CLASS ACTION COMPLAINT

1. This Court has jurisdiction over the subject matter presented by this Complaint because it is a class action arising under the Class Action Fairness Act of 2005 ("CAFA"), Pub. L. No. 109-2, 119 Stat. 4 (2005), which explicitly provides for the jurisdiction of the Federal Courts over any class action in which any member of the Plaintiff class is a citizen of a state different from any Defendant, and in which the matter in controversy exceeds in the aggregate the sum of \$5,000,000.00, exclusive of interest and costs. Plaintiff seeks to represent a national class, and more than 2/3 of the members of the putative class are citizens of different states than Apple. Plaintiff alleges that the total claims of the individual members of the Plaintiff Class in this action are in excess of \$5,000,000.00 in the aggregate, exclusive of interest and costs, as required by 28 U.S.C. § 1332(d)(2), (5).

- 2. Defendant is a citizen of Florida. More than 2/3 of the putative Class are citizens of states other than Florida. Therefore, diversity of citizenship exists under CAFA as required by 28 U.S.C. § 1332(d)(2)(A).
- 3. Venue in this judicial district is proper pursuant to 28 U.S.C. §1391(a) because Defendant conducts and transacts substantial business in, and may be found in, this District, and Plaintiff purchased the subject product of this action in this District.

PARTIES

4. Plaintiff NICOLETTE BOSWELL ("Plaintiff"), are adult individuals and residents of this District. At all times relevant herein, Plaintiff has resided in Palm Beach County, Florida and have been a citizen of this State. Plaintiff Nicolette Boswell purchased an Apple iPhone 4 on February 27, 2011, evidenced by the receipt attached hereto and incorporated herein as **EXHIBIT 1.** The covert

surveillance and subsequent recording of Plaintiff's movements was done without her knowledge or consent and was not disclosed in any way by Defendant APPLE, INC. The Apple iPhone 4 was one of the devices using the iOS4 operating system. Plaintiff relied on Apple Inc.'s statements and omissions with regard to protecting her privacy. Plaintiff has legitimate privacy and security interests in her locations and reasonably believed this information would not be tracked by Apple Inc., let alone maintained in an unencrypted format.

- 5. Defendant APPLE, INC. is a California corporation. Apple, Inc. conducts substantial business throughout Florida, this District, and throughout the entire United States by advertising and through the extensive use of distribution channels that delver and sell the goods and services to consumers.
- 6. Plaintiff also names Does 1–10 as Defendants in this action, whose names and roles in this controversy have not presently been ascertained. At all times relevant herein, these Doe Defendants, along with APPLE, INC. and its employees, subsidiaries, affiliates, and other related entities, were the agents, servants, and employees of each, and at all times relevant herein, each was acting within the purpose and scope of that agency, service, and employment.
- 7. Whenever reference in this Complaint is made to any act or transaction of the Defendant, such allegation shall also include the principals, officers, directors, employees, agents, and/or representatives of Defendant who committed, knew of, performed, authorized, ratified and/or directed such acts or transactions on behalf of Defendant while actively engaged in the scope of their duties.

GENERAL ALLEGATIONS

8. Apple iPhones and 3G iPads secretly record and store details of all their owners' movements. Plaintiff is informed and believes and thereby alleges

that the location date is hidden from users but stored in an unencrypted format, making it easy for Apple or third parties to later access.

- 9. This action arises out of Apple's failure to inform their customers and users of the iPhone and 3G iPad that their movements were being tracked and recorded.
- 10. Apple's pattern of conduct in tracking consumers' location and subsequently storing the data was intentional.
- 11. All iPhones log, record and store users' locations based on latitude and longitude alongside a timestamp. The iPhones store this information in a file called "consolidated.db" or something similar. Apple intentionally began recording this information with the release of its iOS 4 operating system in June 2010. Apple uses a cell-tower triangulation to obtain user location, thereby recording user movements. Alternatively, Apple may use global positioning system (GPS) data to obtain user location.
- 12. Apple devices download the user location data to the user's computer when the mobile device synchronizes ("syncs") or shares data with the computer. The data is unencrypted on the mobile devices and also on users' computers that sync with those mobile devices.
- 13. Apple's terms of Service (available at http://www.apple.com/legal/itunes/uk/terms.html) do not disclose its comprehensive tracking of users. Plaintiff and other users did not provide any sort of informed consent to the tracking at issue in this case.
- 14. Apple's omission of its uniform location tracking policies, practices and procedures was material, as a reasonable consumer has a privacy interest in his or her location and would find it important that a company was compiling each

location he or she visited in an unencrypted format. Apple collects the location information covertly, surreptitiously and in violation of law.

- 15. Plaintiff and Class members had no reasonable basis to believe every physical location they visited with their iPhone or iPad would be monitored by Apple and stored in an unencrypted format.
- 16. Apple tracks users' locations on its own, separate, apart and in addition to the information it collects in conjunction with other businesses that develop applications for Apple's devices. This action is not about the applications. It is about Apple's collection of their customers' location information.
- 17. Apple's iPhones and iPad 3Gs (collectively, the "Products") were created to keep consumers "connected" at all times, and are thus carried by consumers to essentially every location they travel to, making the information collected by Apple highly personal, and valuable; indeed, in many instances it may be information to which employers and family members are not privy.
- 18. That information about places frequently visited by a consumer are stored unencrypted, and the accessibility of the unencrypted information collected by Apple places consumers, including Plaintiff and the Class, at serious risk of privacy invasions, including crimes such as theft and stalking.
- 19. Plaintiff and proposed Class members were harmed by Apple's accrual of personal location, movement and travel histories because their personal computers were used in ways they did not approve, and because they were personally tracked just as if by a tracking device for which a court-ordered warrant would ordinarily be required.
- 20. Plaintiff brings this action to stop Apple's illegal and intrusive scheme of collecting personal location information.

- 21. Plaintiff seeks an injunction requiring Apple to disable such tracking in its next-released operating system for the relevant devices, which include at least iPhones running iOS 4 operating systems and 3G iPads.
- 22. Plaintiff and Class Members also seek damages for violation of statutory and common law privacy rights.
- 23. As a direct and proximate result of Defendants' conduct, Plaintiff and the Class have suffered and/or will suffer irreparable and irreversible damage. As such, Plaintiff, on behalf of the Class, seeks injunctive relief, compensatory and punitive damages, statutory penalties and restitution for statutory and common law violations of Florida law.
- 24. An injunction that would, among other things, require Apple to reconfigure its software so that users' personal location information is not collected, synced to other computers, nor stored in an unencrypted format, is required to protect Plaintiff's and the Class' privacy rights for the following reasons:
 - a. Apple knew or should have known that ordinary consumers acting reasonably would not understand the Apple privacy policy to include the location tracking and synchronizing at issue in this case.
 - b. Irreparable injury has resulted and continues to result from Apple's unauthorized tracking of millions of Americans. Once Plaintiff and the Class began carrying their Apple Products, Apple began tracking their locations. This has happened in the past and continues to happen all across the United States. It is unconscionable to allow Apple to continue unlawfully and without proper consent tracking Plaintiff and proposed Class members. If Apple wanted to track the whereabouts of each of its products' users, it should have obtained specific,

particularized informed consent such that Apple consumers across America would not have been shocked and alarmed to learn of Apple's practices in recent days.

- c. No adequate remedy at law exists because users of Apple products have no way to prevent Apple from collecting this information because even if users disable the iPhone and iPad GPS components, Apple's tracking system remains fully functional.
- d. Balance of the hardships favors Plaintiff and the Class because it is easier for Apple to stop unlawfully tracking the every move of Americans than it is for individual consumers to circumvent Apple's sophisticated tracking programs. To require that Plaintiff and the Class bear the consequences of Apple's deceptive privacy policy and unlawful acquisition of personal location information would be inequitable.
- e. The public has an important privacy interest their locations. Without an injunction, the unencrypted tracking information being synced with computers and networked to the internet are unsecured. The public interest would not be disserved, and indeed would be advanced, by entering an injunction against Defendant.
- 25. Plaintiff also seeks an order that Defendant was unjustly enriched as a result of the conduct described herein, and that such funds be disgorged. Because of Apple's omissions and concealment, Plaintiff and Class members conveyed a benefit to Apple by purchasing its products, maintaining and purchasing its service and then being tracked everywhere they subsequently traveled. Apple appreciated the benefit conferred by Plaintiff in this transaction

because it was enriched in the amount Plaintiff paid for the iPhone and iPad and the monthly service. Plaintiff is entitled to have a refund of the amounts that she paid for the iPhone, iPad 3G and monthly service charges due to the fraudulent conduct of Defendants in an amount according to proof.

CLASS ALLEGATIONS

26. The Plaintiff brings this action on behalf of herself and the proposed plaintiff Class members under Rules 23(b)(2) and (3) of the Federal Rules of Civil Procedure. The proposed Class consists of:

All persons in the United States who purchased or owned an iPhone with the iOS 4 operating system or a 3G iPad between the release of those products for sale by Apple and the present. Excluded from the Class are those who purchased the products for resale; members of the federal judiciary and their relatives; and Defendant's officers, directors and employees.

- 27. While the exact number of Class members is unknown to the Plaintiff at this time, Plaintiff is informed and believes and based upon such information and belief alleges that there are millions of members of the proposed Class. Approximately 59 million people now have an iPhone, and many of those run the iOS 4 operating system at issue in this case, and about 10 million people have purchased an iPad, many of those the 3G version at issue here. The Class is so numerous that joinder of all members of the Class is impracticable.
- 28. This action involves questions of fact common to all Class members because all Class members purchased, own or use iPhones or iPads under uniform Apple privacy policies.

- 29. This action involves question of law common to all Class members because:
 - a. The Computer Fraud and Abuse Act, violated here, is national in scope and applies to all prospective Class members; and
 - b. Apple's privacy invasions have violated Plaintiff's and Class members' common law rights in uniform ways.
- 30. Plaintiff's claims are typical of those of other members of the Class as there are no material differences in the facts and law underlying the claims of Plaintiff and the Class and by prosecuting her claims Plaintiff will advance the claims of Class members. Plaintiff has retained counsel competent and experienced in the prosecution of this type of litigation.
- 31. The common questions of law and fact among all Class members predominate over any issues affecting individual members of the Class, including but not limited to:
 - a. whether Apple obtained and stored Plaintiff' location information;
 - b. whether Apple failed to disclose material terms in its privacy policy regarding its collection of users' location information;
 - c. whether Apple intends to market or otherwise exploit users' location information;
 - d. whether the alleged conduct constitutes violations of the laws asserted herein;
 - e. whether Plaintiff and Class members are entitled to declaratory and injunctive relief;
 - f. whether Plaintiff and Class members have sustained monetary loss and the proper measure of that loss;

- g. whether Plaintiff and Class members have sustained consequential loss, and to what measure; and
- h. whether Apple's acts and omissions warrant punitive damages.
- 32. Class treatment of the claims set forth herein is superior to other available methods for the fair and efficient adjudication of this controversy. The expense and burden of individual litigation would make it impracticable or impossible for proposed Class members to prosecute their claims individually. Absent a class action, a multiplicity of individual lawsuits would be required to address the claims between Class members and Apple, and inconsistent treatment and adjudication of the claims would likely result.
- 33. The litigation and trial of Plaintiff's claims is manageable. Apple's standardized "Terms and Conditions" at issue, Apple's uniform deployment of operating systems that track each user in identical ways, the consistent provisions of the relevant laws, and the readily ascertainable identities of many Class members demonstrate that there would be no significant manageability problems with prosecuting this lawsuit as a class action.
- 34. Apple has acted or refused to act on grounds that apply generally to the Class so that final injunctive relief and corresponding declaratory relief are appropriate.
- 35. Unless a class-wide injunction is issued, Apple will continue to commit the violations alleged, and the members of the Class will continue to be tracked, unlawfully surveyed, and potentially endangered.
- 36. Apple has acted and refused to act on grounds generally applicable to the Class, making appropriate final injunctive relief with respect to the Class as a whole.

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37. Apple's acts and omissions are the direct and proximate cause of damage as described in the following Causes of Action:

FIRST CAUSE OF ACTION VIOLATION OF THE COMPUTER FRAUD AND ABUSE ACT 18 U.S.C. §§ 1030, ET SEQ. (Plaintiff and Class Members Against All Defendants)

- 38. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, and those that come after as if fully set forth here.
- 39. By secretly installing software that records users' every moves Apple has accessed Plaintiff's computer and iPhone, in the course of interstate commerce or communication, in excess of the authorization provided by Plaintiff as described in the Computer Fraud and Abuse Act (the "Fraud Act") 18 U.S.C. § 1030(a)(2)(C).
- 40. Plaintiff's iPhones and iPads, and those of the Class, are protected computers pursuant to 18 U.S.C. section 1030(e)(2)(B).
- 41. Apple further violated the Fraud Act by causing the transmission of a program, information, code or command both in deploying the iOS 4 operating systems, and also as a result of the syncing of user handheld devices with their laptop or desktop computers and as a result caused harm aggregating at least \$5,000,000 in value.
- 42. Apple's actions were knowing or reckless and, as described above, caused harm to Plaintiff and proposed Class members.
- 43. Plaintiff seeks recovery for this loss, as well as injunctive and declaratory relief to prevent future harm.

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SECOND CAUSE OF ACTION FOR VIOLATIONS OF FLORIDA'S DECEPTIVE AND UNFAIR TRADE PRACTICES ACT, FLA. STAT. § 501.201, ET SEQ.

(By Plaintiff, the Class against All Defendants, Including Does 1-100, inclusive)

- 44. Plaintiff repeats and re-alleges the allegations set forth above, and incorporate the same as if set forth herein at length.
- 45. This cause of action is brought pursuant to the Florida Deceptive and Unfair Trade Practices Act, *inter alia*, sections 501.201 to 201.213, *Florida Statutes*. The express purpose if the Act is to "protect the consuming public...from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce." § 501.202(2).
- 46. Defendants violated Florida's Deceptive and Unfair Trade Practices Act§ 501.201, *et seq.* ("FDUTPA") and similar laws of other States by engaging in unfair methods of competition, unconscionable acts and practices, and unfair and deceptive acts and practices in the conduct of its business.
- 47. Plaintiff is a "consumer" as defined by the Florida Deceptive and Unfair Trade Practices Act.
- 48. Apple's iPhone and/or iPad is a "good" within the meaning of the Act and Apple is engaged in trade or commerce within the meaning of the Act.
- 49. Plaintiffs' subject purchase in this cause was a "consumer transaction" within the scope of the Florida Deceptive and Unfair Trade Practices Act.

- 50. Apple's unfair and deceptive practices are likely to mislead and have misled the consumer acting reasonably under the circumstances and, therefore, violate Section 500.04, *Florida Statutes*.
- 51. Defendants' covert use of the unlawful tracking device concealed in its products constitutes deceptive and unfair trade practices. Defendants intentionally failed to disclose to Plaintiff and Class members that the iPhone 4 and 3G iPad would track and record their every movement and location.
- 52. Apple knew its privacy terms and conditions policy was, and continues to be, false, deceptive and untrue. Plaintiff and Class members had no reason to believe their whereabouts would be monitored by Apple and stored in an unencrypted format.
- 53. Had Plaintiff and Class members known that Defendants' products would track and record their movements in unencrypted format, they would not have purchased the products from Defendants.
- 54. As a direct and proximate result of Defendants' violations of FDUTPA, Plaintiff and the Class have suffered injury in fact and loss of money or property and suffered economic and non-economic damages as described above in detail and prayed for below.
- 55. The damages suffered by the Plaintiff and the Class were directly and proximately caused by the deceptive, misleading and unfair practices of Apple, as described above.
- 56. Therefore, as a direct and proximate result of Defendants' violations of FDUTPA, Plaintiff and the Class have suffered injury in fact and loss of money or property and suffered economic and non-economic damages as described above in detail and prayed for below.

- 57. Pursuant to FLA. STAT. § 501.211(1), Plaintiffs and the Class seek a declaratory judgment and court order enjoining the above described wrongful acts and practices of the Defendant and for restitution and disgorgement.
- 58. Additionally, pursuant to Section 501.211(2) and Section 501.2105, Plaintiffs and the Class make claims for damages, punitive damages, attorney's fees and costs.

THIRD CAUSE OF ACTION: UNJUST ENRICHMENT

(By Plaintiff and the Class as against all Defendants)

- 59. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above as if fully set forth herein.
- 60. Plaintiff and the Class members conferred a benefit on Defendants by purchasing the iPhone 4 and 3G iPads ("the Products").
- 61. Defendants' omissions and concealment of its intent to use the products to track Plaintiff's movements induced Plaintiff to confer said benefit on Defendants.
- 62. Defendants have profited from unlawful, unfair, misleading, and deceptive practices and advertising at the expense of Plaintiff and Class members, under circumstances in which it would be unjust for Apple to be permitted to retain the benefit.
- 63. Specifically, (1) Defendants have complied private information of Plaintiff' whereabouts in unencrypted format *without Plaintiff's informed consent* and (2) Plaintiff would not have purchased Defendants' Products had they been fully aware of the ramifications of their transaction.

2.1

- 64. Plaintiff and Class members do not have an adequate remedy at law against Defendants. Even if users disable the iPhone and iPad GPS components, Apple's tracking system remains fully functional.
- 65. Plaintiff and Class members are entitled to restitution of the excess amount paid for the Apple iPhone, over and above what they would have paid if Defendants had disclosed the use of its unlawful tracking device.
- 66. Plaintiff and Class members are entitled to restitution in an amount not less than the purchase price of the Apple iPhone.
- 67. Plaintiff and Class members are also entitled to disgorgement of the profits Defendants derived from the sale of the Apple iPhone.

FOURTH CAUSE OF ACTION: NEGLIGENT MISREPRESENTATION

(By Plaintiff and the Class as against all Defendants)

- 68. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, and those that come after as if fully set forth here.
- 69. At all times since 2009 in advertising for and soliciting customers, Apple omitted a material fact—that purchasers would be tracked at all times during its sale of iPhones and iPad 3Gs to consumers and that records of the tracking would be maintained and may be maintained indefinitely.
- 70. Apple was negligent in making the omission because it should have known that whether their every movement would be tracked, recorded, and stored for later use was material to consumers.
- 71. In making that omission, Apple intended or expected that Plaintiff and Class members would rely on the omission.
- 72. Plaintiff and the Class justifiably relied on Apple's omissions about its tracking of purchasers, and would not have purchased Apple's products but for

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the omission. Plaintiff and the Class were damaged in amounts equal to the price they paid for Apple products and their monthly service charges.

73. Apple's omissions were material and directly and proximately caused ordinary consumers acting reasonably, Plaintiff and Class members included, to buy the iPhone and iPad products. Without Apple's omissions of its covert intentions, Plaintiff would not have purchased the products and suffered damages.

FIFTH CAUSE OF ACTION: INTENTIONAL MISREPRESENTATION Plaintiff and the Class as against all Defendants

(By Plaintiff and the Class as against all Defendants)

- 74. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, and those that come after as if fully set forth here.
- 75. Apple represented to Plaintiff and Class members that it would not collect information about their every movement and location, and omitted disclosing this to Plaintiff and the Class.
- 76. Apple knew its privacy terms and conditions policy was, and continues to be, false, deceptive and untrue. Apple omitted the fact that Apple will track users, and intended for Plaintiff and Class members to rely on its deceptive statements.
- 77. Plaintiff and Class members had no reason to believe their physical locations could or would be monitored by Apple and stored in an unencrypted format.
- 78. Apple's omission of its location tracking policies, practices and procedures was material, as a reasonable consumer has a privacy interest in his or her location and would find it important that a company was recording each location he or she visited and storing them in an unencrypted format.

CLASS ACTION COMPLA	INT

- 79. Apple's fraud is comprised of both the illegal tracking of its users and the concealment of such activity from its consumers.
- 80. Plaintiff and Class members, acting as ordinary consumers, reasonably relied on Apple's representations. Plaintiff had a right to rely on Apple's representations. Plaintiff's and Class members' reliance on Apple's omissions was a substantial factor in causing their harm. Plaintiff and Class members were damaged in the amount of money required to purchase Apple's products and the monthly service charges on their accounts.
- 81. Apple had and continues to have a duty of good faith, which implicitly includes a duty not to deceive consumers, and also not to conduct this sort of covert digital surveillance on consumers. Undoubtedly, Apple has a duty to refrain from stalking consumers. That, however, is exactly what Apple has done and continues to do. Apple has collected and maintained the location history of Plaintiff and the Class, in an unprotected format in conscious disregard of the rights, including privacy rights, of the Plaintiff and Class Members.
- 82. To remedy Apple's intentional omission to consumers, and omission of clarifying statements during the sales process, Plaintiff and Class members seek to rescind the contracts, and thereby disgorge all monies paid to Apple for these products.
- 83. Plaintiff and the Class seek and are entitled to punitive damages from Apple pursuant to this cause of action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, prays for relief pursuant to each cause of action set forth in this Complaint as follows:

DEMAND FOR JURY TRIAL

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

DATED: June 2, 2011

Respectfully submitted,

/s/ Brian W. Smith
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