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13
 14 UNITED STATES DISTRICT COURT
 15 CENTRAL DISTRICT OF CALIFORNIA

<p>17 DAVID BOORSTEIN, individually 18 and on behalf of all others similarly situated,</p> <p style="text-align: center;">19 Plaintiff,</p> <p style="text-align: center;">20 vs.</p> <p>21 MEN'S JOURNAL LLC, a Delaware 22 limited liability company,</p> <p style="text-align: center;">23 Defendant.</p>	<p>} Case No. 12-CV-00771-DSF-E } Assigned to Hon. Dale S. Fischer</p> <p>} <u>CLASS ACTION</u></p> <p>} DEFENDANT MEN'S JOURNAL } LLC'S NOTICE OF MOTION AND } MOTION TO DISMISS } COMPLAINT</p> <p>} Date: April 2, 2012 } Time: 1:30 p.m. } Crtrm.: 840</p> <p>} State Action Filed: December 22, 2011 } Removed: January 27, 2012</p>
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1 TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that on April 2, 2012 at 1:30 p.m. in Courtroom
3 840, located at 255 E. Temple Street, Los Angeles, CA 90012, Defendant Men's
4 Journal LLC ("Men's Journal") will move the Court, pursuant to Federal Rules of
5 Civil Procedure 12(b)(6) and 12(b)(1), for an order dismissing all of the claims
6 asserted in Plaintiff's Complaint against Men's Journal.

7 Plaintiff's Complaint should be dismissed for the following grounds:

- 8 (1) The Court should dismiss Plaintiff's cause of action under California
9 Civil Code § 1798.83 (California's "Shine the Light" law) pursuant to
10 Rule 12(b)(6) for failure to plead that Plaintiff was injured by any
11 alleged violation of the Shine the Light statute by Men's Journal, since
12 injury is a statutory requirement for standing to sue under the law. In
13 addition, Plaintiff does not plead he attempted to make a request for a
14 Shine the Light disclosure under the statute, nor even that he sought to
15 find any Shine the Light notice information on the Men's Journal web
16 site;
- 17 (2) The Court should dismiss the second cause of action for violation of
18 California's Unfair Competition Law (California Business &
19 Professions Code § 17200 *et seq.*) because:
- 20 (a) It depends on Plaintiff's Shine the Light claim under California
21 Civil Code § 1798.83-.84, which fails for the reasons set forth
22 above;
- 23 (b) It fails to allege that he suffered injury in fact and lost money or
24 property, which is required for a claim under California's Unfair
25 Competition Law;
- 26 (c) Plaintiff fails to state a claim justifying the restitution and
27 injunctive relief remedies being sought under the Unfair
28 Competition Law;

1 (3) Plaintiff lacks Article III standing, as his Complaint fails to allege that
2 he suffered any injury-in-fact. The Complaint should therefore be
3 dismissed pursuant to Federal Rule of Civil Procedure 12(b)(1).

4 Accordingly, the Court should dismiss plaintiff's Complaint in its entirety.

5 This Motion is based upon Federal Rules of Civil Procedure 12(b)(6) and
6 Rule 12(b)(1). This Motion is also based upon this Notice, the attached
7 Memorandum of Points and Authorities, and upon such further oral and/or
8 documentary evidence that may be properly presented at or before the time of the
9 hearing.

10 This Motion is made following the conference of counsel pursuant to Local
11 Rule 7-3 which took place telephonically on February 22, 2012 and through
12 subsequent correspondence.

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DATED: March 2, 2012

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TABLE OF CONTENTS

		<u>Page</u>
1		
2		
3	I. INTRODUCTION	1
4	II. LEGAL FRAMEWORK AND PLAINTIFF’S ALLEGATIONS	3
5	A. The Shine the Light Law	3
6	1. Compliance Option #1: The Information-Sharing	
7	Disclosure and Contact Notice Requirements.....	4
8	2. Compliance Option #2: The Opt-in/Opt-Out	
9	Alternative	4
10	3. The Statutory Cause of Action for Injured Customers	6
11	B. The Complaint Against Men’s Journal.....	6
12	1. Plaintiff’s Allegation of a Limited STL Violation.....	7
13	2. The UCL Cause of Action.....	9
14	C. Men’s Journal’s Privacy Policy.....	9
15	III. ARGUMENT	10
16	A. Boorstein Fails to State Claim Under Rule 12(b)(6) for Violation	
17	of the STL Law Because He Does Not Allege Any Cognizable	
18	Injury.....	11
19	1. Courts Have Rejected Boorstein’s Injury Theory of	
20	Lost Monetary Value in Personal Information	11
21	a. No “Injury-in-Fact” from Article III Cases	12
22	b. No Damage for Breach of Contract Claims.....	13
23	2. The Alleged Lack of Contact Notice on the Men’s	
24	Journal Web Site Has Not Injured Boorstein.....	16
25	B. Boorstein Fails to State a Claim under the UCL	19
26	C. The Court Should Dismiss the Complaint Under Rule 12(b)(1) for	
27	Lack of Article III Standing.....	22
28	1. Boorstein Does Not Allege Injury-In-Fact for Article	
	III Purposes.....	22
	2. Boorstein Does Not Have Standing Merely Because	
	the STL Law Provides a Private Right of Action	23
	IV. CONCLUSION.....	25

TABLE OF AUTHORITIES

	<u>Page</u>
CASES	
<i>Aguilera v. Pirelli Armstrong Tire Corp.</i> , 223 F.3d 1010 (9th Cir. 2000).....	14
<i>Ashcroft v. Iqbal</i> , 129 S. Ct. 1937 (2009).....	10, 18
<i>Babbitt v. United Farm Workers Nat’l Union</i> , 442 U.S. 289 (1979).....	22
<i>Bell Atl. Corp. v. Twombly</i> , 550 U.S. 554 (2007).....	10, 13
<i>Blaylock v. First Am. Title Ins. Co.</i> , 2008 WL 8741396 (W.D. Wash. Nov. 7, 2008).....	11
<i>Californians for Disability Rights v. Mervyn’s, LLC</i> , 39 Cal. 4th 223 (2006)	20
<i>Cetacean Cmty. v. Bush</i> , 386 F.3d 1169 (9th Cir. 2004).....	22, 23
<i>Cohen v. Facebook, Inc.</i> , 798 F. Supp. 2d 1090 (N.D. Cal. 2011).....	20, 21
<i>Del Vecchio v. Amazon.com Inc.</i> , 2011 WL 6325910 (W.D. Wash. Dec. 1 2011)	13
<i>Edwards v. First American Corp.</i> , 610 F.3d 514 (9th Cir. 2010), <i>cert. granted</i> , 131 S. Ct. 3022 (2011).....	23, 24
<i>Feitelberg v. Credit Suisse First Boston, LLC</i> , 134 Cal. App. 4th 997 (2005)	21
<i>First Am. Fin. Corp. v. Edwards</i> , 131 S. Ct. 3022 (2011).....	24
<i>Friends of the Earth, Inc. v. Laidlaw Envtl. Servs. (TOC), Inc.</i> , 528 U.S. 167 (2000).....	22

1 *Gladstone Realtors v. Village of Bellwood*,
 2 441 U.S. 91 (1979)..... 22

3 *In re DoubleClick Inc. Privacy Litigation*,
 4 154 F. Supp. 2d 497 (S.D.N.Y. 2001)..... 14, 15

5 *In re Facebook Privacy Litigation*,
 6 2011 WL 6176208 (N.D. Cal. Nov. 22, 2011) 13, 15

7 *In re iPhone Application Litigation*,
 8 2011 WL 4403963 (N.D. Cal. Sept. 20, 2011) 13, 20

9 *In re Jetblue Airways Corp. Privacy Litigation*,
 379 F. Supp. 2d 299 (E.D.N.Y. 2005) 14, 15

10 *In re Zynga Privacy Litigation*,
 11 No. Cv-10-04680 JW (N.D. Cal. Nov. 22, 2011) 14, 15

12 *Jadeja v. Redflex Traffic Systems, Inc.*,
 13 764 F. Supp. 2d 1192 (N.D. Cal. 2011) 23

14 *Korea Supply Co. v. Lockheed Martin Corp.*,
 15 29 Cal. 4th 1134 (2003) 21

16 *Krantz v. Bt Visual Images*,
 17 89 Cal. App. 4th 164 (2001)..... 19

18 *Kraus v. Trinity Mgmt. Servs., Inc.*,
 23 Cal. 4th 116 (2000) 21

19 *La Court v. Specific Media, Inc.*,
 20 2011 WL 2473399 (C.D. Cal. Apr. 28, 2011) 12, 13

21 *Lee v. Am. Nat’l Ins. Co.*,
 22 260 F.3d 997 (9th Cir. 2001)..... 23

23 *Lewis v. Casey*,
 24 518 U.S. 343 (1996)..... 22

25 *Low v. LinkedIn*,
 26 2011 WL 5509848 (N.D. Cal. Nov. 11, 2011) 12, 13

27 *Lujan v. Defenders of Wildlife*,
 28 504 U.S. 555 (1992)..... 24

1 *Madrid v. Perot Systems Corp.*,
 2 130 Cal. App. 4th 440 (2005) 21

3 *Papasan v. Allain*,
 4 478 U.S. 265 (1986)..... 18

5 *People v. Maultsby*,
 6 53 Cal. 4th 296 (2012) 11

7 *Raines v. Byrd*,
 8 521 U.S. 811 (1997)..... 23

9 *Renick v. Dun & Bradstreet Receivable Mgmt. Servs.*,
 290 F.3d 1055 (9th Cir. 2002)..... 19

10 *Ruiz v. Gap, Inc.*,
 11 540 F. Supp. 2d 1121 (N.D. Cal. 2008) 20

12 *Samuels v. Delucchi*,
 13 286 F.2d 504 (9th Cir. 1961)..... 19

14 *Simon v. Eastern Ky. Welfare Rights Org.*,
 15 426 U.S. 26 (1976)..... 22

16 *Stasher v. Harger-Haldeman*,
 17 58 Cal. 2d 23 (1962)..... 19

18 *State of Neb. ex rel. Dept. of Social Services v. Bentson*,
 19 146 F. 3d 676 (9th Cir. 1998)..... 23

20 *Steel Co. v. Citizens for a Better Env't*,
 523 U.S. 83 (1998)..... 11, 22, 23

21 *Upland Police Officers Ass'n v. City of Upland*,
 22 111 Cal. App. 4th 1294 (2003) 17

23 *Van Ness v. Blue Cross of Cal.*,
 24 87 Cal. App. 4th 364 (2001)..... 19

25 *Vivendi SA v. T-Mobile USA, Inc.*,
 26 586 F.3d 689 (9th Cir. 2009)..... 8

27 *Warth v. Seldin*,
 28 422 U.S. 490 (1975)..... 22

1 **STATUTES**

2 12 U.S.C. § 2607 (“RESPA”) 24

3 California Business and Professions Code § 17200..... 9, 19

4 California Business and Professions Code § 17204..... 20

5 California Civil Code § 1798.83 3, 20

6 California Civil Code § 1798.83(a)..... 3, 4, 5, 16

7 California Civil Code § 1798.83(b)..... passim

8 California Civil Code § 1798.83(b)(1)..... 5, 19

9 California Civil Code § 1798.83(b)(1)(A) 4, 8, 18

10 California Civil Code § 1798.83(b)(1)(B) 8, 16, 18

11 California Civil Code § 1798.83(b)(1)(C) 4

12 California Civil Code § 1798.83(c)..... 3, 5, 7

13 California Civil Code § 1798.83(c)(2)..... 4, 5

14 California Civil Code § 1798.83(e)..... 3

15 California Civil Code § 1798.84 3

16 California Civil Code § 1798.84(b)..... 6, 11

17 California Civil Code § 1798.84(c)..... 6

18 California Civil Code § 1798.84(d)..... 6

19 **RULES**

20 Federal Rule of Civil Procedure 12(b)(1) 22, 24

21 Federal Rule of Civil Procedure 12(b)(6) 10, 11, 23

22 **CONSTITUTIONAL PROVISIONS**

23 California Constitution, Article 1 § 1..... 3

24

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10
11
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14
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19
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21
22
23
24
25
26
27
28

OTHER AUTHORITIES

Senate Bill 27 (“SB 27”), 2003 Cal. Stat. ch. 505 3, 5, 16
Webster’s New Universal Unabridged Dictionary (2d ed. 1983)..... 11

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 This action arises out of David Boorstein’s claim that the privacy policy on
4 *Men’s Journal* magazine’s website failed to provide sufficient notice of his rights
5 under California’s “Shine the Light” law (the “STL” law). But the Complaint
6 contains no allegations to support a finding that Boorstein actually suffered any
7 injury. Absent the required injury, Boorstein lacks standing to sue under the STL
8 law, and his Complaint should be dismissed.

9 The STL law addresses the common (and lawful) practice of businesses
10 sharing personal information about customers so third parties can directly market to
11 those customers. The STL law does not prohibit this conduct. Rather, it gives
12 customers a way to “shine the light” on businesses’ information sharing practices so
13 customers can decide whether to opt-out from sharing. But the Legislature designed
14 the statute to avoid making it a “liability trap” for businesses. To that end, the STL
15 law permits customers to sue only if they suffer actual “injury” from a violation.

16 Here, Boorstein does not allege any injury. He claims only that he provided
17 personal information to Men’s Journal when he subscribed to the magazine; he
18 visited its website; and Men’s Journal engaged in the “nearly ubiquitous practice” of
19 sharing customer data to third parties for direct marketing purposes. Boorstein does
20 not allege that (1) he requested STL disclosures about how Men’s Journal may have
21 shared his personal information with third parties; (2) Men’s Journal failed to provide
22 disclosures if he had asked; (3) he even tried to find out about his STL rights on the
23 Men’s Journal web site; (4) he was aware of Men’s Journal’s Privacy Policy, much
24 less relied on it to his detriment; or (5) he tried to contact Men’s Journal about
25 anything related to use of his personal information. Nor does Boorstein allege he
26 ever sold his personal data to anyone, tried to sell his data, or otherwise determined
27 the value of his data was “diminished.”

28 Despite his failure to allege any harm from Men’s Journal’s conduct, Boorstein

1 seeks monetary relief because he claims Men’s Journal deprived him of the chance to
2 profit from sale of his personal information — and he seeks to proceed on behalf of a
3 putative class of Men’s Journal California subscribers (which he mistakenly believes
4 to be “millions of individuals”). Although the STL law has been in effect for over
5 seven years, this is among the first cases to assert this novel claim (along with at least
6 nine more putative class actions against other publishers filed by Boorstein’s counsel
7 contemporaneous with this action, all asserting virtually identical complaints.)

8 Based on the Complaint allegations, assuming that Men’s Journal was required
9 to comply with the STL law’s contact notice requirements (which it was not) and
10 further assuming that Men’s Journal’s website Privacy Policy violates those contact
11 notice requirements (which it did not, because Men’s Journal contends its website
12 complied with the statute), the Court should dismiss the Complaint for these reasons:

13 First, Boorstein fails to allege the injury required for standing to sue under the
14 STL law. Straining to meet that injury requirement, Boorstein offers a speculative
15 theory that Men’s Journal deprived him of the chance to sell his own data to third-
16 party advertisers and profit from the value of his personal information (or diluted the
17 price he could fetch for his own data). However, in similar privacy class actions,
18 numerous courts have rejected this theory of injury when evaluating the analogous
19 “injury-in-fact” requirement for Article III standing and the damage element for
20 breach of contract claims. This Court should reach the same conclusion.

21 Second, Boorstein’s second cause of action for violation of California’s Unfair
22 Competition Law depends entirely on his STL claim. For the same reasons that
23 claim fails, the Court should dismiss his UCL claim.

24 Third, while the Court need not reach this issue since Boorstein fails to
25 otherwise state a claim, the Court should also dismiss his Complaint for lack of
26 Article III standing. The same lack of actual injury which precludes Boorstein from
27 having standing to sue under the STL law also dooms the Complaint for failure to
28 meet Article III’s “injury-in-fact” requirement.

1 II. LEGAL FRAMEWORK AND PLAINTIFF'S ALLEGATIONS

2 A. The Shine the Light Law

3 The California Legislature enacted the "Shine the Light" law in 2003
 4 (effective in 2005). Cal. Civil Code §§ 1798.83-84. The statute does not restrain the
 5 common practice of businesses sharing personal information about customers with
 6 third parties for those third parties to directly market to the customers. Instead, it was
 7 merely "designed to shine light on how the companies with which we do business
 8 treat direct marketing information they accumulate about us." *See* Request for
 9 Judicial Notice ("RJN") Exh. A at 113. The legislation opens with this statement of
 10 purpose:

11 (a) For free market forces to have a role in shaping the privacy practices
 12 of California businesses and for "opt-in" and "opt-out" remedies to be
 13 effective, Californians must be more than vaguely informed that a
 14 business might share personal information with third parties.

15 Consumers must, for these reasons and pursuant to Section 1 of Article
 16 1 of the California Constitution, be better informed about what kinds of
 17 personal information are purchased by businesses for direct marketing
 18 purposes. With these specifics, consumers can knowledgeably choose
 19 to opt-in or opt-out or choose among businesses that disclose
 20 information to third parties for direct marketing purposes on the basis of
 21 how protective the business is of consumers' privacy.

22 (b) Nothing in this act is intended to impose, and this act may not be
 23 construed to impose, any prohibition or requirement upon, restraint of,
 24 or prerequisite to, a business disclosing or exchanging personal
 25 information to third parties, including affiliated parties, for any lawful
 26 purpose, including direct marketing purposes. This act, generally, and
 27 Section 1798.83 of the Civil Code, specifically, provides merely for
 28 descriptions of general business practices regarding direct marketing to
 be disclosed to customers after those practices have occurred and, for
 example, does not require that personal information associated with
 specific individuals be disclosed.

Senate Bill 27 ("SB 27"), 2003 Cal. Stat. ch. 505 (*see* RJN Exh. A at 229-30.)

23 The STL law applies to businesses with 20 or more employees that disclose
 24 customers' personal information to third-parties for direct marketing purposes. Cal.
 25 Civ. Code §1798.83(a), (c) and (e). It applies only to California customers. A
 26 business can comply with the law in one of two ways. It can either: (1) provide
 27 information-sharing disclosures about how it shares customer information with third
 28 parties, and give contact notice to consumers about how they obtain those disclosures

1 [Cal. Civ. Code §1798.83(a) and (b)]; or (2) adopt an alternate mechanism, whereby
2 it gives customers a cost-free method to opt-in or out-out of information-sharing.

3 [Cal. Civ. Code §1798.83(c)(2)].

4 **1. Compliance Option #1: The Information-Sharing Disclosure and**
5 **Contact Notice Requirements**

6 If a covered business chooses the first compliance path, it must do two things
7 set forth in subsections (a) and (b) of the STL statute. First, subsection (a) requires
8 the business to provide customers information-sharing disclosures – *i.e.*, categories of
9 personal information it has shared in the past year with third-party marketers, and the
10 identities of those third-party recipients. Cal. Civ. Code § 1798.83(a).

11 Second, subsection (b) sets forth a contact notice requirement for the business
12 to inform consumers how they can request a STL disclosure . A covered business
13 must designate a mailing address, e-mail address, toll-free telephone or fax number
14 “to which customers may deliver requests pursuant to subdivision (a).” (Emphasis
15 added.) Then, the business has three options to use for notifying consumers about
16 how to use its designated contact information to request a STL disclosure: (1) by
17 training employees who “regularly have contact with customers” to provide the
18 contact information if asked; (2) by adding to the home page of the company’s
19 website “a link either to a page titled ‘Your Privacy Rights’ or add the words ‘Your
20 Privacy Rights’ to the home page’s link to the business’s privacy policy,” with the
21 linked web page containing the contact information for submitting a STL disclosure
22 and a description of a customer’s rights pursuant to the law; or (3) by making the
23 contact information “readily available upon request of a customer at every place of
24 business in California where the business or its agents regularly have contact with
25 customers.” Cal. Civ. Code § 1798.83(b)(1)(A)-(C).

26 **2. Compliance Option #2: The Opt-in/Opt-Out Alternative**

27 Subsection (c)(2) provides an alternate method for complying with the law. If
28 a customer is given the cost-free ability to opt-in or opt-out of any exchange of data,

1 an otherwise-covered business has no obligation to provide an STL disclosure:

2 If a business that is required to comply with this section adopts and
 3 discloses to the public, in its privacy policy, a policy of not disclosing
 4 personal information of customers to third parties for the third parties'
 5 direct marketing purposes unless the customer first affirmatively agrees
 6 to that disclosure, or of not disclosing the personal information of
 7 customers to third parties for the third parties' direct marketing purposes
 8 if the customer has exercised an option that prevents that information
 9 from being disclosed to third parties for those purposes, as long as the
 10 business maintains and discloses the policies, the business may comply
 11 with subdivision (a) by notifying the customer of his or her right to
 12 prevent disclosure of personal information, and providing the customer
 13 with a cost-free means to exercise that right.

14 Cal. Civ. Code § 1798.83(c)(2). According to the final Senate Judiciary Committee
 15 analysis, the Legislature added this provision to “essentially provide[] businesses
 16 with a choice: respond to consumer requests for information on how their personal
 17 information is being shared, or in the alternative, provide consumers with the ability
 18 to stop their information from being shared for marketing purposes.” See RJN Exh.
 19 A at 200. The purpose was to “address any concerns by the business community that
 20 the bill would create mandatory onerous disclosure requirements but still provide an
 21 appropriate baseline of consumer protections.” *Id.*

22 The contact notice requirements of subsection (b) do not apply to a business
 23 that chooses this opt-in/opt-out method. On its face, subsection (b) only exists to
 24 provide the contact place “to which customers may deliver requests pursuant to
 25 subdivision (a).” Cal. Civil Code § 1798.83(b)(1)(emphasis added). Thus, if a
 26 business is not required to provide an information-sharing disclosure under
 27 subsection (a), it is not required to provide contact notice.¹

28 ¹ The Complaint omits any allegation about compliance option #2. But Men’s
 Journal contends that it complies with the alternate opt-in/opt-out method of
 subsection (c) and need not satisfy the contact notice obligations of subsection (b)
 (which is only tied to the information-sharing disclosures of subsection (a).) The
 legislative history supports what is evident from the statute: that there is no contact
 notice requirement if the business allows customers to opt-out of data sharing. An
 analysis of SB 27 by the Senate Rules Committee confirms the exclusive purpose of
 the contact notice requirement is to facilitate information-sharing disclosure requests
 under subsection (a). It explained that, pursuant to subsection (b), a “business must
 choose one of three specified options in order to ensure that customer requests [under
subdivision (a)] will be handled appropriately.” See RJN Exh. A at 182 (emphasis
 added). However, for purposes this motion, the Court need not reach that issue.

3. The Statutory Cause of Action for Injured Customers

The STL law provides that “[a]ny customer injured by a violation of this title may institute a civil action to recover damages.” Cal. Civ. Code § 1798.84(b). Thus, a customer must be “injured” to “institute a civil action.” “In addition,” a customer who brings a civil action may recover a civil penalty of up to \$500 per violation, and up to \$3,000 per willful, intentional or reckless violation. Cal. Civ. Code § 1798.84(c). (The statute does not define what “per violation” means.)

The law also contains a safe harbor, giving businesses 90 days to cure non-willful violations of the information-sharing disclosure obligation (*e.g.*, when a business does not respond within the statutory period or gives some but not all required STL disclosures). Cal. Civ. Code § 1798.84(d). If a business cures within 90 days of learning of the defective disclosure, it has a complete defense against liability. This provision was adopted at the urging of industry representatives who noted the likelihood of frequent technical violations given the enormous volume of information handled by so many businesses. *See* RJN Exh. A at 201. Legislators agreed that, without such protections, businesses might end up potentially liable “to individuals who wish to use the bill’s provisions as a liability trap.” *Id.*

B. The Complaint Against Men’s Journal

Men’s Journal publishes *Men’s Journal* magazine. Boorstein alleges he is a California resident who signed up for a one-year subscription in 2009. (Dkt. # 1, Compl. ¶¶ 36, 37). At that time, “he provided personal information to Men’s Journal, including, *inter alia*, his full name, mailing address, e-mail address, ZIP code, telephone number, gender, birth date, and credit card information.” (*Id.*, at ¶ 38). Boorstein alleges he “has visited www.mensjournal.com.” (*Id.*, at ¶ 39). Finally, Boorstein claims Men’s Journal shares customer information, including customers’ names, addresses, e-mail addresses, gender, and dates of birth, with third parties for direct marketing purposes. (*Id.*, at ¶ 32).

Boorstein filed his Complaint in Los Angeles Superior Court on December 22,

1 2011. (Around the same time, his counsel filed at least nine other putative class
 2 actions in California state and federal courts against other publishers, with virtually
 3 identical complaints seeking penalties under the STL law.) He seeks class action
 4 status on behalf of a class of “[a]ll California residents who have provided personal
 5 information to Men’s Journal,” a class that Boorstein alleges “is believed to consist
 6 of millions of individuals.”² (*Id.*, at ¶¶40-41). On January 27, 2012, Men’s Journal
 7 removed the case under the Class Action Fairness Act.

8 The Complaint asserts only two causes of action: (1) violation of the STL law;
 9 and (2) a tack-on claim for violation of California’s Unfair Competition Law.

10 1. Plaintiff’s Allegation of a Limited STL Violation

11 Ignoring the availability of the alternate opt-in/opt-out method in subsection
 12 (c) of the STL law, the Complaint focuses on an alleged failure to supply notice for
 13 the first compliance option. The Complaint does not claim Men’s Journal violated
 14 the STL law’s information-sharing disclosure requirement. That is, Boorstein does
 15 not allege he ever contacted Men’s Journal to ask for a STL disclosure, and Men’s
 16 Journal kept him “in the dark” by failing to provide an adequate or timely STL
 17 disclosure. Thus, this case does not implicate the light-shining core of the statute.

18 Instead, the Complaint rests solely on a claim that Men’s Journal did not
 19 sufficiently comply with the contact notice provisions of subsection (b). Boorstein
 20 alleges Men’s Journal’s website failed to satisfy the notice requirements “by, among
 21 other things, (i) failing to add a hyperlink entitled ‘Your Privacy Rights’ to its home
 22 page, (ii) failing to add a hyperlink to a page titled ‘Your Privacy Rights,’ (iii) failing
 23 to designate a mailing address, e-mail address, telephone number, or facsimile
 24 number for customers to deliver requests, and/or (iv) failing to describe its California
 25 customers’ rights under the Shine the Light Law.” (Dkt #1, Compl. ¶ 54). Thus, he
 26

27 ² In fact, the putative class is much smaller. As explained in the declaration
 28 filed with Men’s Journal’s Notice of Removal, the magazine has over 50,000
 subscribers in California. (Dkt. # 2, Declaration of John Reese ¶2.)

1 claims Men’s Journal did not comply with the web site notice alternative in
 2 §1798.83(b)(1)(B). (*Id.*, at ¶ 53).³ The Complaint, however, does not allege
 3 Boorstein ever looked at Men’s Journal’s Privacy Policy or otherwise sought
 4 information about how to contact Men’s Journal about data-sharing issues. Indeed,
 5 Boorstein does not allege that he tried to contact Men’s Journal for any reason.

6 Nevertheless, in an effort to allege harm, Boorstein asserts he suffered injury
 7 because his personal information “has monetary value” and “Men’s Journal has
 8 diluted the value of Plaintiff’s and the Class’s personal property, and deprived them
 9 of the opportunity to sell their personal property for their own financial gain.” (Dkt
 10 #1, Compl. ¶ 55). Citing a *New York Times* newspaper article from two years ago, he
 11 claims consumers now have “the opportunity to sell their personal information
 12 themselves” to companies and to “directly profit from their own data” – suggesting a
 13 marketplace exists where companies might buy data from one individual consumer at
 14 a time, rather than paying for access to full customer databases from a company like
 15 Men’s Journal.⁴ (*Id.*, at ¶ 20.) Finally, Boorstein alleges he and other class members
 16

17
 18 ³ Despite the fact that Men’s Journal indisputably interacts with its customers
 19 primarily through its hard copy magazine, Boorstein claims Men’s Journal cannot
 20 use the notice option of subsection 1798.83(b)(1)(A) because it also operates online
 21 and does not have “employees who regularly have contact with customers” and, on
 22 information and belief, does not instruct or train employees to respond to customer
 23 inquiries about obtaining STL disclosures. (Dkt #1, Compl. ¶ 50.) Boorstein offers
 no factual basis for these allegations, and the Court should disregard them. *See*
Vivendi SA v. T-Mobile USA, Inc., 586 F.3d 689, 694 (9th Cir. 2009) (rejecting
 allegations “on information and belief” absent allegations of facts supporting
 information or belief). In fact, Men’s Journal complies with the notice provisions of
 subsection 1798.83(b)(1)(A). The Court, however, need not reach that issue on this
 motion.

24 ⁴ The *New York Times* article cited in footnote 6 of the Complaint refers to a
 25 company called Bynamite, which was supposedly developing technology for
 26 customers to monetize their own data. *See* “You Want My Personal Data? Reward
 Me For It,” <<http://www.nytimes.com/2010/07/18/business/18unboxed.html>>. But
 27 as Boorstein’s lawyers surely know, even a cursory Internet search for Bynamite
 shows that the company no longer operates. The Bynamite website now states:
 28 “We’re no longer working full time on Bynamite . . . Once again, I’m sorry we can’t
 continue to work on this.” Thus, the alleged “opportunity” for consumers to sell their
 own data remains doubtful at best.

1 have been deprived “of the ability to make informed decisions with respect to their
2 privacy and transmission of their personal information.” (*Id.*, at ¶ 56).

3 **2. The UCL Cause of Action**

4 Boorstein’s second cause of action under California’s Business & Professions
5 Code §§ 17200, *et seq.*, alleges Men’s Journal acted unlawfully by violating the STL
6 law. (Dkt #1, Compl. ¶ 64). Because the UCL affords Boorstein no remedy to
7 recover damages, Boorstein seeks “restitution of all funds wrongfully obtained by
8 sharing and/or selling Plaintiff’s and the Class’s personal information”; he also seeks
9 injunctive relief, as well as interest, attorneys’ fees and costs. (*Id.*, at ¶ 66).

10 **C. Men’s Journal’s Privacy Policy**

11 The Complaint attaches screen shots of the home page from Men’s Journal’s
12 website and Men’s Journal’s Privacy Policy. (Dkt #1, Compl. Exhs. A-B). The
13 bottom of the home page displays a hyperlink labeled “Privacy Policy.” (*Id.*, at Exh.
14 A). Clicking on the hyperlink brings the consumer to a page entitled “Privacy
15 Policy,” which begins: “Mensjournal.com is committed to protecting your privacy
16 online. Please take a moment to read our policy explaining our use of the personal
17 information that you provide and the choices you can make about the collection and
18 use of your information by Mensjournal.com.” (*Id.*, at Exh. B). Below that is a
19 “Contact Us” heading and then this text: “If you have any questions concerning this
20 policy or the content and material on our website, or if you would like to update your
21 personal information, you may contact us at” *Id.* The page then provides a
22 mailing address for the customer relations department, and a hyperlink customers can
23 click to generate an e-mail address that goes directly to the magazine. *Id.*

24 The Privacy Policy also contains headings such as “Providing Personal
25 Information,” “How we use personal information,” and “Third party advertising and
26 websites” that describe the categories of personal information Men’s Journal collects
27 and how it uses that information. *Id.* Under the heading “How we use personal
28 information,” the website provides consumers with the option to opt-out of receiving

1 marketing that derives from the sharing of their data: “We may also offer you other
2 products, programs, or services that we believe may be of interest to you. You will
3 always have the choice to opt out of receiving these offers, updates, and
4 information.” *Id.*

5 In short, as the STL law requires, the Men’s Journal website provided ready
6 access to its Privacy Policy on its home page, including a hyperlink to the policy,
7 notice of how to contact the magazine concerning any questions, and notice that the
8 consumer would “always” have the choice to opt-out.

9 III. ARGUMENT

10 Rule 12(b)(6) exists to weed out undeserving complaints before parties engage
11 in expensive discovery, particularly in putative class actions likely to generate
12 significant discovery costs. *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 559 (2007).
13 “To survive a motion to dismiss, a complaint must contain sufficient factual matter,
14 accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v.*
15 *Iqbal*, 129 S. Ct. 1937, 1949-50 (2009) (quoting *Twombly*, 550 U.S. at 570). When a
16 plaintiff has “not nudged [his] claims across the line from conceivable to plausible,
17 [his] complaint must be dismissed.” *Twombly*, 550 U.S. at 570. The “tenet that a
18 court must accept as true all of the allegations contained in a complaint is
19 inapplicable to legal conclusions. Threadbare recitals of the elements of a cause of
20 action, supported by mere conclusory statements, do not suffice” and are not entitled
21 to a presumption of truth. *Iqbal*, 129 S. Ct. at 1949-50.

22 The Supreme Court’s recent decisions tightening federal pleading standards
23 began with a putative class action, in which the Court explained that a Rule 12(b)(6)
24 motion to dismiss provides the proper means for weeding out unmeritorious
25 complaints before a defendant must engage in burdensome discovery. *Twombly*, 550
26 U.S. at 559. This policy should guide the Court to dismiss this Complaint, as
27 Boorstein failed to assert valid causes of action under either the STL or UCL laws.
28

1 **A. Boorstein Fails to State Claim Under Rule 12(b)(6) for Violation of the**
 2 **STL Law Because He Does Not Allege Any Cognizable Injury.**

3 Under the STL law, “[a]ny customer injured by a violation of this title may
 4 institute a civil action to recover damages.” § 1798.84(b). Here, even assuming
 5 *arguendo* that Men’s Journal was required to comply with the contact notice
 6 requirements of subsection (b) of the STL law, Boorstein does not allege any
 7 cognizable injury and therefore lacks statutory standing.⁵

8 No published case interprets the STL law’s “injury” requirement. Thus, this
 9 Court should look to the word’s plain meaning as well as analogous case law. “In
 10 interpreting a statute to ascertain the Legislature’s intent, we give the words their
 11 usual and ordinary meaning. The statute’s plain language controls unless its words
 12 are ambiguous.” *People v. Maultsby*, 53 Cal. 4th 296, 299 (2012). The ordinary
 13 meaning of “injured” contemplates actual harm suffered by an identifiable individual.
 14 *See Webster’s New Universal Unabridged Dictionary* (2d ed. 1983) (defining
 15 “injure” as “to do physical harm or damage to; to hurt,” or “to wrong or offend
 16 deeply; to be unjust to”). Using that definition, Boorstein has not alleged injury.

17 **1. Courts Have Rejected Boorstein’s Injury Theory of Lost Monetary**
 18 **Value in Personal Information**

19 Boorstein’s speculative financial injury rests on the premise that “Plaintiff’s
 20 and the Class’s personal information has monetary value” and that businesses will
 21 engage in transactions for that data on a consumer-by-consumer basis. It also
 22 depends on the equally faulty notion that, assuming Men’s Journal failed to display
 23 contact information for requesting STL disclosures, Men’s Journal “diluted the
 24

25 ⁵Although Men’s Journal also contends that Boorstein lacks Article III
 26 standing, the Court should choose to rule first on whether Boorstein has statutory
 27 standing under the STL law without having to reach the Article III issue. *Steel Co. v.*
 28 *Citizens for a Better Env’t*, 523 U.S. 83, 97, n. 2 (1998) (approving resolution of
 statutory standing before Article III standing); *id.* at 115–17 (Stevens, J.,
 concurring) (citing cases resolving other standing issues before Article III
 standing); *see also Blaylock v. First Am. Title Ins. Co.*, 2008 WL 8741396, *5 (W.D.
 Wash. Nov. 7, 2008).

1 value” of Boorstein’s property “and deprived [him] of the opportunity to sell [his]
2 personal property for [his] own financial gain.” (Dkt #1, Compl. ¶ 55.) But courts
3 considering similar privacy-based claims have rejected Boorstein’s injury theory
4 when analyzing both “injury-in-fact” for Article III standing purposes and the
5 element of damage for a breach of contract cause of action. The cases show
6 Boorstein has not alleged “injury” sufficient to have standing under the STL law.

7 **a. No “Injury-in-Fact” from Article III Cases**

8 Rejecting Boorstein’s theory, courts in the Ninth Circuit have found no injury-
9 in-fact based on a purported property interest in the hypothetical marketing value of a
10 consumer’s personal information. In *Low v. LinkedIn*, 2011 WL 5509848, *1-2
11 (N.D. Cal. Nov. 11, 2011), the court dismissed federal and state law claims for lack
12 of standing in a putative class action. The plaintiff alleged LinkedIn’s disclosure of
13 personal information to third party advertising and marketing companies deprived
14 him of “valuable personal property without the compensation to which he was due.”
15 The court concluded the plaintiff’s allegation “that his personal information has an
16 independent economic value, and that he was not justly compensated for LinkedIn’s
17 transfer of his personal data to third party data aggregators” was “too abstract and
18 hypothetical to support Article III standing.” *Id.* at *4.

19 Similarly, in *La Court v. Specific Media, Inc.*, 2011 WL 2473399, at *5 (C.D.
20 Cal. Apr. 28, 2011), a privacy case arising from collection of consumer data using
21 website tracking cookies, the court found “the Complaint does not identify a single
22 individual who was foreclosed from entering into a ‘value-for-value exchange’ as a
23 result of” the defendant’s collecting and sharing of personal information. The court
24 dismissed for lack of Article III standing, noting that “even assuming an opportunity
25 to engage in a ‘value-for-value exchange,’ Plaintiffs do not explain how they were
26 ‘deprived’ of the economic value of their personal information simply because their
27 unspecified personal information was purportedly collected by a third party.” *Id.* It
28 noted that plaintiffs “haven’t offered a coherent and factually supported theory of

1 what [their actual or imminent] injury might be.” *Id.*, at *6.

2 Likewise, in *In re iPhone Application Litigation*, 2011 WL 4403963, at *15
 3 (N.D. Cal. Sept. 20, 2011), the district court granted a motion to dismiss a class
 4 action attacking the defendants’ collecting and sharing of consumer personal
 5 information. It found the plaintiffs’ vague assertions of claims of economic harm
 6 from the defendants’ data practices did not constitute “an actual injury.” *Id.*

7 This Court should interpret the injury requirement under the STL law as no
 8 less rigorous than the Article III “injury-in-fact” requirement at issue in *Low*,
 9 *LaCourt*, and *iPhone*. Thus, Boorstein’s Complaint fails to establish injury under the
 10 STL law. The vague allegation that Men’s Journal “deprived” Boorstein “of the
 11 opportunity to sell [his] personal property for [his] own financial gain” rests on no
 12 allegations suggesting Boorstein tried to sell his personal data and failed or found
 13 himself unable to sell the data for a price it would have fetched before. In short, the
 14 allegation amounts to pure speculation that falls far short of *Twombly*’s requirements.
 15 Even accepting Boorstein’s notion that businesses might engage in transactions for
 16 data on a consumer-by-consumer basis, Boorstein fails to describe how he or any
 17 other individual consumer was actually “foreclosed from entering into a ‘value-for-
 18 value exchange.’” *Specific Media, Inc.*, 2011 WL 2473399, at *5. “While it may be
 19 theoretically possible that Plaintiffs’ information could lose value as a result of its
 20 collection and use by Defendant, Plaintiffs do not plead any facts from which the
 21 Court can reasonably infer that such devaluation occurred in this case.” *Del Vecchio*
 22 *v. Amazon.com Inc.*, 2011 WL 6325910, *3 (W.D. Wash. Dec. 1 2011). Boorstein’s
 23 complaint suffers the exact same infirmity.

24 **b. No Damage for Breach of Contract Claims**

25 The same lack of “injury” from the sale of personal data has caused district
 26 courts in California to reject breach of contract theories, finding personal information
 27 has no value that can trigger “damage” to consumers. For example, the Northern
 28 District of California in *In re Facebook Privacy Litigation*, 2011 WL 6176208 (N.D.

1 Cal. Nov. 22, 2011), granted a motion to dismiss a putative class action in which
2 plaintiffs alleged Facebook unlawfully transmitted personal information to third-
3 party advertisers. In dismissing a breach of contract claim, the court focused on the
4 required damage element. It “rejected Plaintiffs’ theory that their personally
5 identifiable information has value” and concluded “Plaintiffs fail to show that they
6 have suffered ‘appreciable and actual damage,’ which means that their breach of
7 contract claim fails.” *Id.* at *5 (quoting *Aguilera v. Pirelli Armstrong Tire Corp.*, 223
8 F.3d 1010, 1015 (9th Cir. 2000)). On the same day, another court used the same
9 rationale to dismiss *In re Zynga Privacy Litigation*, No. Cv-10-04680 JW (N.D. Cal.
10 Nov. 22, 2011). There, the court granted Zynga’s motions to dismiss and to strike
11 class action allegations after finding that “that Plaintiffs’ theory that their personally
12 identifiable information has ‘value’ that they have ‘lost’ lacks legal support, and thus
13 does not constitute a showing of ‘appreciable and actual damages’ in the context of
14 Plaintiffs’ breach of contract claim.” *Id.* at 7.

15 Courts outside California agree. In *In re Jetblue Airways Corp. Privacy*
16 *Litigation*, 379 F. Supp. 2d 299, 302 (E.D.N.Y. 2005), a class of plaintiffs brought
17 claims against JetBlue for allegedly unlawfully transferring their personal
18 information to a third party. The court found they “had no reason to expect that they
19 would be compensated for the ‘value’ of their personal information. In addition,
20 there is absolutely no support for the proposition that the personal information of an
21 individual JetBlue passenger had any value for which that passenger could have
22 expected to be compensated.” *Id.* at 327. Adding that “[t]here is likewise no support
23 for the proposition that an individual passenger’s personal information has or had any
24 compensable value in the economy at large,” the court dismissed the plaintiffs’
25 breach of contract claim for failure to allege the required element of damages. *Id.*

26 Similarly, in *In re DoubleClick Inc. Privacy Litigation*, 154 F. Supp. 2d 497,
27 500 (S.D.N.Y. 2001), plaintiff asserted the defendant, an online advertiser,
28 improperly gathered and disseminated the plaintiffs’ personal information. In

1 granting the defendants' motion to dismiss, the court reasoned that the plaintiffs had
2 failed to plead cognizable damages. *Id.* at 525. "[A]lthough demographic
3 information is valued highly . . . the value of its collection has never been considered
4 a[n] economic loss to the subject. Demographic information is constantly collected
5 on all consumers by marketers, mail-order catalogues and retailers. However, we are
6 unaware of any court that has held the value of this collected information constitutes
7 damage to consumers or unjust enrichment to collectors." *Id.*

8 Here, Boorstein's assertion of injury closely resembles the theory that the
9 *Facebook, Zynga, Jet Blue Airways, and DoubleClick* plaintiffs unsuccessfully
10 advanced to show "damage." Although Boorstein does not assert a breach of
11 contract claim, his alleged "injury" turns on his claim that he was "deprived" of the
12 ability to sell his personal data, or that its value was somehow diluted. However, the
13 law consistently holds that consumers do not have an expectation of compensation
14 for personal information they disclose to third parties in the course of ordinary
15 transactions. Even if such an expectation existed, Boorstein fails to include any
16 allegation that supports a finding that he tried – and failed – to sell his personal data
17 due to some action by Men's Journal. Absent such an allegation, Boorstein's
18 purported injury is theoretical at best

19 Nor does Boorstein's claim gain traction because he alleges Men's Journal's
20 actions diluted the price at which he could sell his data to third-parties (if a market
21 for such consumer-by-consumer data sales existed). The STL law does not prohibit
22 Men's Journal from sharing Boorstein's data with third-party marketers; for that
23 reason, it does not protect Boorstein against the possibility that the price for selling
24 his own data might fall if Men's Journal shared his data as the STL law allows. Even
25 if the statute recognized such an injury, Boorstein includes no allegation to support a
26 finding that Men's Journal's conduct diluted the value of his personal data.

27 Moreover, assuming Boorstein could ever make such allegations, any dilution
28 of value in his personal data would be so miniscule as to be meaningless. When it

1 enacted the STL law, the California Legislature was made aware that the value to an
 2 individual customer of his or her data is *de minimis* at best. A report from the
 3 Electronic Privacy Information Center in the bill's file explained that consumer data
 4 profiles "can be purchased at surprisingly low prices. Many companies will sell
 5 information at a cost of \$65 per million names." See RJN Exh. A at 81. At that rate,
 6 Boorstein's individual data would be worth a mere \$.000065. Of course, Boorstein
 7 does even seek recovery of that full amount; his "injury" is limited to any dilution in
 8 the price he could fetch for his own data due to Men's Journal's supposed violations.
 9 Loss of some amount less than \$.000065 can hardly be called an "injury."

10 **2. The Alleged Lack of Contact Notice on the Men's Journal Web Site**
 11 **Has Not Injured Boorstein**

12 Boorstein's other assertion of injury is similarly defective. The Complaint
 13 alleges Men's Journal "deprives [him] and the Class of the ability to make informed
 14 decisions with respect to their privacy and transmission of their personal
 15 information" because of its purported failure to comply with formalities of the
 16 §1798.83(b)(1)(B) web site notice option. But no injury arises from claimed hyper-
 17 technical violations of this ancillary portion of the statute.

18 The legislative history shows the core purpose of the STL law is to give
 19 consumers the means to obtain a disclosure about how their information was shared.
 20 A legislative analysis of SB 27, issued by the Senate Judiciary Committee on May 6,
 21 2003, explained that "[t]he core concept of the bill is consumers' ability to request
 22 and receive information from businesses on how and when their information is being
 23 shared for marketing purposes." See RJN Exh. A at 65. A covered business's
 24 violation of that information-sharing disclosure requirement (in subsection
 25 1798.83(a)) might injure a consumer. But Boorstein alleges no facts showing that a
 26 failure to comply with technical provisions of the contact notice obligation (which,
 27 on the face of subsection 1798.83(b), exists only to support the information-sharing
 28 disclosure requirement) gave rise to an injury warranting relief — let alone a civil

1 penalty amount payable to all Men’s Journal subscribers in California, even if they
2 never sought the STL notice.

3 The existence of a 90-day safe harbor period for information-sharing
4 disclosure obligations, but not for the contact notice requirements, supports this
5 conclusion. The Legislature did not intend the law to be a “liability trap,” so it gave
6 businesses a chance to cure information-sharing disclosure defects. *See* RJN at Exh.
7 A at 201. But if injury sufficient for standing to sue could arise solely out of the
8 failure to adequately provide contact notice (without regard to whether a business
9 complied with the more important information-sharing disclosure obligations), the
10 STL law would become the perfect liability trap. That liability trap would allow
11 customers to sue without regard to whether they looked for the contact notice in
12 order to request a STL disclosure, sought a STL disclosure, or suffered any adverse
13 impact from the content of the contact notice. It would make no sense for the
14 Legislature to permit businesses to cure violations of the law’s primary purpose (i.e.,
15 defective STL disclosures about how consumer information is shared with third-
16 parties) but to impose automatic liability on businesses for technical violations of the
17 secondary contact notice component (which exists merely to tell consumers where to
18 contact a business to get the information-sharing disclosures), with no opportunity to
19 cure. This “would ‘frustrate[] the manifest purposes of the legislation as a whole or
20 [lead] to absurd results,’” and courts should interpret a statute — “[e]ven [an]
21 unambiguous statute[]” — to avoid such a result. *Upland Police Officers Ass’n v. City*
22 *of Upland*, 111 Cal. App. 4th 1294, 1304 (2003). Thus, the Court should interpret
23 the STL statute to find that any injury supporting an action must arise out of a
24 violation of the information-sharing disclosure, not the contact notice, requirements.

25 But even if injury could flow from failure to meet the contact notice
26 obligations, Boorstein does not allege injury caused by any technical omissions on
27 the Men’s Journal website. He pleads only that he visited the website. (Dkt. # 1,
28 Compl. ¶ 39.) Boorstein does not allege that he tried to request a STL disclosure or

1 contact Men’s Journal about his data.⁶ Nor does he claim that he tried to find the
2 magazine’s Privacy Policy or contact notice on the web site and failed, or that he
3 tried to exercise the opt-out option in the Privacy Policy and failed. Boorstein
4 identifies no specific privacy decisions he was unable to make, and sets forth no facts
5 showing how Men’s Journal’s alleged omissions deprived him of his ability to make
6 choices. Instead, without alleging how he was deprived and what he was deprived
7 of, Boorstein proffers mere legal conclusions, which cannot save his Complaint. *See*
8 *Iqbal*, 129 S. Ct. at 1950; *Papasan v. Allain*, 478 U.S. 265, 286 (1986).

9 Moreover, the “violations” of the STL law alleged by Boorstein are so hyper-
10 technical that no customer could reasonably claim injury from them and indeed
11 Boorstein cannot. For example, in paragraph 54(i) and (ii) of the Complaint,
12 Boorstein contends that Men’s Journal failed to “add a hyperlink entitled ‘Your
13 Privacy Rights’ to its home page” and failed to “add a hyperlink to a page titled
14 ‘Your Privacy Rights’” as required by section 1798.83(b)(1)(B). But the home page
15 of the Men’s Journal web site (Exhibit A to the Complaint) contains a “Privacy
16 Policy” link and the privacy web page (Exhibit B to the Complaint) is entitled
17 “Privacy Policy.” The difference between “Privacy Policy” and “Your Privacy
18 Rights” in these locations is immaterial, and Boorstein cannot seriously suggest he
19 lost privacy choices or suffered injury because one phrase was used over the other.
20 Likewise, in paragraph 54(iii) of the Complaint, Boorstein contends that Men’s
21 Journal failed “to designate a mailing address, e-mail address, telephone number, or
22 facsimile number for customers to deliver [STL] requests.” But as reflected in
23 Exhibit B to the Complaint, the Men’s Journal Privacy Policy provided a mailing
24 address for its customer relations department and even a hyperlink customers can
25

26
27 ⁶ This omission is critical because the Complaint speculates only “on
28 information and belief” that Men’s Journal cannot invoke the other two methods to
provide contact notice - in particular, that it does not instruct or train employees to
respond to customer inquiries for STL disclosures pursuant to §1798.83(b)(1)(A).
(Dkt #1, Compl. ¶ 51).

1 click to generate an e-mail to the company. These two mechanisms satisfy the
 2 requirement of subsection 1798.83(b)(1) to designate contact information for
 3 customers to deliver a request for STL disclosure (assuming *arguendo* that
 4 requirement applies to Men's Journal). Boorstein cannot claim any violation, let
 5 alone actual injury, from this published contact information.⁷

6 Taken as a whole, the language, structure and history of the STL law indicate
 7 the Legislature intended not to over-burden businesses and not to confer liability for
 8 hyper-technical violations such as those alleged by Boorstein. Thus, even assuming
 9 the contact notice requirements apply to Men's Journal, the Complaint fails to allege
 10 cognizable injury and Boorstein lacks standing to bring a STL claim.

11 **B. Boorstein Fails to State a Claim under the UCL**

12 The Court should dismiss the UCL claim for three independent reasons. First,
 13 the cause of action depends on the failed STL claim. The UCL applies to any
 14 "unlawful, unfair or fraudulent business act or practice." Cal. Bus. & Prof. Code
 15 § 17200. When a UCL cause of action borrows from another statute to establish the
 16 "unlawful" prong, it necessarily hinges on the success of the plaintiff's claim under
 17 the borrowed statute. If a plaintiff fails to state a claim under the borrowed statute,
 18 the plaintiff's UCL claim must also fail. *See Renick v. Dun & Bradstreet Receivable*
 19 *Mgmt. Servs.*, 290 F.3d 1055, 1058 (9th Cir. 2002) (rejecting UCL claim because it
 20 "hinges on" another rejected claim); *Krantz v. Bt Visual Images*, 89 Cal. App. 4th
 21 164, 178 (2001); *Van Ness v. Blue Cross of Cal.*, 87 Cal. App. 4th 364, 376-77
 22 (2001). Here, Boorstein's Complaint explicitly borrows from the STL law when
 23

24 _____
 25 ⁷Indeed, if Boorstein's Complaint can survive this motion to dismiss, Men's
 26 Journal will prove in the case that it substantially complied with the STL law,
 27 providing yet another complete defense. *See Stasher v. Harger-Haldeman*, 58 Cal.
 28 2d 23, 30 (1962) (doctrine of substantial compliance is applied to avoid anomalous
 results in statutory claims, particularly when requiring strict technical compliance
 would "give a windfall" where "the purpose of the statute is merely to protect, not to
 enrich."); *Samuels v. Delucchi*, 286 F.2d 504, 506 (9th Cir. 1961) (applying
 substantial compliance in interpreting California law where it was "in keeping with
 the underlying purpose of the statute").

1 asserting its UCL cause of action by alleging that “Men’s Journal has violated the
2 unlawful prong of the UCL in that its conduct violated the Shine the Light Law, Cal.
3 Civ. Code § 1798.83.” (Dkt #1, Compl. ¶ 64). As Boorstein has failed to state a
4 claim for relief under the STL law, the Court should also dismiss his UCL claim.

5 Second, the UCL claim fails to allege that Boorstein suffered an injury in fact
6 and lost money or property. Since California voters amended the UCL by passing
7 Proposition 64 in 2004, “a private person has standing to sue only if he or she ‘has
8 suffered injury in fact and has lost money or property as a result of such unfair
9 competition.’” *Californians for Disability Rights v. Mervyn’s, LLC*, 39 Cal. 4th 223,
10 227 (2006) (quoting Bus. & Prof. Code § 17204). For the UCL claim, Boorstein
11 alleges he and putative class members suffered injury because their “personal
12 information has monetary value,” and Men’s Journal’s purported violation of the
13 STL law’s notice requirement “diluted the value” of this property and “deprived
14 them of the opportunity to sell their personal property for their own financial gain.”
15 (Dkt #1, Compl. ¶ 65.) This theory fails for the same reasons it did not trigger STL
16 injury. *See Cohen v. Facebook, Inc.*, 798 F. Supp. 2d 1090, 1098 (N.D. Cal. 2011)
17 (plaintiffs’ failure to allege any cognizable harm under California’s misappropriation
18 statute meant they also failed to allege injury in fact and loss of money or property
19 under the UCL); *Ruiz v. Gap, Inc.*, 540 F. Supp. 2d 1121, 1127 (N.D. Cal. 2008)
20 (dismissing UCL claim by rejecting plaintiff’s “contention that unauthorized release
21 of personal information constitutes a loss of property”); *In re iPhone Application*
22 *Litig.*, 2011 WL 4403963 at *14 (“Numerous courts have held that a plaintiff’s
23 ‘personal information’ does not constitute money or property under the UCL.”).

24 Third, Boorstein fails to state a claim justifying either of the UCL remedies he
25 seeks: (1) restitution of funds wrongfully obtained by Men’s Journal from sharing
26
27
28

1 consumer information, and (2) injunctive relief.⁸ The UCL makes restitution
 2 available only to compel a “defendant to return money obtained through an unfair
 3 business practice to those persons in interest from whom the property was taken, that
 4 is, to persons who had an ownership interest in the property or those claiming
 5 through that person.” *Kraus v. Trinity Mgmt. Servs., Inc.*, 23 Cal. 4th 116, 126-27
 6 (2000). As discussed above, Boorstein’s theory of monetary value in his personal
 7 information has no merit. In addition, his Complaint fails to allege any contractual
 8 relationship or other basis suggesting that money earned by Men’s Journal from
 9 sharing Boorstein’s information with third-party advertisers rightfully belongs to
 10 Boorstein. After all, sharing customer information remains a lawful practice after
 11 passage of the STL law. Even accepting Boorstein’s theory that the market value for
 12 him to sell his own data is diminished, he never had any ownership interest in funds
 13 paid by third-party marketers to Men’s Journal. In short, Boorstein has no basis to
 14 claim he is entitled to any monies received from the sale of collective data and thus
 15 Men’s Journal owes Boorstein no money that should be restored via restitution.⁹

16 For the same reason, Boorstein has not stated a claim that supports injunctive
 17 relief. *See Cohen*, 798 F. Supp. 2d at 1098 (UCL plaintiff who fails to allege loss of
 18 money or property cannot obtain injunctive relief). Thus, the Complaint fails to
 19 allege facts supporting a cause of action or any recoverable remedy under the UCL.

20
 21 ⁸ For his UCL claim, Boorstein also seeks interest, attorneys’ fees and costs,
 22 remedies not expressly set forth in the UCL. Even if permitted by other statutes,
 such remedies would still require Boorstein to have a valid claim for UCL relief.

23 ⁹ The “restitution” sought by Boorstein is really “nonrestitutionary”
 24 disgorgement of a defendant’s ill-gotten profits. But disgorgement is no longer a
 25 remedy available for UCL claims, including in class actions. *See Korea Supply Co.*
 26 *v. Lockheed Martin Corp.*, 29 Cal. 4th 1134, 1140 (2003) (disgorgement of profits is
 27 not an authorized remedy in individual UCL action “where these profits are neither
 28 money taken from a plaintiff nor funds in which the plaintiff has an ownership
 interest”); *Feitelberg v. Credit Suisse First Boston, LLC*, 134 Cal. App. 4th 997, 1020
 (2005) (after passage of Proposition 64, *Korea Supply* rule barring nonrestitutionary
 disgorgement remedy under UCL also applies to class actions); *Madrid v. Perot*
Systems Corp., 130 Cal. App. 4th 440, 460 (2005) (“[N]onrestitutionary
 disgorgement is not an available remedy in a UCL class action.”).

1 **C. The Court Should Dismiss the Complaint Under Rule 12(b)(1) for Lack of**
 2 **Article III Standing**

3 **1. Boorstein Does Not Allege Injury-In-Fact for Article III Purposes**

4 As discussed above, the Court should dismiss the Complaint for lack of
 5 standing under the STL law. For the same reasons, it can also dismiss for lack injury
 6 in fact to support Article III standing (although it should first address and resolve
 7 statutory standing issues).

8 “[T]o satisfy Article III’s standing requirements, a plaintiff must show (1) it
 9 has suffered an ‘injury in fact’ that is (a) concrete and particularized and (b) actual or
 10 imminent, not conjectural or hypothetical; (2) the injury is fairly traceable to the
 11 challenged action of the defendant; and (3) it is likely, as opposed to merely
 12 speculative, that the injury will be redressed by a favorable decision.” *Friends of the*
 13 *Earth, Inc. v. Laidlaw Env’tl. Servs. (TOC), Inc.*, 528 U.S. 167, 180-81 (2000). These
 14 requirements are needed to establish the “irreducible constitutional minimum of
 15 standing.” *Steel Co. v. Citizens for a Better Env’t*, 523 U.S. 83, 102-04 (1998). If a
 16 plaintiffs cannot establish standing, “the suit should be dismissed under Rule
 17 12(b)(1).” *Cetacean Cmty. v. Bush*, 386 F.3d 1169, 1174 (9th Cir. 2004).

18 Article III requires a plaintiff to allege a “distinct and palpable” injury,
 19 *Gladstone Realtors v. Village of Bellwood*, 441 U.S. 91, 100 (1979) (quoting *Warth*
 20 *v. Seldin*, 422 U.S. 490, 501 (1975)), that is “certainly impending,” if not already
 21 suffered. *Babbitt v. United Farm Workers Nat’l Union*, 442 U.S. 289, 298 (1979).
 22 “That a suit may be a class action . . . adds nothing to the question of standing, for
 23 even named plaintiffs who represent a class ‘must allege and show that they
 24 personally have been injured, not that injury has been suffered by other, unidentified
 25 members of the class to which they belong and which they purport to represent.’”
 26 *Lewis v. Casey*, 518 U.S. 343, 357 (1996) (quoting *Simon v. Eastern Ky. Welfare*
 27 *Rights Org.*, 426 U.S. 26, 40, n. 20 (1976)).

28 Article III standing presents an independent issue separate from whether a

1 plaintiff has standing under a particular statute (here, the STL law). *See Steel Co.*,
 2 523 U.S. at 97 (statutory standing “has nothing to do with whether there is case or
 3 controversy under Article III”); *Cetacean Cmty.*, 386 F.3d at 1175 (if plaintiff lacks
 4 statutory standing, “the suit should be dismissed under Rule 12(b)(6)”)¹⁰

5 As summarized in section III.A.1.a above, courts have consistently rejected
 6 Boorstein’s theory of injury when dismissing privacy class actions for failure to
 7 establish Article III standing. Based on that same authority, the Court can also
 8 dismiss this case for lack of injury in fact sufficient to maintain Article III standing.

9 **2. Boorstein Does Not Have Standing Merely Because the STL Law**
 10 **Provides a Private Right of Action**

11 The mere fact that the STL law provides a private right of action does not
 12 mean Boorstein has an actual “injury” sufficient to confer standing. It is “settled that
 13 Congress cannot erase Article III’s standing requirements by statutorily granting the
 14 right to sue to a plaintiff who would not otherwise have standing.” *Raines v. Byrd*,
 15 521 U.S. 811, 820 n.3 (1997).

16 In that regard, the Ninth Circuit’s decision in *Edwards v. First American*
 17 *Corp.*, 610 F.3d 514, 517 (9th Cir. 2010), *cert. granted*, 131 S. Ct. 3022 (2011) does
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19 _____
 20 ¹⁰ Men’s Journal may challenge lack of Article III standing even though it
 21 removed this case from state court. “A defendant’s power to remove a case to
 22 federal court is independent of the federal court’s power to hear it. These are
 23 analytically distinct inquiries and should not be confused. Once a case is properly
 24 removed, a district court has the authority to decide whether it has subject matter
 25 jurisdiction over the claims.” *State of Neb. ex rel. Dept. of Social Services v.*
 26 *Bentson*, 146 F. 3d 676, 679 (9th Cir. 1998). In *Lee v. Am. Nat’l Ins. Co.*, 260 F.3d
 27 997 (9th Cir. 2001), the Ninth Circuit, in addressing a motion to dismiss a UCL claim
 28 for lack of Article III standing, explained that removal jurisdiction is a different
 question than subject matter jurisdiction, and stated that the “[plaintiff’s] standing
 problem simply does not implicate the question whether . . . the requirements for
 diversity jurisdiction [are met].” *Id.* at 1005. Judge Kozinski’s concurring opinion
 further explains that when the requirements for diversity jurisdiction are met, “the
 case is removable and our inquiry ends,” and a court will consider standing as a
 separate inquiry “at the next step.” *Id.* at 1008. *See also Jadeja v. Redflex Traffic*
Systems, Inc., 764 F. Supp. 2d 1192 (N.D. Cal. 2011) (after defendants removed and
 defeated an attempt to remand, court granted motion to dismiss for lack of Article III
 standing).

1 not control. In *Edwards*, the plaintiff alleged she bought a house using a settlement
2 agent that had an unlawful kickback arrangement with First American, resulting in a
3 charge to her of \$455.43 for title insurance. She alleged First American charged her
4 a fee in violation of the Real Estate Settlement Procedures Act of 1974 (“RESPA”),
5 12 U.S.C. § 2607. The Ninth Circuit found the plaintiff adequately pled standing
6 when she alleged the two elements of her claim for violation of RESPA — *i.e.*, (1)
7 payment by one covered business to another of a kickback or split of a loan fee, and
8 (2) plaintiff’s payment of a fee to one of the businesses for title insurance — even
9 though the alleged kickback did not increase the fee she paid. 610 F.3d at 517-18.
10 But *Edwards* has no bearing here. The plaintiff in *Edwards* alleged she paid a fee
11 under circumstances which the statute prohibited which the court found met the
12 necessary standing. However, the statute in *Edwards* did not require “injury” as the
13 STL law requires, and is distinguishable for that additional reason. Boorstein pleads
14 no financial detriment or any other legally cognizable harm that has any nexus to
15 alleged unlawful activity by Men’s Journal (*i.e.*, purported failure to comply with the
16 STL law’s contact notice requirements). Therefore, *Edwards* is not applicable.¹¹

17 Because Boorstein lacks Article III standing, the Court should dismiss his
18 Complaint pursuant to Rule 12(b)(1).

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¹¹ In any event, the Supreme Court granted First American’s petition for a writ of certiorari to resolve whether the Ninth Circuit’s holding that the plaintiff suffered sufficient injury under Article III conflicted with the “actual” injury standing requirement articulated in *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992). See *First Am. Fin. Corp. v. Edwards*, 131 S. Ct. 3022 (2011). The Court heard oral argument last November.

IV. CONCLUSION

Boorstein’s Complaint is a misguided attempt to take advantage of the STL law to obtain a large monetary recovery, when Men’s Journal kept neither Boorstein nor any other putative class member “in the dark” or caused them any cognizable legal injury. The Court should dismiss the Complaint in its entirety with prejudice, and without leave to amend.

DATED: March 2, 2012

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