F. Supp. 2d 1148 (C.D. Cal. 2007)  
22 is misplaced. The district court in *Quon* found that § 2708 of the SCA applied to preempt certain  
23 of the plaintiffs’ state law claims. 445 F. Supp. 2d at 1138. Contrary to the court’s conclusion in  
24

---

25 <sup>9</sup> *See also In re Google Inc. Street View Elec. Commun. Litig.*, 794 F. Supp. 2d 1067, 1085-86  
26 (N.D. Cal. 2011) (holding that the ECPA preempts state wiretap statutes but not Cal. Bus. & Prof.  
Code § 17200).

27 <sup>10</sup> *See In re NSA I*, 483 F. Supp 2d at 939 (discussing the legislative history of the ECPA before  
28 determining that Congress intended for §§ 2518(10)(c) and 2708 to prevent criminal defendants  
from using the ECPA to suppress evidence against them that was gathered in violation of  
provisions of the ECPA.

1 *Quon*, Congress did not intend for the SCA to provide blanket preemption for every state law  
2 cause of action “arising from *conduct* covered by the SCA,” *Id.* As addressed above, it was  
3 Congress’ intent in drafting § 2708 to prevent criminal defendants from using the provisions of the  
4 SCA to suppress evidence brought against them that was obtained in violation of the SCA.

5 The court in *Bunnell* found that § 2518(10)(c) preempts claims under California’s  
6 equivalent to the Wiretap Act, *id.* at 1154, but relied on the misinterpretation of § 2518(10)(c) as  
7 an express preemption clause.<sup>11</sup> *Bunnell* is further distinguishable from the instant case because  
8 Plaintiff does not allege violations of the California equivalent to the Wiretap Act, the very same  
9 area regulated by the Wiretap Act. *Id.* Plaintiff alleges breach of contract and unjust enrichment,  
10 which allegations are independent of the alleged violations under the ECPA. Because § 2708 of  
11 the ECPA does not expressly preempt Plaintiff’s breach of contract and unjust enrichment claims,  
12 the Court should reject Google’s arguments concerning preemption.

13 **D. Plaintiff Italiano Has Sufficiently Alleged a Breach of Contract.**

14 Google claims that the Plaintiff has not (1) identified the provisions of the privacy policy  
15 that Google violated or (2) alleged any damages stemming from the breach of contract. Regarding  
16 Google’s first argument, Google plainly ignores many paragraphs of the SAC in which Plaintiff  
17 readily identifies the specific provisions violated. Concerning damages, Plaintiff is entitled to elect  
18 restitution as a remedy for Google’s breach of contract, a possibility which Google fails to  
19 acknowledge in its motion to dismiss.

20 **1. Plaintiff Has Identified with Specificity the Provisions of the Privacy**  
21 **Policy that Google Violated.**

22 Google contends that Plaintiff Italiano has “failed to identify any provisions of the Terms  
23 of Service and Privacy Policy that Google breached.” (Dkt. 44 at 14.) In support of this argument,  
24

---

25 <sup>11</sup> The *Bunnell* court also found that the Wiretap Act preempted the analogous state law claims on  
26 the basis of “field preemption,” because the Wiretap Act’s scheme of regulation was sufficiently  
27 comprehensive for the court to infer that Congress had intended that the Wiretap Act supersede  
28 any analogous state regulations. 567 F. Supp. 2d at 1154 (citing *In re Cybernetic Servs., Inc.*, 252  
F.3d 1039, 1045–46 (9th Cir. 2001)). Google has made no similar argument that the SCA’s  
scheme of regulation is so broad as to supersede all state regulation of the conduct complained of  
by Plaintiff and the Class.

1 Google cites solely to ¶ 125 of the SAC but ignores ¶¶ 22-28, in which Plaintiff identifies the  
2 specific provisions violated by Google. Google promised that search queries would be disclosed  
3 only in the “*aggregate*.” (SAC ¶¶ 24, 27.) (Emphasis in original.) But Google breached that  
4 promise by systematically disclosing Plaintiff’s individual search queries each time he used  
5 Google Search.<sup>12</sup> To make matters worse, because the disclosed search queries were bundled with  
6 other data identifying Plaintiff, such as cookies and his IP address, there was a substantial  
7 likelihood that his search queries would be associated with him individually and become  
8 “personally-identifiable.”

9 Google also promised not to disclose search queries containing personal information (SAC  
10 ¶ 24), but breached that promise as well. Plaintiff alleges that Google systematically disclosed *all*  
11 of his search queries, including those containing personal information such as his name, home  
12 address, foreclosure proceedings, and soon-to-be ex-wife. (SAC ¶ 92.) Consequently, Google  
13 breached both of its privacy promises related to search queries—it disclosed search queries on an  
14 individual basis rather than aggregated, and it disclosed individual search queries containing  
15 Plaintiff’s personal information.

16 **2. Plaintiff Elects Restitutionary Damages to Remedy Google’s Breach of**  
17 **the Privacy Policy.**

18 Google argues that Plaintiff fails to allege any consequential damages from Google’s  
19 breach. But Google ignores that Plaintiff may elect restitutionary damages in lieu of consequential  
20 damages. “It is well settled in this state that one who has been injured by a breach of contract has  
21 an election to pursue any of three remedies,” including rescission and recovery in quantum  
22 meruit. *Chodos v. West Publishing Co.*, 292 F.3d 992, 1001 (9th Cir. 2002) (quoting *Alder v.*  
23 *Drudis*, 30 Cal. 2d 372, 281-82 (1947)). The “remedy of restitution in money” is available to a  
24

25 \_\_\_\_\_  
26 <sup>12</sup> Google’s promise not to disclose individual search queries applies to *all* search queries,  
27 irrespective of whether those queries contain personal or sensitive information. Google ignores  
28 this provision of the Privacy Policy (SAC ¶ 24) and advances the straw man argument that  
because Plaintiff cannot allege disclosure of “personal information,” he cannot allege breach of the  
Privacy Policy. As demonstrated herein, Google’s argument does not comport with its Privacy  
Policy or the allegations in the SAC.

1 plaintiff who has completed performance provided that which the defendant owes him is  
2 something other than a liquidated debt. *Chodos*, 292 F.3d at 1001.

3 Plaintiff Italiano, who completed his performance by performing Google searches (SAC  
4 ¶¶ 90-96), is not owed a liquidated debt. Thus, he is entitled to elect the remedy of restitution in  
5 money for Google’s breach.

6 According to the Restatement (Second) of Contracts, § 344(c), Plaintiff is entitled to  
7 pursue “his interest in having restored to him any benefit that he has conferred on the other party.”  
8 There are two primary ways to measure the value of restitution: (a) “the reasonable value to the  
9 other party of what he received in terms of what it would have cost him to obtain it from a person  
10 in claimant’s position, or (b) the extent to which the other party’s property has been increased in  
11 value or his other interests advanced.” Restatement (Second) of Contracts, § 371; *Landmark Land*  
12 *Co. Inc. v. Fed. Deposit Ins. Corp.*, 256 F.3d 1365, 1372 (Fed. Cir. 2001).

13 Plaintiff alleges that he conferred a benefit on Google by performing searches, and as a  
14 result of sharing those searches with third parties without Plaintiff’s consent, Google enjoyed  
15 increased revenues from advertisers. (SAC ¶¶ 16, 19, 45, 137.) Plaintiff further alleges that Google  
16 breached its privacy agreement by sharing Plaintiff’s searches with third parties. (SAC ¶¶ 1, 3, 20-  
17 28, 45, 93-96, 122-26.) Accordingly, Plaintiff is entitled to choose his remedy for Google’s  
18 breach, which includes restitutionary damages. (SAC at 41, ¶¶ F, G.)

19 **E. Plaintiff has Sufficiently Alleged a Claim for Unjust Enrichment.**

20 Google offers two arguments as to why Plaintiff Italiano’s unjust enrichment claim should  
21 be dismissed. Both arguments fail.

22 First, Google argues that Plaintiff Italiano’s unjust enrichment claim fails because “the  
23 majority view is that there is no distinct cause of action for unjust enrichment under California  
24 law.” (Dkt. 44 at 19.) Google’s argument is irrelevant, though, because this Court recognizes  
25 unjust enrichment claims. *Noll v. eBay, Inc.*, Case No. 5:11-cv-4585-EJD, 2012 WL 1413442, at  
26 \*7 (N.D. Cal. April 23, 2012) (“There is a split between federal courts regarding the viability of  
27 unjust enrichment as an independent claim. This district has recognized that a claim for unjust  
28

1 enrichment exists under California law when there is no contractual relationship between the  
2 parties.” (citation omitted)).

3         Second, Google argues that Plaintiff Italiano’s unjust enrichment claim must fail because  
4 Plaintiff Italiano “cannot simultaneously allege a claim for breach of contract and unjust  
5 enrichment.” (Dkt. 44 at 20.) Google is simply incorrect. As this Court stated in *Noll*, it “will not  
6 dismiss Plaintiff’s claim for unjust enrichment, even if such a claim is in conflict with Plaintiff’s  
7 claim for breach of contract.” 2012 WL 1413442, at \*7. Contrary to Google’s argument, this  
8 Court allows pleading in the alternative and should do so here.

9         Moreover, Plaintiff Italiano’s allegations satisfy the required elements for a claim of unjust  
10 enrichment. “To plead a claim for unjust enrichment, a plaintiff must allege a receipt of a benefit  
11 and unjust retention of the benefit at the expense of another.” *Id.* (quoting *Sanders v. Apple, Inc.*,  
12 672 F. Supp. 2d 978, 989 (N.D. Cal. 2009)). Plaintiff Italiano has alleged both elements:

13                 Plaintiff Italiano and members of the State Law Class have  
14 conferred a benefit upon Google. Google has received and retained  
15 valuable information belonging to Plaintiff Italiano and members  
16 of the State Law Class, and as a result of sharing its users’ search  
17 queries with third parties without their consent, Google has  
improved the quality of its search engine and enjoyed increased  
revenues from advertisers.

18 (SAC ¶ 137.) Thus, Plaintiff has alleged that Google has received a benefit in the form of  
19 increased revenues from advertisers, and that Google has retained that benefit unjustly at  
20 Plaintiff’s expense because Google did not obtain consent from Plaintiff to share his valuable  
21 search queries with third parties.

22         Additionally, it is not necessary for Plaintiff’s loss to correspond to Google’s gain. Where  
23 “a benefit has been received by the defendant but the plaintiff has not suffered a corresponding  
24 loss or, in some cases, any loss, but nevertheless the enrichment of the defendant would be unjust  
25 . . . [t]he defendant may be under a duty to give to the plaintiff the amount by which [the  
26 defendant] has been enriched.” *County of San Bernardino v. Wash*, 158 Cal. App. 4th 533, 541  
27 (2008) (citing Restatement Restitution, § 1, com. e.) The “principle of unjust enrichment,  
28

1 however, is broader than mere ‘restoration’ of what the plaintiff lost. Many instances of ‘liability  
2 based on unjust enrichment . . . do not involve the restoration of anything the claimant previously  
3 possessed . . . includ[ing] cases involving the disgorgement of profits . . . wrongfully obtained.”  
4 *County of San Bernardino*, 158 Cal. App. 4th at 541.

5 Furthermore, an aggrieved party may maintain a claim for unjust enrichment without  
6 suffering actual damages. *Id.* (“the public policy of [California] does not permit one to ‘take  
7 advantage of his own wrong’ regardless of whether the other party suffers actual damage.”). In  
8 other words, the “emphasis is on the wrongdoer’s enrichment, not the victim’s loss.” *Id.*; *see also*  
9 *Ward v. Taggart*, 51 Cal. 2d 736, 741-742 (1959); *California v. Levi Strauss & Co.*, 41 Cal. 3d  
10 460, 472 (1986).

11 Because Plaintiff Italiano’s allegations meet the requirements for a claim of unjust  
12 enrichment, Plaintiff Italiano respectfully requests that this Court deny Google’s motion to dismiss  
13 Plaintiff’s unjust enrichment claim.

14 **V. CONCLUSION**

15 For the foregoing reasons, this Court should deny Google’s Motion to Dismiss under Rule  
16 12(b)(1) as to Plaintiffs’ SCA claim, and under Rules 12(b)(1) and 12(b)(6) as to Plaintiff’s breach  
17 of contract and unjust enrichment claims. Alternatively, Plaintiffs request leave to amend their  
18 complaint in order to remedy any pleading deficiencies, as necessary.

19  
20 Dated: July 19, 2012

Respectfully submitted,  
NASSIRI & JUNG LLP

21

/s/ Kassra P. Nassiri  
Kassra P. Nassiri  
Attorneys for Plaintiffs and the Putative Class

22

23 Dated: July 19, 2012

Respectfully submitted,  
ASCHENBRENER LAW, P.C.

24

/s/ Michael J. Aschenbrener  
Michael J. Aschenbrener  
Attorneys for Plaintiffs and the Putative Class

25

26

27

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

**CERTIFICATE OF SERVICE**

The undersigned certifies that, on July 19, 2012, he caused this document to be electronically filed with the Clerk of Court using the CM/ECF system, which will send notification of filing to counsel of record for each party.

Dated: July 19, 2012

NASSIRI & JUNG LLP

By: /s/ Kassra P. Nassiri  
Kassra P. Nassiri