CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON PAGE TWO OF THE FORM.)

[1] PLAINTIEES

i. (a) PLAINTIFFS				DEFENDAN	(15					
PHONEDOG, LLC, a Dela	aware corporation,			NOAH KRA	VITZ, aı	n individu	ial,			
(b) County of Residence of First Listed Plaintiff CHARLESTON (EXCEPT IN U.S. PLAINTIFF CASES)					(1	N U.S. PLA IDEMNATIO	Defendant A INTIFF CASES ON CASES, USE TH			
(c) Attorney's (Firm Nam	e, Address, and Telephone	Number)		Attorneys (If Kn	own)					
JOHN C. KIRKE, ESQ. DONAHUE GALLAGHE 1999 HARRISON STREE OAKLAND, CA 94612										
II. BASIS OF JURISDIC	CTION (Place an "X" in O	ne Box Only)	III. CI	TIZENSHIP (For Diversity Ca		NCIPAI	,	Place an "X" in and One Box i		
U.S. Government Plaintiff	3 Federal Question (U.S. Government No	ot a Party)	Citi	zen of This State	PTF	DEF 1 In	corporated or Princip of Business In Th		PTF ☐ 4	DEF 4
2 U.S. Government Defendant	4 Diversity (Indicate Citizenship o	f Parties in Item III)	Citi	zen of Another State	2	2 In	of Business In An	•	X 5	□ 5
				zen or Subject of a Foreign Country	3	3 Fo	oreign Nation		6	6
IV. NATURE OF SUIT	(Place an "X" in One Box Only	()								
CONTRACT		RTS		FORFEITURE/P	ENALTY		NKRUPTCY		ER STAT	
110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicate Act 152 Recovery of Defaulted Student Loans (Excl. Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle Product Liability 360 Other Personal Injury CIVIL RIGHTS 441 Voting 442 Employment 443 Housing/ Accommodations 144 Welfare	PERSONAL IN 362 Personal Inju Med. Malpri 365 Personal Inju Product Liak 368 Asbestos Per Injury Produ Liability PERSONAL PRO 370 Other Fraud 371 Turn in Len 360 Other Person Property Dan 385 Property Dan Product Liak PRISONE PETITION 510 Motions to V Sentence Ha beas Corpus: 530 General 535 Death Penalt 540 Mandanus & 550 Civil Rights	JURY Lary— Carice Correction of the Correction o	610 Agriculture 620 Other Food & 625 Drug Related of Property 2 630 Liquor Laws 640 R.R. & Truck 650 Airline Regs. 660 Occupational Safety/Health 690 Other LABOR 710 Fair Labor St Act 720 Labor/Mgmt. & Disclosure 740 Railway Labor 740 Railway Labor 791 Empl. Ret. In Security Act 1462 Naturalization 463 Other Immigs 465	E Drug Seizure 21 USC 881 andards Relations Reporting Act or Act Litigation C.	422 Ap 423 Wi 28 PROPE 820 Co 830 Pat 840 Tra 861 HI. 862 Bla 863 Dl 864 SSI 865 RS FEDER 870 Ta or I 871 IRS	peal 28 USC 158 thdrawal USC 157 ERTY RIGHTS pyrights ent idemark LL SECURITY	400 State	e Reapportitrust trust ts and Banh metree ortation ceteer Influ upt Organis sumer Cred le/Sat TV ctive Servic nrities/Com hange omer Chall JSC 3410 or Statutory cultural Ac tomic Stabi ronmental i gy Allocati dom of Infi lal of Fee ermination er Equal Ac tistice	enced and zations lift ce modities/ lenge Actions tis illization Act Matters ion Act ormation
V. ORIGIN (Place an "X" Toriginal 2 Remonent Proceeding State		nded from late Court	4 Reinstar Reopen	ted or 🔲 5 and	sferred fro ther distric		6 Multidistrict Litigation	□ 7 Ju M	opeal to D idge from agistrate dgment	
VI. CAUSE OF ACTION	Cite the U.S. Civil St 28 U.S.C. section 1 Brief description of c Conversion of busi	332(a)					es unless diversity	y):		
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER F.R.C.P. 2	IS A CLASS ACT		DEMAND \$			CHECK YES		anded in o	
VIII. RELATED CASE(S) IF ANY		TO CIVIL L.R. 3 ELATED CASE".	3-12 CON	CERNING REQ	UIREME	NT TO F	ILE			
1X. DIVISIONAL ASSIGNMENT (CIVIL L.R. 3-2) (PLACE AND "X" IN ONE BOX ONLY) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA										
DATE July 15, 2011		SIGNATURE OF	ATTORN	NEY OF RECORD						
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[JURY TRIAL DEMANDED]

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JURISDICTION

Plaintiff PhoneDog, LLC is a Delaware Corporation with its principal place of

Plaintiff PHONEDOG, LLC, ("PhoneDog") alleges as follows:

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4	business in Mount Pleasant, South Carolina.					
5	2.	Defendant Noah Kravitz ("Defendant") is a citizen of California residing in this				
6	judicial district.					
7	3.	This court has original jurisdiction under 28 U.S.C. § 1332(a), in that it is a civil				
8	action between citizens of different states in which the matter in controversy exceeds, exclusive					
9	of costs and interest, \$75,000.					
10	<u>VENUE</u>					
11	4.	Venue is proper in this district by virtue of 28 U.S.C. § 1391(a).				
12	<u>THE PARTIES</u>					
13	5.	Plaintiff PhoneDog is a corporation organized and existing under the laws of the				
14	State of Delaware, with its principal place of business in the State of South Carolina.					
15	6.	Defendant is and at all times relevant, was a citizen of California residing in				
16	Alameda County, California.					
17	FACTUAL ALLEGATIONS					
18	7.	PhoneDog was created on or around August 1, 2001.				
19	8.	PhoneDog is, and at all times relevant hereto was, a highly interactive mobile news				
20	and reviews web resource. PhoneDog reviews the latest mobile products and services across all					
21	carriers and platforms, and provides users the resources needed to research, compare prices, and					
22	shop from those providers that fit their needs.					
23	9.	PhoneDog's website attracts approximately 1.5 million visitors each month.				
24	PhoneDog's videos reach an average audience of 3 million viewers per month. PhoneDog uses a					
25	variety of social media, including Twitter, Facebook, and YouTube to market and promote its					
26	services.					
27	10.	There are many details of PhoneDog's relationships with its users that are not				
28	generally kn	nown or readily accessible to the public or PhoneDog's competitors. PhoneDog -1-				

derives independent economic value from this information, which it has developed through many years of substantial time, effort, expense, research, and communication with its users.

- 11. PhoneDog has taken and continues to take reasonable efforts to maintain the secrecy of this proprietary information, including restricting access to, and distribution of, this confidential information only to employees who need this information to perform their jobs.
- 12. This confidential information includes, but is not limited to, the following: the passwords to PhoneDog's Twitter accounts, including all @PhoneDog_NAME Twitter accounts used by PhoneDog's employees (collectively, the "Confidential Information").
- 13. The Confidential Information is not generally known or readily accessible, and is maintained in confidence by PhoneDog, with limited access provided to employees on a need to know basis. PhoneDog has at all times taken reasonable steps to protect such Confidential Information from being stolen or misused. The Confidential Information would be of substantial value to PhoneDog's competitors if it became known to them.
- 14. PhoneDog employed Defendant as a product reviewer and video blogger beginning on or around April 13, 2006. As part of Defendant's employment with PhoneDog, Defendant submitted written and video content to PhoneDog, which was then transmitted to PhoneDog's users via a variety of mediums including but not limited to, PhoneDog's website and PhoneDog's @PhoneDog_Noah Twitter account.
- 15. As an employee of PhoneDog, Defendant was given use of and maintained the Twitter account "@PhoneDog_Noah" (the "Account"). Defendant accessed the Account using PhoneDog's Confidential Information, and used the Account to disseminate information and promote PhoneDog's services on behalf of PhoneDog.
- 16. During the course of Defendant's employment with PhoneDog, the Account generated approximately 17,000 Twitter followers ("PhoneDog's Followers"). According to industry standards, each Twitter follower is currently valued at approximately \$2.50 per month. Given the Account's approximately 17,000 followers (PhoneDog's Followers), on or about October 2010, the Account had a value of approximately \$42,500 per month.
 - 17. Defendant suddenly resigned his employment with PhoneDog in October 2010.

Following Defendant's resignation, PhoneDog requested that Defendant relinquish use of the Account. Instead of relinquishing actual use of the Account, Defendant merely changed the Twitter handle on the Account to "@noahkravitz". Defendant continues to use the Account, under the handle @noahkravtiz.

- 18. On information and belief, between October 2010 and December 2010, Defendant free-lanced for a variety of media outlets before obtaining a full-time position with TechnoBuffalo. TechnoBuffalo offers services that compete with those of PhoneDog.
- 19. On information and belief, subsequent to resigning his employment with PhoneDog, Defendant used PhoneDog's Confidential Information to access the Account. Defendant has used and continues to use the Account, by way of the handle @noahkravitz, to communicate with PhoneDog's Followers without PhoneDog's permission. Defendant's use of the Account and communication with PhoneDog's Followers is and was done in an attempt to market and advertise his services and the services of his employer.
- 20. On information and belief, Defendant has and is attempting to discredit PhoneDog and destroy the confidence that PhoneDog's users have in PhoneDog by and through Defendant's use of the Account, disparaging PhoneDog.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

(Misappropriation of Trade Secrets)

- 21. PhoneDog refers to and incorporates paragraphs 1 through 20 above, as though fully set forth herein.
- 22. At all times relevant the Confidential Information constituted PhoneDog's trade secrets.
- 23. PhoneDog is informed and believes, and on that basis alleges, that within the last eight months, Defendant willfully and intentionally used his employment with PhoneDog, and trust, authority, and access afford to Defendant by PhoneDog, along with other improper means, as such are defined in Civil Code § 3426.1(a), to obtain and misappropriate the Confidential Information with the intent and desire to further his career, to use and profit from such

information, to call on and solicit the very same users of PhoneDog's services, and to harm the relationship that PhoneDog enjoys with its users and thus injure PhoneDog. On information and belief, at all relevant times, PhoneDog knew or had reason to know that the Confidential Information constituted PhoneDog trade secrets.

- 24. Among other matters, PhoneDog is informed and believes and thereon alleges that Defendant has:
- (a) Used Defendant's knowledge of the Confidential information to access the Account and communicate with PhoneDog's Followers, all in an attempt to position Defendant favorably against PhoneDog and convert PhoneDog's users to Defendant's own use;
- (b) Made improper use of Defendant's knowledge of the Confidential Information to access the Account to compete unfairly against PhoneDog for PhoneDog's existing customers;
- (c) Devised Defendant's marketing of his and his employers' services based on Defendant's knowledge of the Confidential Information; and
- (d) Avoided the expenditure of time and resources on locating or obtaining potential users by making use of the Confidential Information to access the Account and communicate with PhoneDog's Followers.
- 25. As a proximate result of Defendant's trade secret misappropriation, PhoneDog has suffered damages to its business, reputation, and goodwill, including lost users and user opportunities in excess of the minimum jurisdiction of this Court. As a further proximate result of Defendant's trade secret misappropriation, Defendant was unjustly enriched by obtaining the business of PhoneDog's Followers.
- 26. PhoneDog is informed and believes and thereon alleges, that the aforementioned acts by Defendant were willful and oppressive, or fraudulent, or malicious. PhoneDog is therefore entitled to punitive damages and its reasonable attorneys' fees and costs.
- 27. Unless and until enjoined by order of this Court, Defendant will continue his illegal efforts and scheme to exploit the Confidential Information. PhoneDog has no adequate remedy at law for the irreparable injuries Defendant has caused and continues to cause, including,

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but not limited to, damage to PhoneDog's Confidential Information, business, reputation, and goodwill. The continued misappropriation by Defendant of the Confidential Information would require PhoneDog to maintain a multiplicity of judicial proceedings to protect its interests.

WHEREFORE, PhoneDog prays for judgment as set forth below.

SECOND CLAIM FOR RELIEF

(Intentional Interference With Prospective Economic Advantage)

- 28. PhoneDog refers to and herein incorporates paragraphs 1 through 27 above, as though fully set forth herein.
- PhoneDog has had and continues to enjoy relationships with existing and 29. prospective users of its mobile news and reviews services. Defendant, through his former employment with PhoneDog, has extensive knowledge of those relationships, including PhoneDog's Confidential Information. Defendant knows the history of PhoneDog's relationships with its users in detail, including which of those relationships contain the probability of future economic benefit to PhoneDog, when, and on what terms, by reasons of PhoneDog's ongoing marketing of its services to these customers.
- 30. The aforementioned conduct by Defendant was designed to disrupt, and has in fact disrupted, PhoneDog's economic relationships with its existing and prospective users and has adversely affected, and will continue to adversely affect, PhoneDog's ongoing relationships with these users. This conduct includes the wrongful misappropriation and use of the Confidential Information by Defendant, Defendant's attempt to wrongly discredit PhoneDog in the eyes of its users, and Defendant's attempt to destroy PhoneDog's customers' confidence in PhoneDog by disparaging PhoneDog. This conduct was intended to persuade PhoneDog's users to terminate their existing or future relationships with PhoneDog. Said conduct accordingly constitutes interference with PhoneDog's prospective economic advantage.
- 31. As a direct and proximate result of Defendant's acts, PhoneDog has suffered damage to its business, reputation, and goodwill in excess of the minimum jurisdiction of this Court.
 - 32. Defendant's aforementioned conduct was willful and oppressive, or fraudulent, or

malicious. PhoneDog is therefore entitled to punitive damages.

33. Unless and until enjoined by order of this Court, Defendant will continue his illegal efforts and scheme to interfere with PhoneDog's prospective economic advantage and cause damage to its reputation and goodwill. PhoneDog has no adequate remedy at law for the irreparable injuries Defendant has caused and continues to cause, including, but not limited to, damage to PhoneDog's prospective economic advantage, business, reputation, and goodwill. The continued interference by Defendant with PhoneDog's prospective economic advantage would require PhoneDog to maintain a multiplicity of judicial proceedings to protect its interests.

WHEREFORE, PhoneDog prays for judgment as set forth below.

THIRD CLAIM FOR RELIEF

(Negligent Interference with Prospective Economic Advantage)

- 34. PhoneDog refers to and incorporates paragraphs 1 through 33 above, as though fully set forth herein.
- 35. Defendant knew or had reason to believe that the aforementioned conduct engaged in by Defendant would affect and irreparably harm PhoneDog's economic relationships with its users and that such relationships contained a probability of future economic benefit. As alleged above, Defendant did wrongfully interfere with PhoneDog's prospective economic relationships.
- 36. As a direct and proximate result of the negligent interference, PhoneDog suffered damage to its business, reputation, and goodwill in excess of the minimum jurisdiction of this Court.

WHEREFORE, PhoneDog prays for judgment as set forth below.

FOURTH CLAIM FOR RELIEF

(Conversion)

- 37. PhoneDog refers to and incorporates paragraphs 1 through 36 above, as though fully set forth herein.
- 38. At all times herein mentioned, PhoneDog was and still is, the owner of the Account and was, and still is, entitled to the possession of the Account. The Account and all approximately 17,000 of PhoneDog's Followers generated by the Account, were and are the sole

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PhoneDog gave Defendant permission to use the Account during PhoneDog's 39. employment of Defendant. Once Defendant ceased to be employed by PhoneDog, Defendant was required to return the Account to PhoneDog.

- 40. On or about October 15, 2010, upon Defendant's resignation from PhoneDog, PhoneDog requested that Defendant relinquish the Account to PhoneDog. At that point in time, Defendant wrongfully converted the Account to his own use by changing the handle on the Account to @noahkravtiz. Defendant has used and continues to use the Account with the handle @noahkravitz to communicate with and market his services and services of his employer to PhoneDog's Followers.
- 41. According to industry standards, each Twitter follower is currently valued at approximately \$2.50 per month. Given the Account's approximately 17,000 followers (PhoneDog's Followers), on or about October 2010, the Account had had a value of approximately \$42,500 per month.
- Between the time of Defendant's conversion of the Account to his own use, and 42. the filing of this action, PhoneDog has expended time and money in the pursuit of the converted Account, all to PhoneDog's further damage in an amount to be proved at trial.
- 43. Defendant's acts alleged above were willful, wanton, malicious, and oppressive, and justify the awarding of exemplary and punitive damages.

WHEREFORE, PhoneDog prays for judgment as set forth below.

PRAYER FOR RELIEF

WHEREFORE, PhoneDog prays:

- 1. For the First Claim for Relief for Trade Secret Misappropriation:
- (a) For an order requiring Defendant to show cause, if he has any, why he should not be enjoined as hereinafter set forth, during the pendency of this action;
- (b) For a temporary restraining order, a preliminary injunction, and a permanent injunction, all enjoining Defendant and all persons acting or claiming to act under, in concert with, or for Defendant, or any of them from:

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1	(i) Engaging in any solicitation of PhoneDog users;
2	(ii) Using, copying, dealing with, disclosing, trading, and otherwise
3	exploiting or misappropriating PhoneDog's Confidential Information in order to, including, but
4	without limitation, communicate with PhoneDog's users and PhoneDog's Followers;
5	(iii) Destroying any documents or files of any kind, actively or
6	passively, whether in written or electronic form, that relate in any way to PhoneDog's
7	employment of Defendant, the PhoneDog Confidential Information, and/or PhoneDog's actual or
8	prospective users.
9	(c) For a temporary restraining order, a preliminary injunction, and a
0	permanent injunction, all requiring Defendant and all persons acting or claiming to act under, in
1	concert with, or for Defendant, or any of them to return all of PhoneDog's Confidential
2	Information in their custody, possession, or control to PhoneDog;
3	(d) For general damages in the amount necessary to prevent the unjust
4	enrichment of Defendant (alternatively, if neither PhoneDog's actual damages or Defendant's
5	unjust enrichment is subject to proof, for reasonable royalties);
6	(e) For punitive damages;
7	(f) For reasonable attorneys' fees;
8	(g) For all costs of suit incurred; and
9	(h) For such other and further relief as the court may deem proper.
20	2. For the Second Claim for Relief for Intentional Interference with Prospective
21	Economic Advantage:
22	(a) For an order requiring Defendant to show cause, if he has any, why he
23	should not be enjoined as hereinafter set forth, during the pendency of this action;
24	(b) For a temporary restraining order, a preliminary injunction, and a
25	permanent injunction, all enjoining Defendant and all persons acting or claiming to act under, in
26	concert with, or for Defendant, or any of them from:
.7	(i) Using the Account to solicit PhoneDog's users;
8.	(ii) Using, copying, dealing with, disclosing, trading, and otherwise -8-

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- 1				
1	exploiting or misappropriating PhoneDog's Confidential Information to, including, but without			
2	limitation, communicate with PhoneDog's users and PhoneDog's Followers;			
3	(iii) Destroying any documents or files of any kind, actively or			
4	passively, whether in written or electronic form, that relate in any way to PhoneDog's			
5	employment of Defendant, PhoneDog's Confidential Information, and/or PhoneDog's actual or			
6	prospective clients.			
7	(c) For a temporary restraining order, a preliminary injunction, and a			
8	permanent injunction, all requiring Defendant and all persons acting or claiming to act under, in			
9	concert with, or for Defendant, or any of them to return all of PhoneDog's Confidential			
10	Information in their custody, possession, or control to PhoneDog;			
11	(d) For general damages;			
12	(e) For punitive damages;			
13	(f) For all costs of suit incurred; and			
14	(g) For such other and further relief as the court may deem proper.			
15	3. For the Third Claim for Relief for Negligent Interference with Prospective			
16	Economic Advantage:			
17	(a) For general damages;			
18	(b) For all costs of suit incurred; and			
19	(c) For such other and further relief as the court may deem proper.			
20	4. For the Fourth Claim for Relief For Conversion:			
21	(a) For the value of the property converted;			
22	(b) For the interest at the legal rate on the foregoing sum pursuant to Section			
23	336 of the Civil Code, from and after October 15, 2010;			
24	(c) For damages for the proximate and foreseeable loss resulting from			
25	defendant's conversion in the sum of \$340,000 (17,000 twitter followers, each worth			
26	\$2.50/month, for 8 months);			
27	(d) For interest at the legal rate on the foregoing sum pursuant to Section			
28	3287(a) of the Civil Code, from and after October 15, 2010;			

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1	(e)	For damages for time and money properly expended in pursuit of the
2	converted property in	an amount to be proved at trial;
3	(f)	For punitive and exemplary damages;
4	(g)	For costs of suit herein incurred; and
5	(h)	For such other and further relief as the court may deem proper.
6	Dated: July 15, 2011	DONAHUE GALLAGHER WOODS LLP
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8		By: Welling
9	,	John C. Kirke Attorneys for Plaintiff PHONEDOG, LLC
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DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38 and local rule 38-201, Plaintiff hereby demands trial by jury.

Dated: July $\frac{5}{2}$, 2011

DONAHUE GALLAGHER WOODS LLP

By:

John C/Kirke

Attorneys for Plaintiff PHONEDOG, LLC