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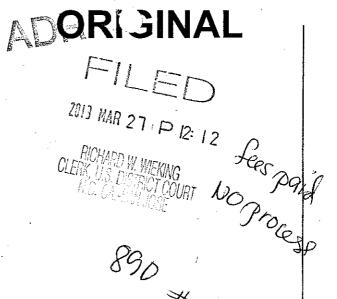
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E-FILING

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

10 LYNNE KRAUSE
11 on behalf of

on behalf of herself and all others similarly situated,

Plaintiff,

VS.

GOOGLE, INC., a Delaware Corporation,

Defendant.

CV12-01524

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff, Lynne Krause, individually and on behalf of all others similarly situated, by and through her attorneys, submits this Class Action Complaint for damages and other available relief under federal law and pursuant to Rule 23 of the Federal Rules of Civil procedure and avers as follows:

- 1. This action asserts that defendant Google, Inc., surreptitiously inserted computer code that deactivated pre-installed security default settings on plaintiff and the proposed class' electronic devices that utilize SafariTM web browser to surf the internet.
- 2. This action further asserts that Google's purpose in deactivating Safari's preinstalled default security settings was to enable Google's paying advertisers to track the browsing habits of Plaintiff and the Class without their knowledge and consent.
- This class action seeks to redress the violations of federal law arising from
 Google's illicit conduct, including damages and other available relief under the Federal Wiretap

Act, the Computer Fraud and Abuse Act, and the Stored Electronics Communications Act.

JURISDICTION AND VENUE

- 4. This Court has subject matter jurisdiction over this civil action under 28 U.S.C. § 1331, in that Plaintiff alleges violations of federal law, namely the Federal Wiretap Act as amended by the Electronic Communications Privacy Act, 18 U.S.C. § 2510 et seq., the Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq., and the Stored Electronics Communications Act, 18 U.S.C. § 2701 et seq.
- 5. Jurisdiction in this civil action is further authorized pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d), as some Class Members' citizenship is diverse from Google, there are more than 100 putative Class Members, and the amount in controversy is in excess of \$5,000,000.
- 6. This Court has personal jurisdiction over the parties because Google conducts substantial business in this District and has systematic and continuous contact with this District.
- 7. Venue is proper in this district under 28 U.S.C. § 1391(b)(2), as a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in this District.

PARTIES

- 8. Plaintiff Lynne Krause is a resident of Philadelphia, Pennsylvania. She owns an i-Phone, MacBook Pro and iMac that all use the Safari web browser. Plaintiff has uses Google as her primary search engine.
- Defendant Google, Inc. is a Delaware corporation, headquartered in Mountain View, California.

FACTS

- 10. Google describes itself as "a global technology leader focused on improving the ways people connect with information." See http://investor.google.com/corporate/faq.html#toclocated.
- 11. "Google primarily generates revenue by delivering relevant, cost-effective online advertising. Businesses use our AdWords program to promote their products and services with targeted advertising. In addition, third-parties that comprise our Google network use our Google AdSense program to deliver relevant ads that generate revenue and enhance the user experience." *Id.*
- 12. Through Google's AdWords and AdSense programs, businesses and other third parties could have their ads displayed on various websites (hereinafter "Google Ads").
- 13. Safari is an Internet web browser offered by Apple, Inc., that comes pre-installed on iPhones, iPads, and Mac computers, and can be installed on PCs. In fact, Safari is the first web browser to offer the default setting that blocks the tracking ability for web advertisers and other websites. See e.g., http://www.apple.com/safari/features.html#technologies:

"Safari Cookie Blocking¹

Some companies track the cookies generated by the websites you visit, so they can gather and sell information about your web activity. Safari is the first browser that blocks these tracking cookies by default, better protecting your privacy. Safari accepts cookies only from the current domain."

A "cookie" is defines as "a small file or part of a file stored on a World Wide Web user's computer, created and subsequently read by a Web site server, and containing personal information (as a user identification code, customized preferences, or a record of pages visited)." See http://www.merriam-webster.com/dictionary/cookies.

- 14. This factory default privacy setting works by requiring third parties such as advertising and web analytics firms to obtain your authorization or permission *before* accessing the cookies that reveal your identify, browsing history, etc. This feature frustrates Google's attempts to deliver personalized advertising and to enable full functionality of its products.
- 15. Google's conduct first came to light by Stanford University researcher Jonathan Mayer who discovered that Google inserted certain computer code into its products that circumvent Safari's default privacy settings.
- 16. Moreover, Mayer confirmed recently that this circumvention affected all users, independent of whether they had a Google account, were logged into a Google account, or had made a choice about social advertising.
- 17. Google thus had the ability to track users across the web even though their privacy settings indicated they did not want to be tracked.
- 18. Consumers' browsing activity has economic value to companies such as defendant Google's, whose revenues totaled 39.5 billion in 2011. See, http://investor.google.com/financial/tables.html.
- 19. To further its scheme to circumvent the default privacy settings that came with Safari, Google made blatantly false statements in its browser instructions to Safari users that "Safari is set by default to block all third-party cookies. If you have not changed those settings, this option effectively accomplishes the same thing as setting the [Google advertising cookie optout plugin]."
- 20. This representation was false, as Google knew that it would insert its own code to essentially render the Safari default privacy setting inactive—all unbeknownst to the Safari users such as Plaintiff and the Class.
 - 21. Upon information and belief, Google has since removed the above-quoted

language from its webpage.

- 22. Google admits that it used code that was designed to ascertain whether Safari users were also signed in to Google and that, as a result of this code, tracking cookies could be, and were placed on a Safari user's browser and ultimately on their hard drive.
- 23. On information and belief, visiting these websites and others allowed Google's tracking cookies to be placed on Plaintiff's devices without appropriate authorization and allowed Google to obtain, again without appropriate authorization, information pertaining to the websites that Plaintiff visited.
- 24. Upon information and belief it will require a time-consuming process to fully rid Plaintiff's devices of the unauthorized cookies, without also deleting the cookies that Plaintiff and Class Members have chosen to allow on their devices.

CLASS ACTION ALLEGATIONS

27. Plaintiff brings this action on behalf of himself and, additionally, pursuant to Rule23 of the Federal Rules of Civil Procedure, on behalf of the following Class:

'All persons throughout the United States whose iPhone, iPad, Mac, or other device with Safari web browser installed on it, was subjected to the Google code that circumvented Safari's third-party cookie blocking feature and placed tracking cookies on their device(s) (the "Class")."

- 28. Excluded from the Class are Google; any parent, subsidiary, or affiliate of Google; any entity in which Google has or had a controlling interest, or which Google otherwise controls or controlled; and any officer, director, employee, legal representative, predecessor, successor, or assignee of Google.
- 29. This action satisfies the requirements for class certification: numerosity, commonality, typicality, adequacy, predominance, and superiority.
- 30. This action has the requisite numerosity. The Safari web browser is installed on millions of devices and millions of Safari users have been affected. Thus, the Class consists of

millions of persons. The Class is therefore so numerous that joinder of all members, whether otherwise required or permitted, is impracticable.

- 31. There are common questions of law and fact common to the class, including, among others:
- a. Whether Google's code circumvents Safari's third-party cookie blocking feature;
- b. Whether the concerned code allows tracking cookies to be placed on Plaintiff's and Class Members' devices;
- c. Whether Google collects the browsing history of Plaintiff and Class Members through the concerned code and tracking cookies;
 - d. Whether Google violated the Federal Wiretap Act;
 - e. Whether Google violated the Computer Fraud and Abuse Act;
 - f. Whether Google violated the Stored Electronic Communications Act;
- g. Whether members of the Class have sustained damages and other compensable losses and, if so, the proper measure thereof; and
- h. Whether Class Members are entitled to statutory damages and other relief under the federal statutes and common law claim referenced herein.
- 32. The claims asserted by Plaintiff are typical of the claims of the members of the Class because they are similarly affected by the privacy-compromising code.
- 33. Plaintiff will fairly and adequately protect the interests of the Class, and Plaintiff has retained attorneys experienced in class and complex litigation.
 - 34. Predominance and superiority exist here because:
 - a. absent a class action, members of the Class, as a practical matter, will be

unable to obtain redress for Google's illegal conduct;

- b. it would be a substantial hardship for individual members of the Class if they were forced to prosecute individual actions;
- when the liability of Google has been adjudicated, the Court will be able to
 determine the claims of all members of the Class;
- a class action will permit an orderly and expeditious administration of Class' claims, foster economies of time, effort, and expense, and ensure uniformity of decisions;
- e. the lawsuit presents no difficulties that would impede its management by the Court as a class action;
- f. Google acted on grounds generally applicable to members of the Class, making class-wide relief appropriate; and
- g. the prosecution of separate actions by individual members of the Class would create a risk of incompatible standards of conduct for Google and of inconsistent or varying adjudications for all parties.

COUNT I FEDERAL WIRETAP ACT

- 35. Plaintiff repeats and re-alleges the allegations contained in the paragraphs above, as if fully set forth herein.
- 36. Under the Federal Wiretap Act, it is unlawful for any person to "intentionally intercept[], endeavor[] to intercept, or procure any other person to intercept or endeavor to intercept, any wire, oral, or electronic communication." 18 U.S.C. §2511 (a).
- 37. The Act also makes it unlawful for any person to disclose or use the contents of any electronic communication "knowing or having reason to know that the information was

obtained through the interception of a wire, oral, or electronic communication in violation of this subsection." 18 U.S.C. §2511 © and (d).

- 38. By placing code in Google Ads that circumvented Safari's third-party cookie blocking feature, which allowed tracking cookies to be placed on Plaintiff's devices and the devices of members of the Class, Google intentionally intercepted Plaintiff's and Class Members' electronic communications and then used the communications, as the cookies track the users' browsing history.
- 39. Statutory damages, punitive damages, reasonable attorneys' fees, litigation costs reasonably incurred, and other appropriate relief is available in a civil action for any person whose electronic communication is intercepted, disclosed, or intentionally used in violation of the Act. 18 U.S.C. § 2520(b). The Court may assess statutory damages of "whichever is the greater of \$100 a day for each day of violation or \$10,000." 18 U.S.C. § 2520(c)(2)(B).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself and the Class, requests that the Court enter judgment against defendant Google as follows:

- A. Certifying the proposed Class under Federal Rule of Civil Procedure 23, and appointing Plaintiff and Plaintiff's counsel of record to represent the Class;
- B. Finding that Google has violated the Federal Wiretap Act, as alleged herein;
- C. Awarding Plaintiff and members of the Class statutory damages, punitive damages, and other appropriate relief (including the cost of removing the unauthorized cookies) against Google in an amount to be determined at trial;
- D. Awarding Plaintiff and members of the Class the reasonable costs and expenses of suit, including attorneys' fees; and

E. Granting additional legal or equitable relief as this Court may find just and proper.

COUNT II VIOLATION OF THE COMPUTER FRAUD AND ABUSE ACT

- 40. Plaintiff repeats and re-alleges the allegations contained in the paragraphs above, as if fully set forth herein.
- 41. Under the Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq., "the term 'computer' means an electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device, but such term does not include an automated typewriter or typesetter, a portable hand held calculator, or other similar device[.]" 18 U.S.C. § 1030(e)(1).
- 42. Under the Computer Fraud and Abuse Act, "the term 'protected computer' means a computer . . . (B) which is used in or affecting interstate or foreign commerce or communication . . ." 18 U.S.C. § 1030(e)(2).
- 43. Plaintiff's devices fall within the definition of a protected computer, as they are used in interstate commerce or communication.
- 44. The Computer Fraud and Abuse Act makes it unlawful to intentionally access a computer without authorization, or to exceed authorized access, and thereby obtain information from any protected computer. 18 U.S.C. § 1030(a)(2)(c
- 45. The "term 'exceeds authorized access' means to access a computer with authorization and to use such access to obtain or alter information in the computer that the accesser is not entitled so to
- obtain or alter[.]"18 U.S.C. § 1030(e)(6).
- 46. The Computer Fraud and Abuse Act also makes it unlawful to intentionally access a computer without authorization and, as a result of such conduct, cause damage and loss. 18

U.S.C. § 1030(a)(5)©.

- 47. The "term 'damage' means any impairment to the integrity or availability of data, a program, a system, or information[.]"18 U.S.C. § 1030(e)(8).
- 48. The "term 'loss' means any reasonable cost to any victim, including the cost of responding to an offense, conducting a damage assessment, and restoring the data, program, system, or information to its condition prior to the offense, and any revenue lost, cost incurred, or other consequential damages incurred because of interruption of service[.]"18 U.S.C. § 1030(e)(11).
- 49. Plaintiff and members of the Class have suffered loss and economic damage as a result of Google's tracking cookies, which allowed Google to access their web browsing activity that Google was not entitled to obtain.
- 50. A civil action may be brought by any person who suffers damage or loss by reason of a violation of the Computer Fraud and Abuse Act, provided that the conduct involves one of four factors set forth in subsection (c)(4)(A)(i) of the Act.
- 51. The aggregated loss to Plaintiff and members of the Class during the previous year exceeds \$5,000 in value. 18 U.S.C. § 1030(c)(4)(A)(i)(I).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and the Class, requests that the Court enter judgment against Google as follows:

- A. Certifying the proposed Class under Federal Rule of Civil Procedure 23, and appointing Plaintiff and Plaintiff's counsel of record to represent the Class;
 - B. Finding that Google violated the Computer Fraud and Abuse Act, as alleged herein;
- C. Awarding Plaintiff and Class Members economic damages (including the cost of removing the unauthorized cookies) as provided for under the Computer Fraud and Abuse Act,

and other appropriate relief against Google in an amount to be determined at trial;

- D. Awarding Plaintiff and Class Members the reasonable costs and expenses of suit, including attorneys' fees; and
 - E. Granting additional legal or equitable relief as this Court may find just and proper.

COUNT III

VIOLATION OF THE STORED ELECTRONIC COMMUNICATIONS ACT

- 52. Plaintiff repeats and re-alleges the allegations contained in the paragraphs above, as if fully set forth herein.
- 53. The Stored Electronic Communications Act, 18 U.S.C. § 2701 et seq., makes it unlawful to intentionally access, without authorization or by exceeding authorization, a facility through which an electronic communication service is provided, and thereby obtain, alter, or prevent authorized access to a wire or electronic communication while it is in electronic storage in such system. 18 U.S.C. § 2701(a)(1)-(2).
- Act, in which the conduct constituting the violation is engaged in with a knowing or intentional state of mind, may recover from that entity appropriate relief, including: (1) such preliminary and other equitable or declaratory relief as may be appropriate; (2) damages under subsection (c); and (3) a reasonable attorney's fee and other litigation costs reasonably incurred. 18 U.S.C. § 2707(b).
- 55. Subsection © of the statute further provides that: The court may assess as damages in a civil action under this section the sum of the actual damages suffered by the plaintiff and any profits made by the violator as a result of the violation, but in no case shall a person entitled to recover receive less than the sum of \$1,000. If the violation is willful or intentional, the court may assess punitive damages. In the case of a successful action to enforce liability under this section, the court may assess the costs of the action, together with reasonable attorney fees determined by the court. 18 U.S.C. § 2707©.

56. Through its tracking cookies, Google intentionally accessed, without authorization or by exceeding its authorization, Plaintiff's and Class Members' computers and smartphones and obtained the users' online browsing activity while it was in electronic storage.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and the Class, requests that the Court enter judgment against Google as follows:

- A. Certifying the proposed Class under Federal Rule of Civil Procedure 23, and appointing Plaintiff's counsel of record to represent the Class;
- B. Finding that Google violated the Stored Electronic Communications Act, as alleged herein;
- C. Awarding Plaintiff and members of the Class actual damages (including the costs of removing the unauthorized cookies), Google's profits, or the statutory minimum of \$1,000 per person, as provided for under the Stored Electronic Communications Act, and punitive damages and any other appropriate relief against Google in an amount to be determined at trial;
- D. Awarding Plaintiff and members of the Class the reasonable costs and expenses of suit, including attorneys' fees; and
 - E. Granting additional legal or equitable relief as this Court may find just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

Dated: March 27, 2012

Respectfully Submitted,

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Counsel for Plaintiff Lynne Krause and the Proposed Class