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FILED

JUN 22 2011

RICHARD W. WIENING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

E-filing

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA

LB

CV 11 3092
CASE NO.

12 CRISTINA WONG, an individual, on her
13 own behalf and on behalf of all others
14 similarly situated,

14 Plaintiffs,

15 vs.

16 DROPBOX, INC., a Delaware
17 Corporation; and DOES 1-10,

18 Defendants.

CLASS ACTION COMPLAINT FOR:

1. Violation of the California Unfair Competition Law, Business & Professions Code §17200, *et seq.*
2. Invasion of Privacy - Intrusion, Public Disclosure of Private Facts, Misappropriation of Likeness and Identity, and California Constitutional Right to Privacy
3. Negligence
4. Breach of Express Warranty
5. Breach of Implied Warranty

DEMAND FOR JURY TRIAL

FILED BY FAX

1 Plaintiff CRISTINA WONG ("Plaintiff") bring this action against Defendant
2 DROPBOX, INC., a Delaware Corporation ("Defendant"), and DOES 1-10 on behalf
3 of herself and all others similarly situated. Plaintiff makes the following allegations
4 upon information and belief, except as to her own actions, the investigation of her
5 counsel, and the facts that are a matter of public record:
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7
8 **PARTIES**

9 1. Plaintiff is an individual who resides in Los Angeles County, California.
10 Plaintiff is a subscriber to, and user of, Defendant's services.
11

12 2. Defendant DROPBOX, INC., is a Delaware Corporation with its principal
13 place of business and headquarters in San Francisco, California.
14

15 3. The true names and capacities, whether individual, corporate, associate or
16 otherwise, of the defendants designated as a DOE are unknown to Plaintiff at this time
17 and therefore Plaintiff sues these defendants by such fictitious names. Plaintiff will
18 ask leave of the Court to amend this Complaint to show the true names and capacities
19 of the DOE defendants when that information has been ascertained. Plaintiff is
20 informed and believes and thereon alleges that each of the defendants designated
21 herein as a DOE is legally responsible in some manner and liable for the events and
22 happenings herein alleged and, in such manner, proximately caused harm to Plaintiff
23 as herein further alleged.
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27 **JURISDICTION AND VENUE**

28 4. This Court has original jurisdiction pursuant to 28 U.S.C. §1332(d)(2). In

1 the aggregate, Plaintiff's claims and the claims of the other members of the Class
2 exceed \$5,000,000 exclusive of interest and costs, and there are numerous class
3 members who are citizens of states other than Defendant's state of citizenship, which
4 is California.
5

6 5. This Court has personal jurisdiction over Defendant because Defendant
7 has its headquarters and principal place of business, and is authorized to do business,
8 in the State of California.
9

10 6. Venue is proper in this Court pursuant to 28 U.S.C. §1391 because
11 Defendant resides in this District, many of the acts and transactions giving rise to this
12 action occurred in this District and because Defendant is subject to personal
13 jurisdiction in this District.
14
15

16 GENERAL ALLEGATIONS

17 7. Defendant offers consumers internet-based "cloud"-type storage services,
18 promising consumers easy, secure access to their electronic data from multiple
19 computers, smartphones, and other devices capable of connecting to the Internet.
20

21 8. Defendant creates software applications that, when downloaded, allow
22 consumers to store data in a single folder that can be accessed by multiple devices
23 capable of connecting to the internet.
24

25 9. Defendant claims to have over 25 million subscribers.
26

27 10. "Dropbox is used by millions of people every day, . . . and [Defendant]
28 promise[s] them . . . that [Defendant] work[s] hard to keep your most important data

1 safe, secure, and private.” (April 21, 2011, Dropbox blog post, available at
2 <<http://blog.dropbox.com/>> (last visited June 22, 2011).)
3

4 11. Defendant tells consumers: “We believe that storing data in Dropbox is
5 far more safe than the alternatives. We’ve designed Dropbox to protect user data
6 against threats of all kinds.” (April 21, 2011, Dropbox blog post, available at
7 <<http://blog.dropbox.com/>> (last visited June 22, 2011).)
8

9 12. Defendant boasts: “We’re dedicated to security” and “We’re proud of our
10 excellent track record in security. Since the very beginning, we’ve devoted an
11 incredible amount of resources and attention to it.” (April 21, 2011, Dropbox blog
12 post, available at <<http://blog.dropbox.com/>> (last visited June 22, 2011).)
13

14 13. Defendant promises customers that, “Your stuff is safe,” and “Dropbox
15 protects your files without you needing to think about it.” <[https://www.dropbox.com/
16 features](https://www.dropbox.com/features)> (last visited June 22, 2011).
17

18 14. Defendant makes representations, such as those above, concerning its
19 purportedly reliable security measures, in order to reassure customers that data saved
20 on Defendant’s system will be safe and secure from others. Defendant realizes that
21 customers need and desire security in any such system, and will not purchase or use
22 such a system if data stored on it is not secure.
23

24 15. Defendant encourages consumers to store sensitive personal and business-
25 related information on its system. For instance, Defendant advertises potential
26 business uses of its software on its website, and uses the purported real-life example of
27
28

1 a call center manager who saves recordings of phone calls to drop box that he or she
2 listens to "on my way home from my Cell Phone" and scores when he or she gets
3 home, using Defendant's system. (June 7, 2011, Dropbox blog post, available at
4 <<http://blog.dropbox.com/>> (last visited June 22, 2011).)
5

6 16. Plaintiff, like other users of Defendant's system, downloaded and utilized
7 Defendant's Dropbox system in order to store personal, sensitive, and private data that
8 she wishes to keep secure.
9

10 17. On June 20, 2011, Defendant announced, via a "blog" post on its website,
11 that it had "introduced a bug" on June 19, 2011, which allowed users logged in to its
12 system to log into other users' accounts and access those other users' data stored on
13 Dropbox. (June 20, 2011, Dropbox blog post, available at <<http://blog.dropbox.com/>>
14 (last visited June 22, 2011).)
15

16 18. Defendant failed to notify the vast majority, if not all, of its 25 million-
17 plus users that their information had been compromised.
18

19 19. Plaintiff only learned about the June 19, 2011, "bug" and security breach
20 only by reading a news story about it days later.
21

22 20. This is a consumer class action lawsuit brought on behalf of Plaintiff,
23 individually, and on behalf of all other persons who subscribed to Defendant's
24 services, whose private data, stored on Defendant's system, was compromised on or
25 about June 19, 2011.
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CLASS ACTION ALLEGATIONS

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2 21. Plaintiff brings this action on her own behalf, and on behalf of all other
3 persons similarly situated (“the Class”). The Class that Plaintiff seeks to represent is:
4 All persons who are or who have ever subscribed to Defendant’s Dropbox services and
5 whose personal and/or financial information was breached on or about June 19, 2011.
6 Excluded from the Class are Defendant; officers, directors, and employees of
7 Defendant; any entity in which Defendant has a controlling interest; the affiliates,
8 legal representatives, attorneys, heirs, and assigns of Defendant.
9
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12 22. The members of the Class are so numerous that the joinder of all members
13 is impractical. While the exact number of Class members is unknown to Plaintiffs at
14 this time, based on information and belief, it is in the millions.
15

16 23. There is a well-defined community of interest among the members of the
17 Class because common questions of law and fact predominate, Plaintiff’s claims are
18 typical of the members of the Class, and Plaintiff can fairly and adequately represent
19 the interests of the Class.
20

21 24. This action satisfies the requirements of Federal Rule of Civil Procedure
22 23(b)(3) because it involves questions of law and fact common to the members of the
23 Class that predominate over any questions affecting only individual members,
24 including, but not limited to:
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- 26 a. Whether Defendant unlawfully used, maintained, lost or disclosed
27 Class members’ personal and/or financial information;
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- b. Whether Defendant's conduct violated the California Business & Professions Code §17200, *et seq.*
- c. Whether Defendant's conduct was negligent in introducing a bug that compromised customer data;
- d. Whether Defendant's conduct was negligent in failing to secure its customers' data;
- e. Whether Defendant acted willfully and/or with oppression, fraud, or malice;
- f. Whether Defendant's conduct constituted Public Disclosure of Private Facts;
- g. Whether Defendant's conduct constituted Misappropriation of Likeness and Identity;
- h. Whether Defendant's conduct violated Class members' California Constitutional Right to Privacy;
- i. Whether Defendant's conduct constituted a breach of warranty;
- j. Whether Plaintiff and the Class are entitled to damages, civil penalties, punitive damages, and/or injunctive relief.

25. Plaintiff's claims are typical of those of other Class members because Plaintiff's information, like that of every other class member, was misused and/or disclosed by Defendants.

26. Plaintiff's claims are typical of those of other Class members because

1 Plaintiff, like other class members, relied on Defendant's representations leading
2 Plaintiff to believe her data would be private, safe, and secure on Dropbox.

3
4 27. Plaintiff will fairly and accurately represent the interests of the Class.

5 28. The prosecution of separate actions by individual members of the Class
6 would create a risk of inconsistent or varying adjudications with respect to individual
7 members of the Class, which would establish incompatible standards of conduct for
8 Defendant and would lead to repetitive adjudication of common questions of law and
9 fact. Accordingly, class treatment is superior to any other method for adjudicating the
10 controversy. Plaintiff knows of no difficulty that will be encountered in the
11 management of this litigation that would preclude its maintenance as a class action
12 under Rule 23(b)(3).
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16 29. Damages for any individual class member are likely insufficient to justify
17 the cost of individual litigation, so that in the absence of class treatment, Defendant's
18 violations of law inflicting substantial damages in the aggregate would go un-remedied
19 without certification of the Class.
20

21 30. Defendant has acted or refused to act on grounds that apply generally to
22 the Class, as alleged above, and certification is proper under Rule 23(b)(2).
23

24 **FIRST COUNT**

25 **Violation of the California Unfair Competition Law, Business & Professions Code**

26 **§17200, *et seq.***

27
28 31. Plaintiff incorporates the substantive allegations contained in all previous

1 paragraphs as if fully set forth herein.

2 32. Defendant's conduct constitutes unfair and illegal and fraudulent business
3 practices within the meaning of the California Business & Professions Code § 17200 *et*
4 *seq.*
5

6 33. Defendant's conduct violated certain laws as alleged herein. By engaging
7 in the said conduct in the course of doing business, Defendant engaged in unlawful
8 business practices in violation of the California Business & Professions Code § 17200
9 *et seq.*
10

11 34. By engaging in the above-described conduct in the course of doing
12 business, Defendant engaged in unfair business practices in violation of the California
13 Business & Professions Code section 17200 *et seq.* The harm to each Plaintiff
14
15 outweighed any utility that Defendant's conduct may have produced.
16

17 35. Defendant's failure to disclose to its customers for at least a week after
18 the fact that their personal and financial information was breached, misused and/or
19 disclosed, was likely to mislead the general public and constitutes a fraudulent act or
20 practice in violation of California Business & Professions Code section 17200 *et seq.*
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22 36. Plaintiff suffered injury in fact and lost property and money as a result of
23 Defendant's conduct.
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25 37. Plaintiff seeks restitution and injunctive relief on behalf of the Class.
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SECOND COUNT

**Invasion of Privacy - Intrusion, Public Disclosure of Private Facts,
Misappropriation of Likeness and Identity, and California Constitutional Right
to Privacy**

38. Plaintiff incorporates the substantive allegations contained in all previous paragraphs as if fully set forth herein.

39. Plaintiff had a reasonable expectation of privacy in the private data she stored on Dropbox, which Defendant mishandled.

40. By failing to keep Plaintiff's private data safe, and by misusing and/or disclosing that data to unauthorized parties for unauthorized use, Defendant invaded Plaintiff's privacy by:

- a. intruding into Plaintiff's private affairs in a manner that would be highly offensive to a reasonable person;
- b. publicizing private facts about Plaintiff, which is highly offensive to a reasonable person;
- c. using and appropriating Plaintiff's identity without Plaintiffs' consent;
- d. violating Plaintiff's right to privacy under California Constitution, Article 1, Section 1, through the improper use of Plaintiff's Private Information properly obtained for a specific purpose for another purpose, or the disclosure of it to some third party.

1 compromised, lost, stolen, misused, and/or disclosed to unauthorized parties.

2 47. Defendant had a duty to timely disclose that Plaintiff's private data within
3 its possession had been compromised.
4

5 48. Defendant had a duty to have procedures in place to detect and prevent
6 the loss or unauthorized dissemination of Plaintiff's private data.
7

8 49. Defendant, through its actions and/or omissions, unlawfully breached its
9 duty to Plaintiff by failing to exercise reasonable care in protecting and safeguarding
10 Plaintiff's private data within Defendants' possession, and by introducing a bug that
11 affirmatively compromised the security of Plaintiff's private data.
12

13 50. Defendant, through its actions and/or omissions, unlawfully breached its
14 duty to Plaintiff by failing to exercise reasonable care by failing to have appropriate
15 procedures in place to detect and prevent dissemination of Plaintiff's private data.
16

17 51. Defendant, through its actions and/or omissions, unlawfully breached its
18 duty to timely disclose to the Plaintiff and the Class members the fact that their private
19 data within Defendant's possession had been compromised.
20

21 52. Defendant's negligent and wrongful breach of its duties owed to Plaintiff
22 and the Class proximately caused Plaintiff's and Class members' private data to be
23 compromised.
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25 53. Plaintiff seeks the award of actual damages on behalf of the Class.
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FIFTH COUNT

Breach of Implied Warranty

59. Plaintiff incorporates the substantive allegations contained in all previous paragraphs as if fully set forth herein.

60. Plaintiff, like other Class members, downloaded and utilized Defendant's Dropbox system to store personal and private data.

61. Defendant knew or had reason to know, when Plaintiff and other Class members downloaded its software, that they reasonably believed their private data would be secure on Defendant's system.

62. Defendant knew or had reason to know, when Plaintiff and other Class members downloaded its software, that they were relying on Defendant's skill and judgment to utilize reasonable technology, policies, and procedures to safeguard the privacy of user data, and that Plaintiff and other Class members reasonably expected Defendant would not affirmatively take action to compromise the security of such data.

63. Plaintiff and other Class members justifiably relied on Defendant's skill and judgment.

64. Defendant's Dropbox system was not suitable for the purpose of keeping Plaintiff's and other Class members' data secure.

65. Plaintiff and other Class members were harmed when Defendant introduced a bug compromising the security of data on its system on or about June 19, 2011.

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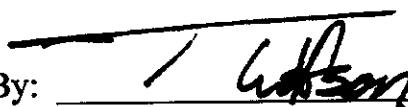
- F. For an award of costs of suit and attorneys' fees, as allowable by law; and
- G. Such other and further relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial of her claims to the extent authorized by law.

Dated: June 22, 2011

AHDOOT & WOLFSON, PC

By: 
Tina Wolfson

Attorneys for Plaintiff
CRISTINA WONG