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14			
15	UNITED STATE	ES DISTRIC	CT COURT
16	NORTHERN DIST	TRICT OF C	CALIFORNIA
17			
18	MATTHEW CAMPBELL and MICHAEL	Case No.	. С 13-05996 РЈН
19	HURLEY, on behalf of themselves and all others similarly situated,		TIFFS' MOTION FOR CLASS
20	Plaintiffs,		March 16, 2016
21	v.	Date: Time: Judge:	March 16, 2016 9:00 a.m. Hon. Phyllis J. Hamilton
22	FACEBOOK, INC.,	Place:	Courtroom 3, 3rd Floor
23	Defendant.		
24			
25			
26			
27			
28			
			PLAINTIFFS' MOTION FOR CLASS CERTIFICATION C 13-05996 PJH

1	NOTICE OF MOTION AND MOTION FOR CLASS CERTIFICATION
2	TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:
3	PLEASE TAKE NOTICE that at 9:00 a.m. on March 16, 2016, or as soon thereafter as
4	the matter may be heard by the above-entitled Court, in the courtroom of the Honorable Phyllis J.
5	Hamilton, 1301 Clay Street, Oakland, CA 94612, Plaintiffs Matthew Campbell and Michael
6	Hurley ("Plaintiffs") will and hereby do move under Federal Rule of Civil Procedure 23(b)(3), or
7	in the alternative, Rule 23(b)(2) for an order certifying the following Class:
8 9 10	All natural-person Facebook users located within the United States who have sent, or received from a Facebook user, private messages that included URLs in their content (and from which Facebook generated a URL attachment), from within two years before the filing of this action up through the date of the certification of the class. ^[1]
11	This Motion is based on this Notice of Motion and Motion, the within Memorandum of
12 13	Points and Authorities, the Declarations of Michael Sobol, Hank Bates, David Rudolph, and
14	Melissa Gardner (including as attached thereto, the Reports of experts Jennifer Golbeck and
15	Fernando Torres), filed in support of the Motion, the Court's files in this action, the arguments of
16	counsel, and any other matter that the Court may properly consider.
17	
18	
19	
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25	^[1] Excluded from the Class are the following individuals and/or entities: Facebook and its parents, subsidiaries, affiliates, officers and directors, current or former employees, and any entity in
26	which Facebook has a controlling interest; counsel for the putative class; all individuals who make a timely election to be excluded from this proceeding using the correct protocol for opting
27	out; and any and all federal, state or local governments, including but not limited to their departments, agencies, divisions, bureaus, boards, sections, groups, counsels and/or subdivisions;
28	and all judges assigned to hear any aspect of this litigation, as well as their immediate family members.

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I. <u>I</u>

1

INTRODUCTION

The Court should certify for class treatment the Plaintiffs' claims under the Electronic 2 Communications Privacy Act, 18 U.S.C. §§ 2510 et seq. ("ECPA") and the California Invasion of 3 4 Privacy Act, Cal. Penal Code §§ 631 et seq. ("CIPA"), on behalf of all persons in the United States who sent a private message containing an Internet link (or URL address) via Defendant 5 Facebook, Inc.'s ("Facebook") electronic messaging service, on the grounds that common proof 6 will establish that Facebook unlawfully intercepts the content of private messages in violation of 7 these laws, without the consent of its users, and monetizes the content of these private messages 8 for its sole benefit. 9

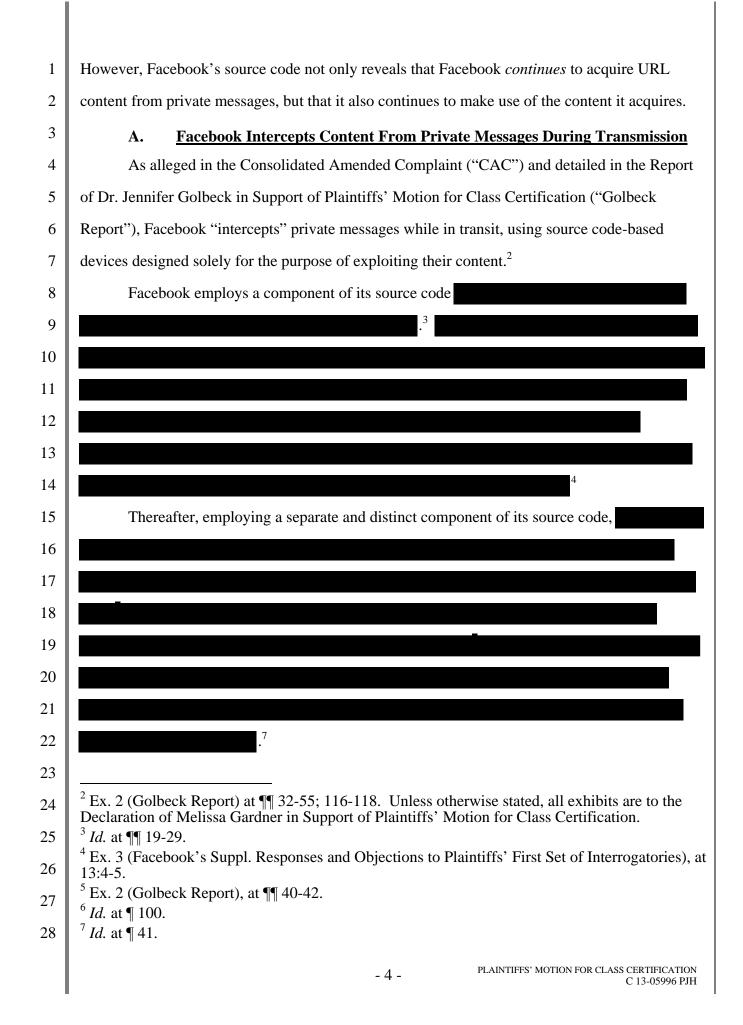
Facebook's routine business practices, confirmed by its operational computer source code, 10 reveal rampant abuses of its users' privacy, continuing to this day. Every time a user sends a 11 private message with an Internet link, Facebook 12 It also contemporaneously redirects the URL information 13 14 The interception of this private message content occurs 15 16 . Facebook acquires 17 the content of private messages simultaneously with their transmission using 18 19

Facebook admits that it previously captured URL information in private messages to 20 publicly increase "Like" counts on third-party websites (though it hides behind hyper-technical, 21 and erroneous, defenses to liability). However, Facebook admits to just this sliver of its practices 22 to deflect scrutiny from its more pervasive—and continuing—acquisition of private message 23 content which more generally informs its targeted advertising. Facebook's obfuscation has 24 included repeated efforts to define Plaintiffs' case as only relating to the increase in the Like 25 counts (in order to, e.g., impede the proper scope of discovery). However, as the rulings of the 26 Court and Magistrate Judge hold, Plaintiffs' ECPA and CIPA claims concern the acquisition of 27 any and all private message content, and are not limited by any single specific use Facebook 28

1	makes of that content. As a result, Plaintiffs have amassed relevant evidence demonstrating that
2	with each private message containing a URL,
3	Indeed, Facebook's own
4	technicians cannot discern the full extent of Facebook's exploitation of users' private message
5	content, stating that
6	That conduct alone is
7	sufficient for purposes of establishing violations of ECPA and CIPA. However, Facebook also
8	fueled its targeted advertising platform with the intercepted private message content to
9	
10	as well as to increment the "Like" social plugin counter. Facebook's surreptitious
11	conduct is essential to its ability to become one of the wealthiest corporations on the planet.
12	The evidence of Facebook's conduct will undoubtedly be common as to the Plaintiffs and
13	the class members, and will command the focus of the trial of this matter. Plaintiffs' and the class
14	members' unwitting entanglement in Facebook's scheme will likewise be demonstrated through
15	common proof. In its ruling on the Motion to Dismiss, this Court noted that Facebook's self-
16	serving disclosures were insufficient to show users' express consent to interception of their
17	private messages. These self-serving statements also comprise common proof of users' lack of
18	consent. Moreover, unlike other cases where it was found that consent could be implied from
19	attendant circumstances, here no such attendant circumstances exist. To the contrary, there is
20	overwhelming, common evidence that Facebook has actively concealed its practices from public
21	view. Facebook's deliberate efforts to hide its unbounded use of private messages will be shown
22	through common evidence and will defeat Facebook's cynical attempt to imply users' knowing
23	and intelligent relinquishment of their privacy rights.
24	Class certification under Rule 23(b)(3) is appropriate because the trial of this matter will
25	predominately consist of common evidence establishing Facebook's liability and Plaintiffs' and
26	class members' entitlement to statutory damages or restitution. Alternatively, class certification
27	of Plaintiffs' request for declaratory and injunctive relief is appropriate under Rule 23(b)(2)
28	because Facebook's unlawful interception, scanning and sharing of the content of private

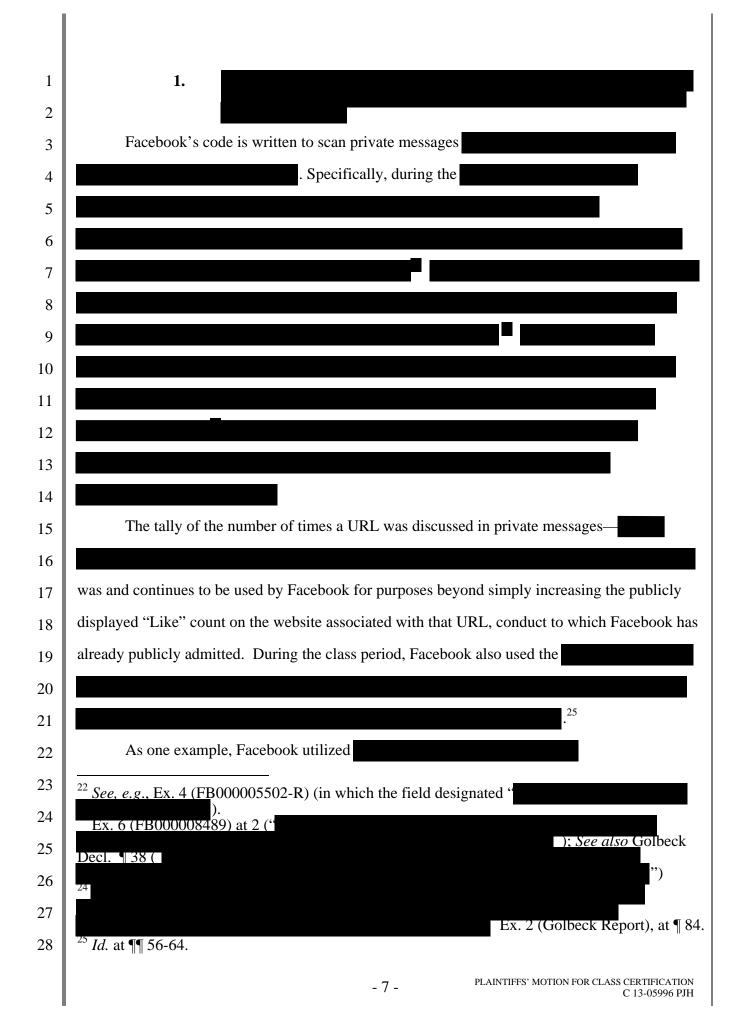
1 messages, is conduct "generally applicable to the class as a whole." 2 Accordingly, Plaintiffs request that the Court grant their motion for class certification, 3 appoint plaintiffs as class representatives, and appoint Lieff Cabraser Heimann & Bernstein and 4 Carney Bates & Pulliam as class counsel. 5 II. **ISSUE TO BE DECIDED** 6 Whether plaintiffs' claims satisfy the requirements for class certification under Federal 7 Rule of Civil Procedure 23(a) and 23(b)(3), or in the alternative Rule 23(b)(2). 8 III. STATEMENT OF FACTS—HOW FACEBOOK ACQUIRES, REDIRECTS AND **USES URL CONTENT FROM PRIVATE MESSAGES** 9 10 Facebook systematically employs computer source code devices, designed for the 11 exclusive purpose of acquiring the content of users' private messages and redirecting it to 12 , contemporaneously with, but prior to completion of, the transmission of the message to 13 the recipient. The source code Facebook employs to capture and redirect private message content 14 is distinct from, and wholly unnecessary for, the transmission of the message, the scanning of the 15 message for malware or illegal content, or even for generating the thumbnail preview of the URL 16 destination. Facebook's interception of private messages allows its source code to divine the 17 meaning of the messages content and record their characteristics as 18 19 After intercepting these records in transit, Facebook retains them indefinitely for future 20 use. Facebook acknowledges one such use- its former practice of bumping up the "Like" count 21 on other websites, which it ceased doing shortly after this practice was publicly exposed in 22 October 2012. Facebook has claimed several times in this litigation that it has changed its business practices, implying that it no longer intercepts the content of private messages.¹ 23 24 ¹ When this Court asked Facebook's counsel: "[w]hen you say 'the cessation of conduct,' what specific conduct ceased?" Ex. 1 (October 1, 2015 Hearing Transcript at 5:10-11), Facebook's 25 counsel only identified the increment in the Like counter. Id. at 7:4-7 ("If you included the URL 26 in the message, this anonymous aggregate number...went up, and that's the conduct, that's – that stopped"). The Court pressed, asking, "[b]ut did the actual conduct of scanning or looking at

stopped). The Court pressed, asking, [b]ut did the actual conduct of scanning of looking at
 these messages that are sent stop?" *Id.* at 8:9-10. Facebook's counsel did not respond directly, but rather began discussing scanning for purposes of detecting malware or criminal conduct, but
 nothing else. *Id.* at 9:2-9.



1	Facebook code further intercepts and redirects private message content by
2	
3	. ⁸ For example, in one instance, private message content is
4	
5	
6	. ⁹ In another instance, Facebook
7	
8	, described below. ¹⁰
9	In sum, Facebook employs unique code-based devices to intercept, redirect and log the
10	contents of user's private messages, including code that
11	
12	
13	
14	. ¹² Facebook did not need to create these data points to process or send the message,
15	and Facebook employs
16	.13
17	The above-described transmission procedures and code, including the code pertaining to
18	the interception of message content and
19	remained consistent from the beginning of the class period to the present. ¹⁴
20	
21	⁸ <i>Id.</i> at $\P\P$ 43-54.
22	⁹ <i>Id.</i> at ¶¶ 44-51; 57-64. ¹⁰ <i>Id.</i> at ¶ 41.
23	¹¹ <i>Id.</i> at \P 55.
24	¹² <i>Id.</i> at ¶¶ 108-115;117. ¹³ <i>Id.</i> at ¶¶ 19-29; 108-115.
25	¹⁴ <i>Id.</i> at ¶ 107. The most current version of the Facebook source code that Facebook has produced is dated December 31, 2012, and while the descriptions of the source code set forth
26	herein are as of that date, Facebook has not produced, or informed Plaintiffs of, any material and relevant changes to Facebook's source code since th <u>en</u> , if any. Notably, Facebook's production
27	of documents show that as of at least April 20, 2104
28	Ex. 35 (FB000005802-R).
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1	B. <u>Facebook Uses Content From Intercepted Private Messages</u>
2	According to Facebook, the extent of the records it creates from private message content
3	border on limitless, as do the uses to which it puts such content. In a declaration in this
4	proceeding, a Facebook Engineering Manager acknowledged:
5	
6	15
7	
8	
9	¹⁶ Turning to how Facebook uses the intercepted content, the same declarant
10	explained the possibilities are as expansive as Facebook's entire source code:
11	
12	¹⁷ Accordingly, "the abstract hypothetical question as to all possible
13	uses is likely impossible to answer." ¹⁸
14	Facebook places no limitations on how it may exploit its users' data, including the data it
15	acquires from its users' private messages. Facebook has large and complex data behind its site.
16	Facebook currently stores this data in a data model called TAO (The Associations and Objects). ¹⁹
17	Objects represent <i>things</i> on Facebook— <i>e.g.</i> , users, pages, checkins, comments, locations.
18	Associations represent <i>relationships</i> between objects— <i>e.g.</i> , friendships between users, a Like that
19	connects a user to a page, or a location that is tied to a user check-in. ²⁰ In deposition, Facebook's
20	30(b)(6) witness testifying on how the company uses private message content stated that
21	" ²¹ Thus, the records
22	that Facebook creates from its users' private messages, and which are stored indefinitely, may be
23	put to any use, for any reason, by any Facebook employee, at any time.
24	15 Declaration of Dale Harrison for Defendant Facebook, Inc. (Dkt No. 125, Ex. A), at ¶ 17.
25	16 <i>Id.</i> at ¶ 19. 17 <i>Id.</i> at 20.
26	18 Id.
27	¹⁹ Ex. 2 (Golbeck Report), at ¶ 32. ²⁰ <i>Id.</i> at ¶ 33.
28	²¹ Ex. 5 (September 25, 2015 Deposition of Ray He, "He Dep."), at 172:2-3.
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1	
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8	29
9	²⁹ Thus,
10	to specific users.
11	2. <u>Facebook's Sharing of User Data With Third Parties.</u>
12	Facebook intentionally and publicly shared demographic data about its users and their 3^{30} . Each calculate the second development of the second
13	private messages with website owners and developers. ³⁰ Facebook employed multiple source-
14	code devices to
15	Facebook's "Insights" product, directed to website owners, provides demographic information
16	about interactions on external websites. This includes data
17 18	
18 19	Facebook makes this information available to any website owner, with the pitch that such information will help the website customize content for its existing visitors and target advertising
20	(presumably, via Facebook) to attract new visitors. Additionally, Facebook's API ("application
20 21	program interface") allowed third-party app developers to
21	program merraee) anowed unite-party app developers to
22	. This content could be used for any purpose and by any developer.
24	²⁶ Facebook documents describe
25	(FB000003118). Ray He further explains that "
26	Ex. 5 (He Dep.) at 227:3-4; 11-12. ²⁷ Ex. 5 (He Dep.), at 229:19-230:6.
27	28 Ex. 2 (Golbeck Report), at ¶¶ 61-64.
28	²⁹ <i>Id.</i> ³⁰ Ex. 33 (Torres Report), at ¶ 16.
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1	3. <u>Increasing "Like" Counts on Third-Party Websites</u>
2	The Like button is critical for Facebook's targeted advertising business. ³¹ The Like
3	button allows Facebook to monitor its users' activity, even when those users are on third-party
4	websites. ³² With active Likes, if a user clicks a "Like,"
5	
6	
7	. Further, through
8	Facebook's Insights product, the Like button enables a third-party website to covertly monitor
9	Facebook users' interaction with the website—Facebook promotes this feature as helping the
10	website " y providing "
11	."35
12	Prior to October 2012, Facebook used the combined values in the "tracking_info" field of
13	an EntGlobalShare—including the share_count derived from private message content—as the
14	Like count publicly displayed on the corresponding third-party website. ³⁶ However, when
15	exposed by the Wall Street Journal in early October 2012, Facebook
16	.37
17	³¹ See, e.g., Ex. 8 (FB000014365), a 2012 email in which a Facebook employee states
18	When explaining what data contributes to the
19	Like count (including URLs found through private message scans), Facebook employee Austin Haugen states "Ex. 9
20	(FB000003335). See also Ex. 10 (FB000004996)
21	³² See, e.g., Ex. 11 (FB000012539), at 2:
22	
23	
24	³³ See, e.g., Ex. 12 (FB000008268), a Facebook document entitled
25	
26	³⁴ Facebook does this through its Open Graph Protocol, a portion of its platform dedicated to linking items of data across its social network. <i>See, e.g.,</i> Ex. 11 (FB000012539) at 2.
27	³⁵ Ex. 13 (FB000008722), at 2.
28	 ³⁶ Ex. 2 (Golbeck Report), at ¶¶ 82-93. ³⁷ For example, a Facebook
	Footnote continued on next page
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1	Indeed, the value of Likes to the business was recognized at the highest levels of the company. ³⁸
2	In an
3	Facebook engineer Alex Himel notes that
4	
5	³⁹ In the same document, Himel further
6	comments that this is <i>Id.</i> However, Facebook took pains to
7	\cdot^{40}
8	Nonetheless, Facebook continues to create from private messages containing
9	URLs, and additionally continues to
10	. ⁴¹ As discussed above, Facebook
11	
12	In short, Facebook has intercepted users' private message content has used it for profit,
13	and appears to be doing so to this day.
14	IV. <u>CLASS CERTIFICATION IS PROPER</u>
15	Certification of the following class is proper under Fed. R. Civ. P. 23:
16	All natural-person Facebook users located within the United States who have sent, or received from a Facebook user, private messages
17	that included URLs in their content (and from which Facebook generated a URL attachment), from within two years before the
18	filing of this action up through the date of the certification of the
19	Footnote continued from previous page
20	Ex. 14 (FB000000594).
21	38
22	
23	
24	
25	³⁹ Ex. 16 (FB000001265). ⁴⁰ When engineers
26	Ex. 17
27	(FB000006429) at 3.
28	⁴¹ Ex. 2 (Golbeck Report), at $\P\P$ 90-92.
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class.42

1

1	class.		
2	Without certification of an appropriate class, privacy rights long acknowledged in the		
3	Common Law, as reflected in the legislative enactments of ECPA and CIPA, will go unenforced,		
4	thus eviscerating the privacy interests necessary to the sound functioning of a democratic society.		
5	See, e.g., J. Cohen, What Privacy Is For, 126 Harv. L. Rev. 1904, 1927 (2013) ("In addition,		
6	privacy does not only protect individuals. Privacy furthers fundamental public policy goals		
7	relating to liberal democratic citizenship, innovation, and human flourishing.").		
8	A. <u>The Rule 23(a) Criteria Are Met</u>		
9	Plaintiffs have set forth <i>prima facie</i> facts that satisfy the four requirements of Rule 23(a):		
10	(1) numerosity; (2) commonality; (3) typicality; and (4) adequacy of representation.		
11	1. <u>The Class is so Numerous that Joinder is Impracticable</u>		
12	Plaintiffs satisfy the numerosity requirement because the class "is so numerous that		
13	joinder of all members is impracticable." Fed. R. Civ. P. 23(a)(1). "Where 'the exact size of the		
14	class is unknown, but general knowledge and common sense indicate that it is large, the		
15	numerosity requirement is satisfied."" In re Abbott Labs. Norvir Antitrust Litig., Nos. 04–1511,		
16	04–4203, 2007 WL 1689899, at *6 (N.D. Cal. June 11, 2007) (Wilken, J.) (quoting Newberg on		
17	Class Actions § 3.3 (4th ed. 2002)). During 2012, Facebook identified approximately		
18	monthly active users who utilized the private message function. ⁴³ Facebook's Q4 earnings		
19	statement from 2012 states that it had 1.056 billion monthly active users worldwide, with		
20			
21	$\frac{1}{4^2}$ Excluded from the Class are the following individuals and/or entities: Facebook and its parents,		
22	subsidiaries, affiliates, officers and directors, current or former employees, and any entity in which Facebook has a controlling interest; counsel for the putative class; all individuals who		
23	make a timely election to be excluded from this proceeding using the correct protocol for opting out; and any and all federal, state or local governments, including but not limited to their		
24	departments, agencies, divisions, bureaus, boards, sections, groups, counsels and/or subdivisions; and all judges assigned to hear any aspect of this litigation, as well as their immediate family		
25	members.		
26	⁴³ In Ex. 18 (FB000008271), at 4, Facebook		
27	"MAU" appears to stand for "Monthly Active User," a term Facebook uses elsewhere in the course of describing user engagement. <i>See, e.g.</i> , Facebook's press release for Second Quarter 2015 financial results (defining "MAUs" as "[m]onthly active users.") (available at http://investor.fb.com/releasedetail.cfm?ReleaseID=924562).		
28			
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193 million of those users located in North America.⁴⁴ Assuming an even distribution among
 active message users worldwide, this means as many as tens of millions of members exist in the
 United States, such that even a tiny percentage of those users would satisfy the numerosity
 requirement.

5

2. <u>Questions of Law and Fact Are Common to the Class</u>

6 Rule 23(a)(2) requires that there be "questions of law or fact common to the class." 7 Commonality is thus satisfied where the claims of all class members "depend upon a common 8 contention...of such a nature that it is capable of classwide resolution—which means that 9 determination of its truth or falsity will resolve an issue that is central to the validity of each one 10 of the claims in one stroke." Wal-Mart Stores, Inc. v. Dukes, 131 S. Ct. 2541, 2551 (2011) 11 (common questions must "generate common answers" that are "apt to drive the resolution of the 12 litigation") (citation omitted). "All questions of fact and law need not be common to satisfy the 13 rule." Hanlon v. Chrysler Corp., 150 F.3d 1011, 1019 (9th Cir. 1998); Rodriguez v. Hayes, 14 591 F.3d 1105, 1122 (9th Cir. 2010) (noting that "common" does not mean "complete 15 congruence"). In fact, "[t]hat 'commonality only requires a single significant question of law or 16 fact' was recently recognized by both the Supreme Court and the Ninth Circuit." Vietnam 17 Veterans of Am. v. C.I.A., 288 F.R.D. 192, 212-13 (N.D. Cal. 2012) (Wilken, J.) (citations 18 omitted) (citing cases). 19 In the Joint Case Management Conference Statement, Facebook itself identifies relevant 20 common issues which track the elements to establish Facebook's violations of ECPA and CIPA. See Dkt. 6 at 4-7.⁴⁵ Proof of the elements of ECPA and CIPA is necessarily common because it 21 22 will focus upon Facebook's uniform conduct. Such evidence will concern Facebook's internal 23 operations and source code, revealing its "intent," to "intercept" private messages while in transit, 24 deriving its "content" and "redirecting" it elsewhere for purposes outside the "ordinary course of

25

⁴⁴ Ex. 19 (Facebook Quarterly Earnings Slides Q4 2012) at 3.

⁴⁵ Common questions identified by Facebook include: (a) whether Facebook unlawfully 'redirected' the content of users' private messages; (b) whether the interception was contemporaneous with the messages' transmission; (c) whether the "ordinary course of business" exemption applies to Facebook's conduct; and (d) whether Plaintiffs and the class members

28 expressly or impliedly consented to the interceptions. *Id.*

its business." Here, even the issue of Plaintiffs' lack of consent to Facebook's conduct will focus
on Facebook's conduct, *i.e.*, its failure to procure express consent, and its secret, but active
concealment of its actual practices. Therefore, proof of these elements will necessarily require
the same evidence for any one Plaintiff as it will for the class as a whole, and resolution of these
issues will necessarily generate common answers.

6

3. <u>Plaintiffs' Claims Are Typical of the Class</u>

Rule 23(a)(3)'s "typicality requirement is to assure that the interest of the named
representative aligns with the interests of the class." *Wolin v. Jaguar Land Rover North America*,
617 F.3d 1168, 1175 (9th Cir. 2010) (quoting *Hanon v. Dataproducts Corp.*, 976 F.2d 497, 508
(9th Cir. 1992)). Typicality exists when the class representatives and the class members are
subjected to and injured by the same course of conduct. *Ellis v. Costco Wholesale Corp.*,
657 F.3d 970, 984 (9th Cir. 2011).

13 Representative Plaintiffs Matthew Campbell and Michael Hurley are Facebook users who have sent private messages which contained a URL, or Internet link.⁴⁶ Discovery in this case has 14 15 confirmed that by operation of its source code and internal policies, Facebook intercepted the 16 representative Plaintiffs' private messages, acquired the messages' content, redirected those 17 messages to generate records about the content acquired therein, and stored these records, in 18 perpetuity. Ex. 20 (Defs.' Suppl. Resp. and Objs. To Narrowed Second Set of Interrogatories), at 19 Ex. 1. Discovery has further revealed that Facebook processed and scanned all private messages 20 , and that Facebook's code, and accompanying, code-based message-scanning devices, operated uniformly across all class members.⁴⁷ Any Facebook user in 21 22 the class sending a private message would have URL content intercepted in the same manner as 23 the representative Plaintiffs. Accordingly, the representative Plaintiffs' claims and the class 24 members' claims "are so interrelated that the interests of the class members will be fairly and 25 adequately protected in their absence." Gen. Tel. Co. of Sw. v. Falcon, 457 U.S. 147, 163 n.13 26 (1982); Ades v. Omni Hotels Mgmt. Corp., No. 13-02468, 2014 WL 4627271, at *9 (C.D. Cal.

27

⁴⁶ Id.

28 ⁴⁷ Ex. 2 (Golbeck Report), at ¶ 107.

Sept. 8, 2014) (finding class representatives' claims typical where "course of conduct...common to the class, and privacy invasions typical to those of the class generally" were alleged).

3

1

2

4. <u>Plaintiffs And their Counsel Will Adequately Represent the Class</u>

4 Rule 23(a)(4) requires that the class representatives and their counsel will "fairly and 5 adequately protect the interests of the class." See Ellis, 657 F.3d at 985 (quoting Hanlon, 6 150 F.3d at 1020). "Adequate representation depends on, among other factors, an absence of 7 antagonism between representatives and absentees, and a sharing of interest between 8 representatives and absentees." Id. In considering the adequacy of plaintiffs' counsel, the court 9 must consider "(i) the work counsel has done in identifying or investigating potential claims in 10 the action; (ii) counsel's experience in handling class actions, other complex litigation, and the 11 types of claims asserted in the action; (iii) counsel's knowledge of the applicable law; and (iv) the 12 resources that counsel will commit to representing the class." Fed. R. Civ. P. 23(g)(1)(A).

13 As Plaintiffs' claims are typical of the class, they have no antagonism with class 14 members' interests. Plaintiffs also have committed to prosecute the case vigorously on behalf of 15 all class members, and have devoted substantial time and effort in the case already. Plaintiffs 16 have retained counsel with substantial experience in litigating privacy claims and class actions 17 generally. Bates Decl. Ex. A; Sobol Decl. ¶ 5. Plaintiffs' counsel have devoted a significant 18 amount of time to identifying and investigating the potential claims and pursuing discovery in this 19 matter, and will continue to commit the resources necessary to represent the class. Accordingly, 20 Plaintiffs and their counsel will adequately represent the class.

21

5. <u>The Class Is Ascertainable</u>

"[C]ourts have implied an additional requirement under Rule 23(a): that the class to be
certified be ascertainable." *In re Google Inc. Gmail Litig.*, No. 13-02430, 2014 WL 1102660, at
*10 (N.D. Cal. Mar. 18, 2014) (Koh, J.). "'A class definition should be precise, objective, and
presently ascertainable,' though 'the class need not be so ascertainable that every potential
member can be identified at the commencement of the action.'" *Gray v. Golden Gate Nat'l Recreational Area*, 279 F.R.D. 501, 508 (N.D. Cal. 2011) (LaPorte, J.) (quoting *O'Connor v. Boeing N. Am., Inc.*, 184 F.R.D. 311, 319 (C.D. Cal. 1998)). "A class definition is sufficient if

1	the description of the class is 'definite enough so that it is administratively feasible for a court to	
2	ascertain whether an individual is a member." In re High-Tech Employee Antitrust Litig., 985 F.	
3	Supp. 2d 1167, 1182 (N.D. Cal. 2013) (Koh, J.) (quoting O'Connor, 184 F.R.D. at 319). It must	
4	be possible to determine whether a class member is included "by reference to objective criteria."	
5	Id. (quoting 5 James W. Moore, Moore's Federal Practice, § 23.21[3] (Matthew Bender 3d ed.)).	
6	Plaintiffs have precisely defined the class based on objective criteria. ⁴⁸ Dr. Golbeck has	
7	demonstrated that, by Facebook can identify all Facebook	
8	users in the United States during the relevant time period from whose messages Facebook has	
9	intercepted URL content . ⁴⁹ In any event, any	
10	Facebook user can readily determine whether she sent or received a Facebook message containing	
11	a URL within the relevant time period.	
12	B. <u>The Class Is Properly Maintained Under Fed. R. Civ. P. 23(b)(3)</u>	
13	Rule 23(b)(3) permits the maintenance of a class where common issues predominate and a	
14	class action is superior to individual actions.	
15	1. <u>Common Issues Predominate</u>	
16	The predominance requirement "tests whether proposed classes are sufficiently cohesive	
17	to warrant adjudication by representation." Amchem Prods., Inc. v. Windsor, 521 U.S. 591, 623	
18	(1997). Predominance is satisfied when "[a] common nucleus of facts and potential legal	
19	remedies dominate [the] litigation." Hanlon, 150 F.3d at 1022. "When common questions	
20	present a significant aspect of the case and they can be resolved for all members of the class in a	
21	single adjudication, there is clear justification for handling the dispute on a representative rather	
22	⁴⁸ "All natural-person Facebook users located within the United States who have sent, or received	
23	from a Facebook user, private messages that included URLs in their content (and from which Facebook generated a <u>URL attachment</u>) When a user includes a URL in a private message,	
24	Facebook's source code . Ex. 2 (Golbeck Report), at ¶¶ 18-29. While the private message is still in transit, the source code	
25		
26	<i>Id.</i> at 11 30-54. Facebook has nit-picked elsewhere that . Although this is the rare	
27	exception, Plaintiffs have tailored the class definition by referring to the generation of the URL attachment because, by operation of Facebook's source code,	
28	⁴⁹ <i>Id.</i> at ¶¶ 98-106. In the	
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1 than on an individual basis." *Hanlon*, 150 F.3d at 1022. (citation omitted).

This case turns on evidence of Facebook's uniform treatment of millions of class
members. Facebook literally programmed itself to operate exactly the same way with regard to
all of its users. Common issues of fact and law predominate because resolution of the common
issues—whether Facebook's programmed, uniform treatment of users who send private messages
containing URLs or Internet links violates ECPA and CIPA—can be achieved in this one
proceeding.

8 9

a. <u>Facebook's ECPA Violation Will be Established by Common</u> <u>Proof</u>

Plaintiffs' ECPA claim can be adjudicated based upon evidence common to the class.
ECPA provides for civil penalties against any person who "intentionally intercepts, endeavors to
intercept, or procures any other person to intercept or endeavor to intercept, any wire, oral, or
electronic communication through the use of any electronic, mechanical, or other device" while in
transit. 18 U.S.C. § 2511(1)(a). An "interception" means acquiring the content of the
communication such that "the contents of a wire communication are captured or redirected in any
way." Order on Motion to Dismiss, Dkt. 43 at 5.

17 An ECPA claim is naturally suited to classwide determination. In a similar case earlier 18 this year, another court within this District held that "[w]hether Yahoo intercepts emails to and 19 from non-Yahoo mail subscribers while those emails are in transit is a 'common contention' that 20 'is capable of classwide resolution' and 'will resolve an issue that is central to the validity of each one of the claims in one stroke." In re Yahoo Mail Litig., 308 F.R.D. 577, 590-91 (N.D. Cal. 21 22 2015) (Koh, J.), quoting Dukes, 131 S.Ct. at 2552. Although the court in Yahoo Mail Litig. did 23 not reach the issue of predominance because plaintiffs there only sought certification under 24 Fed. R. Civ. P. 23(b)(2), its rationale that these basic elements of an ECPA claim are "central to 25 the validity" of the claims and can be adjudicated classwide, compels a determination of 26 predominance here.

While Facebook denies that it intentionally intercepts private messages while in transit,
within the meaning of ECPA, the determination of those issues are undeniably common and

1	susceptible to common proof. Here, expert analysis of Facebook's source code, corroborated by		
2	other internal records, will show that an intentional interception of URL content occurs during		
3	transmission and . ⁵⁰ Moreover, the source		
4	code analysis demonstrates that upon interception of private message URL content, Facebook		
5	redirected the content to		
6	to make use of the content for purposes wholly unrelated to facilitating the		
7	transmission of the message. ⁵¹		
8	ECPA has an exception to liability for interceptions conducted through a device that is		
9	"being used by a provider of wire or electronic communication service in the ordinary course of		
10	its business." 18 U.S.C. § 2510(5)(a); Order on Motion to Dismiss, Dkt. 43 at 6. The		
11	determination of Facebook's defense through this exception also will be subject to common proof		
12	as it focuses exclusively on Facebook's conduct, source code and development of the private		
13	message function. For example, Plaintiffs have determined that Facebook's source code that		
14	redirects private message content operates independently of, and at another point in time from,		
15	that Facebook asserts is part		
16	of the message transmission process. ⁵² See Order on Motion to Dismiss, Dkt. 43 at 12 ("The fact		
17	that Facebook can configure its code to scan message content for certain purposes, but not for		
18	others, leaves open the possibility that the challenged practice constitutes a separate		
19	'interception.' Simply put, the application of the 'ordinary course of business' exception to this		
20	case depends upon the details of Facebook's software code.").		
21	b. <u>Facebook's CIPA Violation Will be Established by Common</u>		
22	<u>Proof</u>		
23	As Facebook acknowledges, the core issues in dispute under the CIPA claim mirror the		
24			
25	⁵⁰ Ex. 2 (Golbeck Report), at ¶¶ 116-118. ⁵¹ <i>Id.</i> at ¶¶ 32-54; 109		
26	⁵² <i>Id.</i> at ¶¶ 108-115; 55		
27			
28			
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issues applicable to the ECPA claim. Dkt. 60 at 7. For the reasons set forth above, common
 issues clearly predominate.

3 At the class certification stage, this Court must ensure that a nationwide class under the 4 law of a single state, CIPA, comports with due process. *Phillips Petroleum Co. v. Shutts*, 5 472 U.S. 797, 818 (1985). California's choice of law rules govern this consideration. Klaxon 6 Co. v. Stentor Elec. Mfg. Co., 313 U.S. 487, 496 (1941); Zinser v. Accufix Research Inst., Inc., 7 253 F.3d 1180, 1187 (9th Cir. 2001). The starting point in this analysis is Facebook's terms of 8 service, which provide that "the laws of the State of California will govern...any claim that might 9 arise between you and us."⁵³ See Nedlloyd Lines B.V. v. Super. Ct., 3 Cal. 4th 459, 468-70 (1992) 10 (concluding that where the parties have entered into an agreement that specifies that a particular 11 jurisdiction's law will govern their disputes, a court's choice-of-law analysis should begin with an 12 inquiry into whether the claims of putative class members fall within its scope). The broad scope 13 of Facebook's choice-of-law provision clearly evidences an intent to have California law apply to 14 all disputes arising out of the relationship between Facebook and its users. Moreover, California 15 law has a substantial relationship to the parties. *Nedlloyd*, 3 Cal. 4th at 464. A substantial 16 relationship exists where one of the parties has its principal place of business in the chosen state. 17 ABF Capital Corp. v. Osley, 414 F.3d 1061, 1065 (9th Cir. 2005). Accordingly, certification of a 18 CIPA claim on behalf of a nationwide class is appropriate. See Wolph v. Acer Am. Corp., 19 272 F.R.D. 477, 484-85 (N.D. Cal. 2011) (White, J.).

20 21

c. <u>Plaintiffs' and the Class Members' Lack of Consent to</u> <u>Facebook Practices will be Established Through Common</u> <u>Proof</u>

Both ECPA and CIPA require that the offending interception occur without the consent of the user. In the ruling on the Motion to Dismiss, the Court reviewed all of Facebook's relevant disclosures and concluded: "…in the context of express consent, any consent with respect to the processing and sending of messages itself does not necessarily constitute consent to the specific practice alleged in this case—that is, the scanning of message content for use in targeted advertising." Order on Motion to Dismiss, Dkt. 43 at 16. The three iterations of Facebook's Data Use Policy during the class period were applicable to all class members and therefore constitute
 common proof, making the issue of whether these terms disclosed Facebook's practices of
 scanning private messages suitable for a classwide determination. Exs. 24 – 26. *Gmail*, 2014
 WL 1102660, at *15 (finding that express consent is a common question for class members
 exposed to the same disclosures).

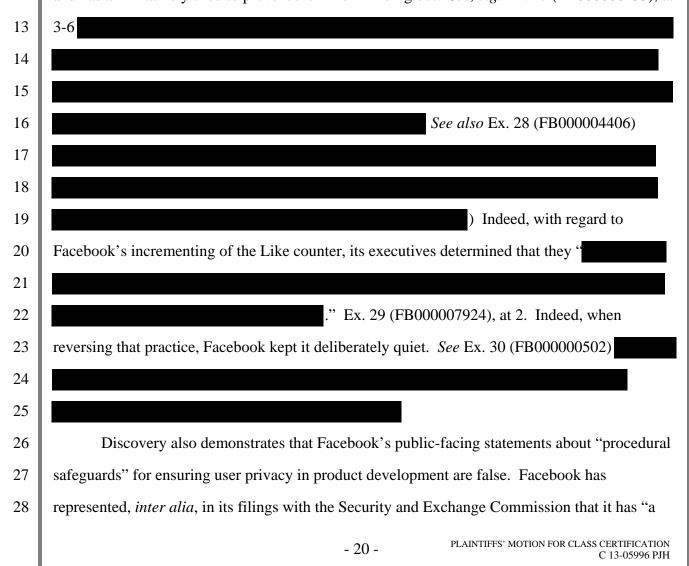
6 In critical respects, this case is not like *Gmail*, where the Court found that individual 7 issues regarding actual, *implied* consent would predominate. There, the record was replete with 8 evidence of class members' potential, actual advance notice of Google's practices making implied 9 consent "an intensely individualized" factual question. Id. at *20. Here, in contrast, there is a 10 complete absence of any evidence of advance notice. Despite extensive discovery, including not 11 only the depositions of the class representatives, but also the depositions of the recipients of the 12 class representatives' private messages, Facebook has not produced relevant evidence from which 13 actual notice can be reasonably implied. Silbaugh v. Viking Mag. Servs., 278 F.R.D. 389, 393 14 (N.D. Ill. 2012) ("Having produced no evidence that any individual consented to receive the text 15 messages...defendant is unable to realistically argue that individual issues regarding consent 16 outweigh the commonality.") Thus, unlike Gmail, there is no indication that individual consent 17 issues will overwhelm issues Plaintiffs have shown herein to be resolvable through classwide 18 proof.

Rather, this case is more like *Omni Hotels*, where the court found predominance in the
absence of actual notification to the class members. 2014 WL 4627271, at 13. Here, Facebook's
undisclosed use of private message content was so extensive that actual consent to the scope of its
practices is not reasonably possible. Facebook's 30(b)(6) witness testified on the topic of
Eacebook's use of private message content, stating that

Facebook's use of private message content, stating that
Ex. 5 (He Dep.) at 172:1-3. Thus, the records that
Facebook creates from its users' private messages, and which are stored indefinitely, have no
limitation, and may be put to any use, for any reason, by any Facebook employee, at any point in
the future. Facebook's Engineering Manager submitted a declaration asserting that not even
Facebook can determine the extent to which it uses private message content, and that finding a

way to identify all objects created in connection with a given Facebook message, "would likely
be impossible." Dkt. 126 (Harrison Decl.), at ¶ 12. If Facebook cannot identify the extent of its
use of private message content, surely the average user cannot be implied to have that actual
knowledge of those practices.

5 Further, Plaintiffs will present common evidence that rather than disclose its practices (to 6 provide some basis for "actual" knowledge necessary to imply consent), Facebook actively 7 sought to conceal its practices from users. In fact, whether Facebook's cover-up of its actions 8 defeats any findings of implied consent here, will be a common question. *Gmail*, 2014 WL 9 1102660, at *14 (noting that disclosures by Google which indicated that scanning was not 10 occurring indicated "the opposite" of establishing consent). Throughout the class period, and 11 afterwards, Facebook has known that its users were *not* aware of the scanning at issue in this case, 12 and has affirmatively tried to prevent them from finding out. See, e.g. Ex. 27 (FB000006435), at



1	dedicated team of privacy professionals who are involved in new product and feature
2	development from design through launch" and who conduct "ongoing review and monitoring of
3	the way data is handled by existing features and applications." ⁵⁴ However, when asked to
4	produce documents sufficient to identify the individuals comprising this "dedicated team," ⁵⁵
5	Facebook responded that <i>none</i> existed. ⁵⁶
6	d. <u>Allocation of Monetary Relief to Plaintiffs and the Class can be</u>
7	Done on a Classwide Basis
8	Plaintiffs' and the class members' monetary relief is "capable of measurement on a
9	classwide basis." Comcast Corp. v. Behrend, 133 S. Ct. 1426, 1433 (2013). "The amount of
10	damages is invariably an individual question and does not defeat class action treatment."
11	Blackie v. Barrack, 524 F.2d 891, 905 (9th Cir. 1975); see also Leyva v. Medline Indus. Inc.,
12	716 F.3d 510, 513-14 (9th Cir. 2013) (holding that the district court abused its discretion in
13	finding that individualized issues of damages precluded class certification).
14	Both ECPA and CIPA provide for statutory damages. 18 U.S.C. § 2520(c)(2); Cal. Pen.
15	Code § 637.2. Federal courts "regularly recognize the superiority of class litigation in suits for
16	statutory damages." Holloway v. Full Spectrum Lending, 976 F.2d 497, *8-9 (C.D. Cal. 2007).
17	Moreover, the Ninth Circuit clearly states that the superiority analysis does not change when the
18	size of the class creates an excessively large damages model. Bateman v. Am. Multi-Cinema,
19	Inc., 623 F.3d 708, 721 (9th Cir. 2010) ("enormous" aggregate damages liability "is not an
20	appropriate reason to deny class certification under Rule 23(b)(3)."). Instead, "the district court
21	may be entitled to reduce the award if it is unconstitutionally excessivebut constitutional limits
22	are best applied after a class has been certified." Id. at 723 (quoting Murray v. GMAC Mortg.
23	Corp., 434 F.3d 948, 954 (7th Cir. Ill. 2006)). The Seventh Circuit further clarifies the policy
24	54 Facebook Form 10-K for the fiscal year ended December 31, 2013. (available at
25	http://www.sec.gov/Archives/edgar/data/1326801/0001326801140000007/fb-12312013x10k.htm). ⁵⁵ Ex. 31 (Pltfs.' First Set Requests for Prod.), Request No. 29 (seeking "[a]ll Documents and ESI
26	related to – and sufficient to identify – the 'dedicated team of privacy professionals' identified on page 8 of Your Form 10-K for fiscal year ending December 31, 2013.")
27	⁵⁶ Ex. 32 (Ltr. from Joshua Jessen to Hank Bates, April 10, 2015), at 1 ("With respect to Request
28	No. 29, please be advised that there is no specific list of the 'dedicated team of privacy professionals' referenced in the Request.").

underlying this holding: "[C]onstitutional limits are best applied after a class has been certified.
 Then a judge may evaluate the defendant's overall conduct and control its total exposure.
 Reducing recoveries by forcing everyone to litigate independently—so that constitutional bounds
 are not tested, because the statute cannot be enforced by more than a handful of victims—has
 little to recommend it." *Murray*, 434 F.3d at 954.

6 ECPA also authorizes "equitable...relief as may be appropriate," as well as "profits made 7 by the violator as a result of the violation." 18 U.S.C. § 2520(b)(1), (c)(2). Plaintiffs can offer 8 common proof to calculate the value which Facebook derived from intercepting private message 9 content, as well as a method for an equitable allocation of those ill-gotten gains to the members of 10 the class. See Ex. 33, Report of Fernando Torres in Support of Plaintiffs' Motion for Class 11 Certification ("Torres Report"). Through interceptions of private messages, Facebook creates 12 related Objects and Associations which populate Facebook's Social Graph. Id. at ¶ 23. 13 Facebook's Social Graph represents the integration of information collected by Facebook about 14 Facebook users, and encompasses their location, demographics, interests, behaviors, and 15 connections. Id. at \P 21. The unlawfully intercepted private message content contributes 16 meaningful data to the Social Graph, increasing the quality of its ability to provide predictive 17 value, and, consequently, increasing Facebook's advertising revenue and value. Id. at ¶¶ 36 et 18 seq. A reasonable value to Facebook of the intercepted content can be assigned on a per URL 19 basis, and can be allocated to class members on that basis. Id. at \P 60.

In addition, Facebook generated value from its inflation of third-party Like counters. The
economic benefit derived by Facebook attributable to this conduct lies between two bounds: a
higher bound represented by the cost that client websites saved by not having to acquire
additional Likes; and a lower bound determined by the market value of artificially acquired Likes. *Id.* at ¶ 63. Again, the value of these Likes can be allocated to class members based upon
Facebook's data which retains user-specific logs for each artificially derived Like. *Id.* at ¶ 73.

26

2. <u>A Class Action Is Superior to Any Alternative</u>

The "objectives of the particular class action procedure will be achieved in th[is]
particular case," making class certification the superior method for litigating class members'

1	claims. <i>Hanlon</i> , 150 F.3d at 1023. Here, a class action is the only mechanism by which Plaintiffs		
2	and class members can practically vindicate the privacy interest at issue, as it stands in direct		
3	conflict with the business model of one of the world's largest corporations. ⁵⁷ The resources		
4	required to litigate these claims could never sustain an individual action against Facebook. ⁵⁸		
5	Accordingly, absent class certification, the boundaries of permissible private surveillance,		
6	established by the Common Law and embodied in ECPA and CIPA, will go unenforced and will		
7	likely be breached with impunity. As electronic communications through social media such as		
8	Facebook become the dominant mode of interpersonal communication, the need for proper		
9	boundaries has never been more important. See, e.g., J. Cohen, What Privacy Is For, 126 Harv.		
10	L. Rev. 1904, 1927-32 (2013).		
11	3. <u>This Class Action Is Manageable</u>		
12	Class-wide resolution of class members' claims will be manageable. First, all of the		
13	claims are governed by the same statutory laws. Second, the central issue of liability will hinge on		
14	the several categories of common proof outlined herein: Either Facebook intercepted messages in		
15	transit, or it did not; either Facebook's scanning devices were "being used in the ordinary course		
16	of its business," or they were not; either Facebook's public disclosures of its practice could have		
17	provided "actual knowledge," of the alleged violations, or they did not. Third, the potential		
18	measures of class-wide relief require common proof: statutory damages, profits resulting from		
19	Facebook's conduct, and/or other appropriate equitable relief. See Six (6) Mexican Workers v. Az.		
20	⁵⁷ This weighing of fundamental privacy interests against corporate profit is exemplified by		
21			
22	Ex. 30 (FB00000502). Implicit in this analysis is the proposition that,		
23	Earlier, . See, e.g., Ex. 34 (FB00000802)		
24			
25			
26	⁵⁸ See Declaration of Joshua Jessen in Support of Defendant Facebook, Inc.'s Opposition to Plaintiffs' Renewed Motion to Continue Deadlines (Dkt. 135-1) (detailing generally productions		
27	Plaintiffs' Renewed Motion to Continue Deadlines (Dkt. 135-1) (detailing, generally, productions occurring from February, 2015 through the end of October, 2015; discovery disputes resolved by Magistrate Judge Maria Flans James and the fact that "Plaintiffs and their average being		
28	Magistrate Judge Maria-Elena James; and the fact that "Plaintiffs and their experts have collectively spent 48 days reviewing Facebook's source code.").		
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1 Citrus Growers, 904 F.2d 1301, 1306 (9th Cir. 1990) (affirming class certification, explaining 2 that individualized proof manageability issues "are not at issue where the underlying statute 3 permits awards without a showing of actual damage."). "Indeed, the only difficulties likely to be 4 encountered in this case would result from not certifying the class, given the expenditure of time 5 and resources that would result—from both the court's and the parties' perspectives—in requiring 6 each class member's action to proceed independently." In re Online DVD Rental Antitrust Litig., 7 No. 09-2029, 2010 WL 5396064, at *12 (N.D. Cal. Dec. 23, 2010) (Hamilton, J.) aff'd, 779 F.3d 934 (9th Cir. 2015).⁵⁹ 8

9

C. <u>Alternatively, Class Certification Under Rule 23(b)(2) Is Appropriate</u>

10 A class may be certified pursuant to Fed. R. Civ. P. 23(b)(2) when plaintiffs "complain of 11 a pattern or practice that is generally applicable to the class as a whole." Rodriguez, 591 F.3d, at 12 1125 (quoting Walters v. Reno, 145 F.3d 1032, 1047 (9th Cir. 1998)); Fed. R. Civ. P. 23(b)(2). 13 The conduct Plaintiffs challenge in this litigation—Facebook's scanning, intercepting, cataloging, 14 and using of private message content-affects all class members uniformly and has been 15 implemented in a way that violated class members' legal rights identically and consistently. 16 Yahoo Mail Litig. (certifying a class under Rule 23(b)(2) where "[p]laintiffs contend that all 17 emails sent from and to Yahoo Mail subscribers are subject to the same interception and scanning 18 processes [and thus] challenge a pattern or practice that is generally applicable to the class as a 19 whole.") 308 F.R.D. at 598 (internal citations, quotations omitted). Further, the relief sought— 20 cessation of the practice, destruction of any records created from illegally-obtained private 21 message content, and a declaration that such conduct violates ECPA and CIPA—would benefit 22 the class as a whole. Id. ("Moreover, Plaintiffs seek only injunctive and declaratory relief, which 23 is appropriate under Rule 23(b)(2).") (citations omitted). Accordingly, as an alternative to 24 certification pursuant to Rule 23(b)(3), the Court should allow the class to seek injunctive and 25 declaratory relief pursuant to Rule 23(b)(2).

26

⁵⁹ The superiority and manageability of the proposed class proceeding are so straightforward that a trial plan is self-evident. *See Karim v. Hewlett-Packard Co.*, No. 12-5240, 2014 WL 555934, at *7 (N.D. Cal. Feb. 10, 2014) (Hamilton, J.) (certifying class action because superiority is self-

²⁸ evident even without a trial plan).

CONCLUSION 1 V.

1	v. <u>conclusion</u>		
2	Plaintiffs request that the Court grant their motion for class certification, appoint Matthew		
3	Campbell and Michael Hurley as class representatives, and appoint Lieff Cabraser Heimann &		
4	Bernstein and Carney Bates & Pulliam as class counsel.		
5	Dated: November 13, 2015	Lieff Cabraser Heimann & Bernstein, LLP	
6		By: <u>/s/ Michael W. Sobol</u>	
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