FILED Superior Court of California County of Los Angeles 07/03/2023 David W. Slayton, Executive Officer / Clerk of Court M. Fregoso Deputy [Assigned for all purposes to Hon. Elihu STIPULATED REQUEST FOR LEAVE TO FILE PLAINTIFFS' FOURTH AMENDED COMPLAINT; Proposed

June 21, 2019

Not set

#### **STIPULATION**

Plaintiffs Diana Ismailyan and Jeff Torres (collectively, "Plaintiffs"), and Defendant Apple Inc. ("Apple") (jointly, the "Parties"), by and through their respective counsel, hereby request that the Court grant leave for Plaintiffs to file their proposed Fourth Amended Complaint attached hereto as Exhibit 1.

The proposed Fourth Amended Complaint correctly names the current Plaintiffs and revises the proposed class definition per the Parties' anticipated settlement agreement. This amendment resulted from the Parties' continuous work to finalize their settlement agreement and is requested in anticipation of the motion for preliminary approval of class settlement. Accordingly, the Parties respectfully request that the Court grant Plaintiffs leave to amend to file their proposed Fourth Amended Complaint.

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Dated: June 30, 2023

Dated: June 30, 2023

Respectfully submitted,

/s/ Thiago M. Coelho

Thiago M. Coelho

### WILSHIRE LAW FIRM, PLC

Attorneys for Plaintiffs and the Putative Class

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Respectfully submitted,

/s/ Michelle C. Doolin

Michelle C. Doolin Beatriz Mejia Max A. Bernstein **COOLEY LLP** 

Attorneys for Defendant

Dated:

#### [Proposed] ORDER

The Court, having reviewed the stipulation herein, for good cause appearing, orders as follows:

IT IS HEREBY ORDERED that the Stipulated Request for Leave to File Plaintiffs' Fourth Amended Complaint is GRANTED.

IT IS FURTHER ORDERED that Plaintiffs must file their Fourth Amended Complaint no later than ten (10) days of entry of this Order.

IT IS SO ORDERED.

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UP CONTRACTOR

Elihu M. Berle

Elihu M. Berle / Judge

HON. ELIHU M. BERLE LOS ANGELES SUPERIOR COURT JUDGE

# EXHIBIT 1

3055 Wilshire Brd, 12th Floor Los Angeles, CA 90010-1137	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Thiago Coelho, SBN 324715 thiago@wilshirelawfirm.com ustin F. Marquez, SBN 262417 ustin@wilshirelawfirm.com ennifer M. Leinbach, SBN 281404 deinbach@wilshirelawfirm.com esenia A. Martinez, SBN 316969 esenia.martinez@wilshirelawfirm.com esese S. Chen, SBN 336294 chen@wilshirelawfirm.com  VILSHIRE LAW FIRM, PLC 055 Wilshire Boulevard, 12th Floor cos Angeles, California 90010 Telephone: (213) 381-9988 facsimile: (213) 381-9989  Attorneys for Plaintiffs and the Putative Class  SUPERIOR COURT FOR THE STATE OF CALIFORNIA  COUNTY OF LOS ANGELES	
	15 16 17 18 19 20 21 22 23 24 25 26 27 28	WALTER PETERS, individually and on behalf of all others similarly situated,  Plaintiffs,  v.  APPLE INC., a California corporation; DOES 1 to 100, inclusive,  Defendants.	Case No. 19STCV21787  CLASS ACTION  [Assigned for All Purposes to Hon. Elihu M. Berle, Dept. 6]  FOURTH AMENDED COMPLAINT DEMAND FOR JURY TRIAL  Initial Complaint Filed: June 21, 2019 Trial Date: None set

FOURTH AMENDED COMPLAINT; DEMAND FOR JURY TRIAL

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Plaintiffs Diana Ismailyan and Jeff Torres ("Plaintiffs"), individually and on behalf of all others similarly situated, bring this action based upon personal knowledge as to themselves and their own acts, and as to all other matters upon information and belief, based upon, inter alia, the investigation of their attorneys.

#### NATURE OF THE ACTION

- 1. Defendant Apple Inc. ("Apple" or "Defendant") is a California corporation headquartered in Cupertino, California, that designs, develops, and sells consumer electronics, computer software, and online services. In order to use any of Apple's services, a customer needs to purchase an iPhone, or an iPad, or another similar Apple device. An Apple iPhone can cost as much as \$1,349, but it also gives access to specific services of which only Apple offers. Apple's online services include the iOS App Store, a digital distribution platform for mobile software applications (the "App Store") developed with Apple's iOS software development kit, these applications are programs that have several different uses. Through the App Store, consumers can download Apps onto the iPhone smartphone, the iPod Touch handheld computer, or the iPad tablet computer. In addition, some Apps can be transferred to the Apple Watch smartwatch or fourth generation or newer Apple TV as extensions of iPhone Apps. As of February 2019, there were 2.2 million Apps available for download on the App Store.
- 2. Apps with paid renewable or auto-renewable subscriptions have become an increasingly popular and prevalent model on the App Store in recent years. Rather than a one-time charge, these Apps require a periodic subscription payment, a monthly or yearly fee, in order for the consumer to continue using the Apps. Apple takes thirty percent of these fees for the first year that a subscriber maintains the Apps, and fifteen percent of the fees thereafter.
- 3. Apple's "Media Services Terms and Conditions" purports to be a "contract" that "govern[s]" a consumer's use of "Apple's services ('Services'), through which you [the consumer] can buy, get, license, rent or subscribe to media, apps ('Apps'), and other in-app services ('Content')." The purported contract further states that Apple's "Services are: iTunes Store, App Store, Apple Books, Apple Music, and Apple News."

- 4. Apple's "Media Services Terms and Conditions" also describes Apple Family Sharing as a service by incorporating the document's definition of "Content" described above. Indeed, the document states: "Purchase Sharing: Family Sharing's Purchase Sharing feature allows you to share eligible Content with up to six members of a Family."
- 5. Apple Family Sharing is a service of the App Store through which Apple purports to allow six family members to share Apps purchased. According to Apple's advertisements, with Family Sharing, once one family member purchases an App, it becomes immediately available to all other family members' devices. To set up Family Sharing, the initiating user designates up to five other users as "family" in the initiator's Apple Account. The family member next must consent to entering the Apple family. Thereafter, once any family member purchases an App which supports Family Sharing through the App Store, paying a single time for that App, the purchased App downloads automatically in the background to the devices of the other family members. Once the download completes, each family member has the same full use of the App and all its features without any additional charge on their respective devices.
- 6. Apple places and/or demands that its software developers place a small advertisement on the landing pages for its Apps which states that the App supports Family Sharing. These landing pages contain descriptions and specifications for the App and are the means through which the Apps are downloaded onto a device. As a result, when a consumer goes to the page on which the App is described, and through which the App can be downloaded, the consumer receives a statement from Apple, which states that the App is available for Family Sharing, and will therefore be automatically downloaded onto six designated additional devices when it is downloaded onto the original device. Up until January 30, 2019, this statement was as follows: "Supports Family Sharing. With Family Sharing set up, up to six family members can use this app." The statement, and the icon which accompany it, pasted below, are designed by Apple:

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- 7. Apple included this advertisement on all or virtually all of the available Apps' landing pages from the time at which Family Sharing was first initiated through January 30, 2019. However, not all Apps supported Family Sharing during that time period. Specifically, the vast majority of subscription-based Apps, which is a growing percentage of Apple Apps, cannot be shared with designated family members. They are available only to the individual user who downloads the App and sets up a subscription. All or virtually all of these Apps, however, included the statement that they support Family Sharing on their landing pages through January 30, 2019.
- 8. Apple was aware that the vast majority of subscription-based Apps did not support family sharing, yet it placed the advertisement and/or demanded that the software developer place the advertisement on the landing pages of virtually all subscription-based Apps. This advertisement is materially misleading, in that it plainly states that the App is available for Family Sharing, when it is not. Millions of consumers have downloaded subscription-based Apps believing that they are available for Family Sharing, only to learn after payment has been made that they are not so available.
- 9. As a result of Apple's deceptive and misleading practices, Plaintiffs and the Class Members were induced to purchase subscription-based Apps for which Apple receives hefty fees, believing that those Apps could be shared with up to six family members—when in fact they were available only to the single user who set up the subscription. Apple has made millions of dollars in fraudulent sales to individuals who Apple told were receiving up to six copies of an App when they were receiving only one. Apple's customers did not receive the benefit of their bargain. They were misled.

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- 10. Family Sharing also features prominently in Apple's marketing of its devices, including iPhones, iPads, and laptops. For instance, Apple's website has a specific page devoted to its Family Sharing services (apple.com/families). Apple's website states: "Share apps, movies, music and more with your whole family. Family Sharing lets you share the things you love with the people you love, so you don't all have to buy the same stuff over and over. It's simple to set up, and gives everyone in your family access to shared iCloud storage."
- 11. As a result of Apple's deceptive and misleading practices, Plaintiffs and the Class Members were induced to purchase Apple devices such as iPhones, iPads, and laptops in order to use the Family Sharing service for subscription-based Apps for one price so they "don't have to buy the same stuff over and over." However, as described in this Complaint, Family Sharing was available only to the single user who set up the subscription. Apple has made millions of dollars in fraudulent sales to individuals who Apple told were receiving up to six copies of an App when they were receiving only one. Apple's customers did not receive the benefit of their bargain. They were misled.
- 12. On January 30, 2019, Apple changed the advertisements on the landing pages of its subscription-based Apps to read: "In-app purchases can't be shared with family members." The necessity of making this change encapsulates exactly why the prior language was misleading. Without this language, it appeared from Apple's own advertisement that a subscription-based App could be shared among six family members, with only one subscription purchased. As a subscription is an in-App purchase, the language of the advertisement is now far less misleading. However, the change highlights the misleading nature of the original advertisement.

#### THE PARTIES

13. Plaintiff Diana Ismailyan is a California citizen residing in Los Angeles, California. On May 16, 2017, Ms. Ismailyan purchased a subscription-based App on the App Store, which was advertised as supporting Family Sharing, but which did not. Ms. Ismailyan signed up for family sharing on November 17, 2016, and as of that date she already had at least one family member signed up with her account who had registered a device in his name on June 1, 2016.

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14. Plaintiff Jeff Torres is a California citizen residing in Chowchilla, California. On December 8, 2017, Mr. Torres purchased a subscription-based App on the App Store, which was advertised as supporting Family Sharing, but which did not. Mr. Torres signed up for family sharing on September 20, 2014, and had at least one family member signed up with his account who had a registered device in his name on September 21, 2015.

- 15. Defendant Apple is a California corporation with its principal offices located at 1 Apple Park Way, Cupertino California, 95014.
- 16. Plaintiffs are unaware of the true names, identities, and capacities of the defendants sued herein as Does 1 to 100. Plaintiffs will seek leave to amend this complaint to allege the true names and capacities of Does 1 to 100 if and when ascertained. Plaintiffs are informed and believe, and thereupon allege, that each of the defendants sued herein as a Doe is legally responsible in some manner for the events and happenings alleged herein and that each of the defendants sued herein as a Doe proximately caused injuries and damages to Plaintiffs and Class Members as set forth below.
  - 17. As used herein, "Defendants" shall refer to Apple and Does 1 to 100, collectively.

#### **JURISDICTION AND VENUE**

- 18. This Court has subject matter jurisdiction over this action pursuant to Section 410.10 of the California Code of Civil Procedure.
- 19. The Court has personal jurisdiction over Defendants because Plaintiffs' and Class Members' claims arise out of Defendants' business activities conducted in the State of California.
- 20. Venue is appropriate in Los Angeles County because many of the acts and omissions that give rise to the claims for relief alleged in this action took place in Los Angeles County.

#### **FACTUAL ALLEGATIONS**

21. Plaintiffs are individuals who purchased an iPhone, and who have also purchased Apps from the App Store. Plaintiffs have set up Family Sharing service on their Apple accounts, which means that Apps which are designated as Family Sharing Apps will be available for use on up to six total family members' devices. Ms. Ismailyan set up Family Sharing on her account on November 17, 2016, and as of that date she already had at least one family member signed up, registering a device, on June 1, 2016. On May 16, 2017, Ms. Ismailyan purchased an App with a

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- 22. Mr. Torres set up Family Sharing on his account on September 20, 2014, and had at least one family member join him, registering a device, on September 21, 2015. On December 8, 2017, Mr. Torres also purchased the YouTube Red App, with a subscription, on the App Store using his iPhone device.
- 23. When Plaintiffs made these purchases, Brainwell's and YouTube Red's landing pages contained an advertisement which stated:

## Supports



#### Family Sharing

Up to six family members will be able to use this app with Family Sharing enabled.

Of course, if these Apps were not supported by the Family Sharing service, Apple had the option of simply not including this advertisement with these, or any Apps.

24. Plaintiffs believed that this advertisement meant that Brainwell and YouTube Red would be shared with their designated family members, and that, with a single purchase, each family member would be able to use the Apps. Indeed, Apple's Family Sharing set-up states just that:

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25. Apple's own website also makes a similar statement: "All your family's purchases on all your family's devices. When you set up purchase sharing, the songs, albums, movies, TV shows, books, and apps purchased by family members are immediately available to everyone else in the group." <a href="https://www.apple.com/family-sharing/">https://www.apple.com/family-sharing/</a>. Had Plaintiffs known that the Apps they purchased did not support Family Sharing, they would not have purchased the App. Plaintiffs made their purchase in reliance upon this belief.

26. However, when Plaintiffs purchased the Brainwell App and YouTube Red subscriptions, the software did not automatically become available for use on each of their family members' devices. Brainwell and YouTube Red are subscription-based Apps, requiring either a monthly or yearly subscription, in order for them to be used. The Brainwell and YouTube Red subscriptions were available for use only on Plaintiffs' devices.

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27. Accordingly, Plaintiffs purchased the Apps in reliance on a false advertisement created by Apple and placed on the App landing pages by Apple and/or at Apple's behest, and did not receive the benefit of their bargains, which amounts to a usable version of the software in question for up to six family members.

#### **CLASS ACTION ALLEGATIONS**

28. Plaintiffs bring this action on their own behalf and pursuant to California Code of Civil Procedure § 382. Plaintiffs intend to seek certification of a class defined as follows:

> All persons who initiated the purchase of a subscription to an app through the Apple App Store, excluding subscriptions to first-party Apple apps, during the period June 21, 2015 through January 30, 2019, while enrolled in a Family Sharing group that had at least one other member at the time of the purchase, and who Apple's records indicate were residents of the United States at the time of the purchase.

- 29. Excluded from the Class are: (a) Defendants, including any entity in which any of the Defendants has a controlling interest, is a parent or a subsidiary of, or which is controlled by any of the Defendants; (b) the officers, directors, and legal representatives of Defendants; and (c) the judge and the court personnel in this case as well as any members of their immediate families. Plaintiffs reserve the right to amend the definition of the Class if discovery, further investigation and/or rulings by the Court dictate that it should be modified.
- 30. Ascertainability. The class is ascertainable from Defendants' own records. Defendants keep records, including by storing records related to its customers' Apple IDs, which record who has signed up for family sharing, who has a registered device, and who has purchased a subscription-based App during the class period.
- 31. *Numerosity*. The members of the Class are so numerous that the joinder of all Class Members is impractical. While the exact number of Class Members is unknown to Plaintiffs at this time, given the number of App Store customers in California, it stands to reason that the number of Class Members is at least in the thousands. Class Members are readily identifiable from information and records in Defendants' possession, custody, or control, such as account information and sales records.

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- 32. Commonality and Predominance. There are questions of law and fact common to Class Members, which predominate over any questions affecting only individual Class Members. These common questions of law and fact include, without limitation:
  - Whether Defendants posted the advertisement on the landing pages or were a. otherwise responsible for the advertisement's presence on the landing pages;
  - b. Whether subscription-based Apps support Family Sharing;
  - Whether the advertisement stated that Family Sharing was enabled for the App in c. question;
  - d. Whether Defendants had a policy of requiring App developers to place the advertisement on the landing pages;
  - Whether Defendants created the advertisement: e.
  - f. Whether Defendants knew or should have known that the subscription-based Apps in question would not support Family Sharing;
  - Whether Defendants owed a duty of care to its customers to ensure that the landing g. pages for the Apps on the App Store did not contain misrepresentations, and the scope of that duty of care;
  - h. The nature of the relief, including equitable relief, to which Plaintiffs and Class Members are entitled; and
  - i. Whether Plaintiffs and Class Members are entitled to damages, civil penalties and/or injunctive relief.
- 33. Typicality. Plaintiffs' claims are typical of those of other Class Members because Plaintiffs, like other Class Members, purchased an Apple device, signed up for family sharing and had at least one family member with a registered device, and then purchased a subscription-based App on the App Store which was advertised as a Family Sharing App, but did not permit Family Sharing services to other users without paying additional money.
- 34. Adequacy of Representation. Plaintiffs will fairly and adequately represent and protect the interests of the Class Members. Plaintiffs have retained competent counsel experienced in litigation of class actions, including consumer class actions, and Plaintiffs intend to prosecute

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- 35. Superiority of Class Action. A class action is superior to other available methods for the fair and efficient adjudication of the claims alleged in this action. The adjudication of this controversy through a class action will avoid the possibility of inconsistent and potentially conflicting adjudications of the asserted claims. There will be no difficulty in the management of this action as a class action, and the disposition of the claims of the Class Members in a single action will provide substantial benefits to all parties and to the Court. Damages for any individual Class Member are likely insufficient to justify the cost of individual litigation so that, in the absence of class treatment, Defendants' violations of law inflicting substantial damages in the aggregate would go un-remedied.
- 36. Class certification is also appropriate because Defendants have acted or refused to act on grounds generally applicable to the Class Members, such that final injunctive relief or corresponding declaratory relief is appropriate as to the Class as a whole.

#### FIRST CAUSE OF ACTION

#### INTENTIONAL MISREPRESENTATION

- 37. Plaintiffs repeat and incorporate herein by reference each and every allegation contained in paragraphs 1 through 36, inclusive, of this Fourth Amended Complaint as if set forth fully herein.
- 38. Defendants represented to Plaintiffs and Class Members that certain Apps, which were subscription-based Apps, supported Apple's Family Sharing service. Specifically, Defendants placed an advertisement, or caused to be placed an advertisement, on the landing pages of all such Apps through January 30, 2019, that stated, "Supports Family Sharing. With Family Sharing set up, up to six family members can use this app."
- 39. These representations were false. The Apps did not support Family Sharing services, and could not be shared with family members, but required each individual who used the App to purchase a copy and/or subscribe for the App.

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- 40. Defendants knew that the representations at issue were false when they made them, and/or made the representations recklessly and without regard for their truth. Defendants understood, or should have understood, that as a rule of thumb subscription-based Apps do not support Family Sharing services. Moreover, as Defendants were in a contractual relationship with the App developers through which they shared in the App developer's profits from the App Store, including taking thirty percent of subscription-based revenue for the first year of the subscription, and fifteen percent of subscription-based revenue thereafter, Defendants were in a position to learn directly from the App developers whether or not their Apps would support Family Sharing.
- 41. Defendants intended that Plaintiffs and the Class Members rely on the representations. The advertisement was placed on the landing pages for the express purpose of inducing the potential customer to purchase the Apps.
- 42. Plaintiffs and the Class Members reasonably relied on the representations. Plaintiffs and the Class Members, who had signed up for Family Sharing and had at least one family member with a registered device, believed that the Apple devices and Apps they purchased would support Family Sharing, i.e., that subscription-based Apps would be automatically shared with up to six designated family members on their respective devices. Plaintiffs and the Class Members believed that Apple's advertisement would be accurate. Plaintiffs and the Class Members purchased the Apple devices and Apps due to the fact that they believed that the Apps would automatically be shared with their family members.
- 43. As a result, Plaintiffs and the Class Members were harmed when they purchased the Apple devices and Apps and learned that Apple's services were not automatically shared with their family members. Plaintiffs and the Class Members did not receive the benefit of their bargains. Plaintiffs and the Class Members also paid for Apple devices and Apps that they would not otherwise have purchased.
- 44. Plaintiffs' and the Class Members' reliance on Defendants' representations was a substantial factor in causing this harm. Had Plaintiffs and Class Members known that the Apple devices and Apps did not support Family Sharing, they would have made different purchasing decisions, and not have paid for those Apple devices and Apps.

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45. As a direct and proximate result of Defendants' intentional misrepresentation, Plaintiffs and Class Members have suffered injury and are entitled to damages in an amount to be proven at trial but in excess of the minimum jurisdictional requirement of this Court.

#### SECOND CAUSE OF ACTION

#### **NEGLIGENT MISREPRESENTATION**

- 46. Plaintiffs repeat and incorporate herein by reference each and every allegation contained in paragraphs 1 through 45, inclusive, of this Fourth Amended Complaint as if set forth fully herein.
- 47. Defendants represented to Plaintiffs and the Class Members that certain Apps, which were subscription-based Apps, supported Family Sharing. Specifically, Defendants placed an advertisement, or caused to be placed an advertisement, on the landing pages of all such Apps that stated, through January 30, 2019, "Supports Family Sharing. With Family Sharing set up, up to six family members can use this app."
- 48. These representations were false. The Apps did not support Family Sharing, and could not be shared with family members, but required each individual who used the App to purchase a copy and/or subscribe for the App.
- 49. Defendants had no reasonable grounds for believing that the representations were true when they made them. As a rule of thumb, subscription-based Apps are not compatible with Family Sharing services. Moreover, since Defendants and the App designers were in a contractual relationship pursuant to which they shared in the proceeds of the subscriptions, Defendants were in a position to learn directly from the App designers which Apps were compatible with Family Sharing.
- 50. Defendants intended that Plaintiffs and the Class Members rely on the representations. The advertisement was placed on the landing pages for the express purpose of inducing Plaintiffs and the Class Members to purchase the App.
- 51. Plaintiffs and the Class Members reasonably relied on the representations. Plaintiffs and the Class Members, who had signed up for Family Sharing and had at least one family member with a registered device, believed that the Apple devices and Apps they purchased would support

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Family Sharing, i.e., that subscription-based Apps would be automatically shared with up to six designated family members on their respective devices. Plaintiffs and Class Members believed that Apple's advertisement would be accurate. Plaintiffs and Class Members purchased the Apple devices and Apps due to the fact that they believed that the Apps would automatically be shared with their family members.

- 52. As a result, Plaintiffs and the Class Members were harmed when they purchased the Apple devices and Apps and learned that Apple's services were not automatically shared with their family members. Plaintiffs and the Class Members did not receive the benefit of their bargains. Plaintiffs and the Class Members also paid for Apple devices and Apps that they would not otherwise have purchased.
- 53. Plaintiffs' and the Class Members' reliance on Defendants' representations was a substantial factor in causing this harm. Had Plaintiffs and Class Members known that the Apple devices and Apps did not support Family Sharing, they would not have paid for those Apple devices and Apps and would have made different purchasing choices.
- 54. As a direct and proximate result of Defendants' negligent misrepresentation, Plaintiffs and Class Members have suffered injury and are entitled to damages in an amount to be proven at trial but in excess of the minimum jurisdictional requirement of this Court.

#### THIRD CAUSE OF ACTION

## VIOLATION OF CALIFORNIA FALSE ADVERTISING LAW,

#### CAL. BUS. & PROF. CODE § 17500, ET. SEQ.

- 55. Plaintiffs repeat and incorporate herein by reference each and every allegation contained in paragraphs 1 through 54, inclusive, of this Fourth Amended Complaint as if set forth fully herein.
- 56. Defendants' advertisements, stating that the Apps in question were subject to Family Sharing services, were false. The Apps could not be shared via Apple's Family Sharing service. These advertisements were made, through the internet, to California residents.
- 57. Plaintiffs and the Class Members, who had signed up for family sharing and had at least one family member with a registered device, relied on the advertisements by purchasing Apps

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that they believed could be shared with family members through Apple's Family Sharing service. The representation that the Apps could be shared through Apple's Family Sharing service contributed materially to Plaintiffs and the Class Members' decisions to purchase the Apple devices and Apps.

- 58. As a result, Plaintiffs and Class Members were damaged. Plaintiffs and Class Members did not receive the benefit of their bargains and were unable to share the Apps with any family members. Plaintiffs and Class Members also paid for Apple devices and Apps that they would not have purchased had they known the truth.
- 59. Plaintiffs and the Class Members have suffered monetary injury in fact as a direct and proximate result of the violations of the False Advertising Law committed by Defendants as alleged herein in an amount to be proven at trial but in excess of the minimum jurisdictional amount of this Court.

#### **FOURTH CAUSE OF ACTION**

#### VIOLATION OF THE UNFAIR COMPETITION LAW,

#### CAL. BUS. & PROF. CODE § 17200, ET SEQ.

- 60. Plaintiffs repeat and incorporate herein by reference each and every allegation contained in paragraph 1 through 59, inclusive, of this Fourth Amended Complaint as if set forth fully herein.
- By their actions and conduct as alleged herein, Defendants have committed one or 61. more acts of unfair competition within the meaning of California Business and Professions Code § 17200 ("UCL") that constitute unfair, unlawful and/or fraudulent business practices as those terms are defined under California law.
- 62. Defendants' business practices are unfair under the UCL because Defendants have acted in a manner that is immoral, unethical, oppressive, unscrupulous and/or substantially injurious to Plaintiffs and the Class Members. These business practices, described above, include creating false advertisements in the App Store, placing the false advertisements in the App Store, requiring App developers to include false advertisements in the App Store, knowingly permitting App developers to include false advertisements in the App Store, and/or negligently permitting App

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developers to include false advertisements in the App Store. The false advertisements are substantially injurious because they induce consumers to make purchases that they would not otherwise make, in expectation of receiving benefits that they do not receive. Further, the impact of the practice against Plaintiffs and the Class Members far outweighs any possible justification or motive on the part of Defendants. The impact on Plaintiffs and the Class Members has been described. Defendants can have no possible justification for including a false inducement to purchase every or nearly every subscription-based App. Plaintiffs and the Class Members could not reasonably have avoided this injury because they relied on Defendants' advertisement as to the quality and characteristics of the Apple devices and products being sold on the App Store, as all consumers who purchase items on the App Store must do.

- 63. Defendants' false advertisement is violative of public policy as expressed in the False Advertising Law. The False Advertising Law strictly forbids false advertisement such as Defendants have disseminated and/or caused to be disseminated, and represents an expression of public policy against this practice.
- 64. Defendants' business practices are also unfair because they significantly threaten or harm competition. Competition is fostered by an environment in which information can be relied upon, so that consumers can make wise decisions, and so that products which accurately reflect the consumers' wishes can flourish.
- 65. As shown above, Defendants' business practices are also unlawful because they violate the False Advertising Law.
- 66. Defendants' business practices are also fraudulent under the UCL because they constitute representations to the public which are likely to deceive the public. The representations state that the Apple devices and Apps in question support Family Sharing, when in fact they do not. The public, receiving these representations, is likely to believe that the Apps in question do in fact support Family Sharing, and is so deceived.
- 67. Defendants' representations are likely to deceive the public because they are untrue and because they state that the Apple devices and Apps in question support Family Sharing, when they do not in fact allow for such sharing. A reasonable consumer would be likely to believe that,

if Apple states that the Apple devices and Apps support Family Sharing, that they do in fact support Family Sharing.

- 68. Plaintiffs and the Class Members, who had signed up for Family Sharing and had at least one family member with a registered device, relied on these representations when they purchased the Apple devices and Apps, which they would not have otherwise purchased.
- 69. Plaintiffs and Class Members have suffered monetary injury in fact as a direct and proximate result of the acts of unfair competition committed by Defendants as alleged herein in an amount to be proven at trial but in excess of the minimum jurisdictional amount of this Court.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, individually and on behalf of the Class, pray for relief as follows:

- (1) For compensatory damages in an amount to be proven at trial;
- (2) For restitutionary damages in an amount to be proven at trial;
- (3) For affirmative injunctive relief mandating that Defendants remove the false advertisements from their Apple store and Apple App Store;
- (4) For costs of suit and litigation expenses;
- (5) For such other and further relief as this Court may deem just and proper.

#### **DEMAND FOR JURY TRIAL**

Plaintiffs, on behalf of themselves and all others similarly situated, hereby demand a jury trial for all claims so triable.

Dated: June 30, 2023 Respectfully submitted,

/s/ Thiago M. Coelho

Thiago M. Coelho

WILSHIRE LAW FIRM, PLC

Attorneys for Plaintiffs and the Putative Class

#### PROOF OF SERVICE

Peters, et al. v. Apple Inc., et al. 19STCV21787

I, K. Elizabeth Maddison, am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to this action. My business address is 3055 Wilshire Blvd., 12<sup>th</sup> Fl., Los Angeles, California 90010. My electronic service address is kmaddison@wilshirelawfirm.com. On **June 30, 2023**, I served the foregoing document described as:

## STIPULATED REQUEST FOR LEAVE TO FILE PLAINTIFFS' FOURTH AMENDED COMPLAINT; [Proposed] ORDER

[✓] BY ELECTRONIC SERVICE: Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the persons at the electronic service addresses listed above via third-party cloud service CASEANYWHERE.

Beatriz Mejia
Max A. Bernstein
Anupam S. Dhillon
Cooley, LLP
3 Embarcadero Center, 20th Floor
San Francisco, CA 94111
Telephone: 415-693-2000
Facsimile: 415-693-2222
mejiab@cooley.com
mberstein@cooley.com
adhillon@cooley.com
Attorneys for Defendant Apple Inc.

Michelle C. Doolin
Cooley, LLP
10265 Science Center Drive
San Diego, CA 92121
Telephone: 858-550-6000
Facsimile: 858-550-6420
mdoolin@cooley.com
Attorneys for Defendant Apple Inc.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this June 30, 2023, at Los Angeles, California.

/s/ K. Elizabeth Maddison

K. Elizabeth Maddison

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