¢	ase 3:22-cv-02012-DMS-MSB	Document 26	Filed 08/14/23	PageID.281	Page 1 of 12	
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8	UNITED STATES DISTRICT COURT					
9	SOUTHERN DISTRICT OF CALIFORNIA					
10	DACIA THOMAS, individually and on		Case No.: 22cv2012 DMS (MSB)			
11	behalf of all others similarly s	•	ORDER GRANTING IN PART AND			
12		Plaintiff,			DEFENDANT'S	
13	v.		MOTION '	TO DISMIS	S	
14	PAPA JOHNS INTERNATIO D/B/A PAPA JOHNS,	ONAL, INC.,				
15		Defendant.				
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18	This case comes before the Court on Defendant Papa John's International Inc.'s					
19	motion to dismiss for lack of personal jurisdiction and failure to state a claim. Plaintiff					
20	filed an opposition to the motion, and Defendant filed a reply. Both parties also filed					
21	supplemental authorities after the motion was submitted. For the reasons set out below,					
22	the Court denies Defendant's motion to dismiss for lack of personal jurisdiction, but grants					
23	the motion to dismiss for failure to state a claim.					
24			I.			

BACKGROUND

Plaintiff Dacia Thomas is a California citizen and a resident of San Diego County. (First Am. Compl. ("FAC") ¶5.) Defendant is a corporation organized under the laws of Delaware with its principal place of business in Atlanta, Georgia. (*Id.* ¶6.) Defendant's 1

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business operations are not limited to those jurisdictions, however. As most people know, 2 Defendant operates the website www.papajohns.com, as well as brick and mortar stores 3 throughout the United States, including 130 stores in California. (*Id.* ¶10.)

Plaintiff alleges that while in California she visited Defendant's website to place take-out and delivery orders for food. (Id. ¶8.) Plaintiff alleges she utilized the online payment option on the website for those orders, and that the orders were fulfilled by Defendant's California-based stores either in-store or at her California residence. (Id. ¶46.)

Plaintiff alleges that Defendant embeds Session Replay Code on its website, and that her interactions with Defendant's website were captured by that Code without her knowledge. According to Plaintiff,

Session Replay Code allows a website to capture and record nearly every action a website visitor takes while visiting the website, including actions that reveal the visitor's personal or private sensitive data, sometimes even when the visitor does not intend to submit the data to the website operator, or has not finished submitting the data to the website operator.

(Id. ¶25.) Plaintiff alleges that after the Session Replay Code records the events from a user's session, "a website operator can view a visual reenactment of the user's visit through the Session Replay Provider, usually in the form of a video, meaning '[u]nlike typical analytics services that provide aggregate statistics, these scripts are intended for the recording and playback of individual browsing sessions." (Id. ¶29.)

As a result of these events, Plaintiff, on behalf of herself and all others similarly situated, filed the present case against Defendant alleging a claim under the Federal Wiretap Act, 18 U.S.C. § 2510, et. seq., California's Invasion of Privacy Act ("CIPA"), specifically California Penal Code section 631(a), and a claim for invasion of privacy – intrusion upon seclusion. After a status conference with the Court, Plaintiff filed the FAC in which she realleged her CIPA and invasion of privacy claims, but withdrew her claim under the Wiretap Act.

27 To support her assertion that this Court has personal jurisdiction over Defendant, Plaintiff alleges: 28

a substantial part of the events and conduct giving rise to Plaintiff's claims occurred in California. Further, Defendant purposefully directed its activities to California, consummated transactions in California and purposefully availed itself of the privilege of conducing activities in California thereby invoking the benefits and protections of California law. Specifically, Plaintiff, while in California, accessed and viewed the <u>www.papajohns.com</u> website and placed and paid for orders for take-out and/or delivery of food from Papa Johns' brick and mortar stores located in California. Further, Plaintiff paid for the delivery and/or take-out orders through the <u>www.papajohns.com</u> website.

(FAC ¶8.) The FAC goes on to allege:

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Defendant knew that its practices would directly result in the collection of information from California citizens while those citizens browse, and place delivery and/or take-out orders on, <u>www.papajohns.com</u>. Defendant chose to avail itself of the business opportunities of marketing and selling its goods and services in California and collecting real-time data from website visit sessions initiated by Plaintiff while located in California, and the claims alleged herein arise from those activities.

(*Id.* ¶9.) Plaintiff also alleges Defendant:

knows that many users visit and interact with Papa Johns' websites while they are physically present in California. Both desktop and mobile versions of Papa Johns' website allow a user to search for nearby stores by providing the user's 'current location,' as furnished by the location-determining tools of the user's device or by the user's IP address (i.e., without requiring the user to manually input an address). Through its website, <u>www.papajohns.com</u>, Papa Johns represents that it has in excess of 130 stores in California. Each Papa Johns retail store location takes delivery and take-out orders via the website in addition to allowing the viewing of their menu.

(Id. ¶10.) In response to the FAC, Defendant filed the present motion.

II.

DISCUSSION

In the present motion, Defendant seeks dismissal of this action for lack of personal jurisdiction and failure to state a claim. Plaintiff responds that Defendant is subject to both general jurisdiction and specific jurisdiction in this Court. She also argues her claims are pleaded sufficiently.

Personal Jurisdiction A.

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On a motion to dismiss for lack of personal jurisdiction, the plaintiff bears the burden "to establish the district court's personal jurisdiction over the defendant." Harris Rutsky 4 & Co. Ins. Servs., Inc. v. Bell & Clements Ltd., 328 F.3d 1122, 1128-29 (9th Cir. 2003). When the court rules on a motion to dismiss without first holding an evidentiary hearing. "the plaintiff need only make a prima facie showing of jurisdiction to avoid the defendant's 6 motion to dismiss." Id. at 1129 (citing Doe, Iv. Unocal Corp., 248 F.3d 915, 922 (9th Cir. 2001) (per curiam)). "Unless directly contravened, [plaintiff's] version of the facts is taken as true, and 'conflicts between the facts contained in the parties' affidavits must be resolved in [the plaintiff's] favor for purposes of deciding whether a prima facie case for personal jurisdiction exists." Id. (quoting Doe, I, 248 F.3d at 922). Because "California's longarm statute allows courts to exercise personal jurisdiction over defendants to the extent 13 permitted by the Due Process Clause of the United States Constitution[,]" this Court "need only determine whether personal jurisdiction in this case would meet the requirements of 14 due process."" Id. (citations omitted). "For a court to exercise personal jurisdiction over a 16 nonresident defendant, that defendant must have at least 'minimum contacts' with the relevant forum such that the exercise of jurisdiction 'does not offend traditional notions of fair play and substantial justice." Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 801 (9th Cir. 2004) (quoting International Shoe Co. v. Washington, 326 U.S. 310, 316 20 (1945)).

General Jurisdiction 1.

As stated above, Plaintiff asserts the Court may properly exercise both general and specific jurisdiction over Defendant. In Daimler AG v. Bauman, 571 U.S. 117, 127 (2014), the Supreme Court "explained, '[a] court may assert general jurisdiction over foreign (sister-state or foreign-country) corporations to hear any and all claims against them when their affiliations with the State are so 'continuous and systematic' as to render them essentially at home in the forum State." (quoting Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919 (2011)). A corporation's place of incorporation and principal

place of business are paradigm bases for finding a corporation "at home" in the forum state. *Goodyear*, 564 U.S. at 924.

Here, Defendant is neither incorporated in nor has its principal place of business in California. Rather, Defendant is incorporated in Delaware, and its principal place of business is in Georgia. (FAC ¶6.) The paradigm bases for finding general jurisdiction are, therefore, not present in this case.

Instead, Plaintiff argues Defendant is subject to general jurisdiction because it operates "in excess of 130 stores in California", (*id.* ¶10), and through those stores, "employs California residents, provides services and products to California residents and is subject to California's laws and regulations." (Mem. in Opp'n to Mot. at 6.) Notably, Plaintiff fails to cite any case law to support its arguments that these factors are sufficient for a court to exercise general jurisdiction over a defendant. Indeed, such a finding would contravene the Supreme Court's statement that "[a] corporation that operates in many places can scarcely be deemed at home in all of them." *Daimler*, 571 U.S. at 139 n.20.

Plaintiff's unsupported argument does not show that Defendant is "at home" in California. Accordingly, the Court declines to find it has general jurisdiction over Defendant on the present record.

2. Specific Jurisdiction

Absent a showing of general jurisdiction, Plaintiff must show Defendant is subject to specific jurisdiction in this Court. The Ninth Circuit has established a three-prong test for determining whether a party is subject to specific personal jurisdiction:

"(1) The non-resident defendant must purposefully direct his activities or consummate some transaction with the forum or resident thereof; or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws;

(2) the claim must be one which arises out of or relates to the defendant's forum-related activities; and

(3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e., it must be reasonable."

Schwarzenegger, 374 F.3d at 802 (quoting Lake v. Lake, 817 F.2d 1416, 1421 (9th Cir. 1987)). "The plaintiff has the burden of proving the first two prongs." *Picot v. Weston*, 780 F.3d 1206, 1211 (9th Cir. 2015) (citing *CollegeSource, Inc. v. AcademyOne, Inc.*, 653 F.3d 1066, 1076 (9th Cir. 2011)). If the plaintiff meets that burden, "the burden shifts to the defendant to 'set forth a 'compelling case' that the exercise of jurisdiction would not be reasonable." *Id.* at 1212 (quoting *CollegeSource*, 653 F.3d at 1076).

As set out above, the first prong of the specific jurisdiction test requires that the defendant either purposefully direct its activities at the forum state or a resident thereof, or purposefully avail itself of the privileges of conducting activities in the forum state. Although these concepts are distinct, "'[a]t bottom, both purposeful availment and purposeful direction ask whether defendants have voluntarily derived some benefit from their interstate activities such that they 'will not be haled into a jurisdiction solely as a result of 'random,' 'fortuitous,' or 'attenuated' contacts.'" *Herbal Brands, Inc. v. Photoplaza, Inc.*, 72 F.4th 1085, 1090 (9th Cir. 2023) (quoting *Glob. Commodities Trading Grp., Inc. v. Beneficio de Arroz Choloma, S.A.*, 972 F.3d 1101, 1107 (2020)).

Here, Plaintiff argues Defendant purposefully directed its activities to this forum, and to make that showing she relies on the "three-part 'effects' test traceable to the Supreme Court's decision in *Calder v. Jones*, 465 U.S. 783 ... (1984)." *Schwarzenegger*, 374 F.3d at 803. That test "requires that the defendant allegedly have (1) committed an intentional act, (2) expressly aimed at the forum state, (3) causing harm that the defendant knows is likely to be suffered in the forum state." *Id.* (quoting *Dole Food Co., Inc. v. Watts*, 303 F.3d 1104, 1111 (9th Cir. 2002)).

There is no dispute the first element is satisfied here. Specifically, Defendant operated its business in California in conjunction with its website, and "intentionally embedded within its website the Session Replay Code at issue in this matter[.]" (Mem. in Opp'n to Mot. at 7.)

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Plaintiff relies on these intentional acts to support her argument that the second element of the "effects" test, "express aiming," is also met. Specifically, she acknowledges that Defendant's operation of its website, standing alone, may not meet the "express aiming" requirement, and that "something more" is required, (id. at 7-8) (citing Mavrix 4 Photo, Inc. v. Brand Tech., Inc., 647 F.3d 1218, 1229 (9th Cir. 2011)), that "something more" being "the operation of the 130 retail outlets" in California "and the integration of the website with those stores." (Id. at 8.) Defendant argues none of these acts was "expressly aimed" at California, therefore the purposeful direction test is not met.

In Herbal Brands, the Ninth Circuit addressed whether the "express aiming" requirement was met on a similar set of facts.¹ There, the defendant operated an interactive website where "visitors can exchange information with the host computer by inputting data directly." Herbal Brands, 72 F.4th at 1092. In addition, the defendant sold physical products to forum residents as part of its "regular course of business," id. at 1094, and "exercised some level of control over the ultimate distribution of its products beyond simply placing its products into the stream of commerce." Id. On those facts, the court found the "express aiming" requirement was met. Id. at 1095.

Here, there is no dispute Defendant is operating the interactive website www.papajohns.com, which allows users to browse local menus and place and pay "for orders for take-out and/or delivery of food from Papa Johns' brick and mortar stores located in California." (FAC ¶8-9.) There is also no apparent dispute that Defendant sold pizza and other items to Plaintiff and other California residents as part of its "regular course of business," or that Defendant exercises "some level of control over the ultimate distribution" ///

¹ Herbal Brands was decided on July 5, 2023, after this motion was submitted. As mentioned above, both parties submitted supplemental authority to the Court after the motion was submitted, with Defendant submitting authority that was decided after July 5, 2023, but neither side cited Herbal Brands.

of those products to the end consumer. Thus, like the defendant in *Herbal Brands*,
Defendant here has "expressly aimed" its conduct at the forum state.

The final element of the "effects" test is whether the defendant's intentional acts caused harm that the defendant knows is likely to be suffered in the forum state. Here, there is no dispute Defendant's website is accessible to California residents, and that California residents order and receive Defendant's products in California through Defendant's website. There is also no dispute that Defendant is aware that the Session Replay Code is embedded into its website, and that the harm alleged in the case would thereby be suffered in California by California residents using the website. Accordingly, the third element of the "effects" test is also met, and with it, the purposeful direction requirement.

Returning to the broader test for specific jurisdiction, the next element is that the claims "arise out of or relate to" the defendant's forum-related activities. "Claims 'arise out of' the defendant's contacts with the forum state when there is a causal connection between the contacts and the claims." *In re McKinsey & Co., Inc. Nat'l Opiate Consultant Litig.*, No. 21-md-02996-CRB, _____ F.Supp.3d ____, 2022 WL 15525768, at *8 (N.D. Cal. Oct. 27, 2022). "While there is no precise test for determining whether a plaintiff's claims 'relate to' a defendants' contacts, the U.S. Supreme Court has held that 'some relationships will support jurisdiction without a causal showing." *Id.* (quoting *Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct.*, _____ U.S. ____, 141 S.Ct. 1017, 1027 (2021)). In *Ford*, that relationship consisted of (1) a car accident in each forum state, (2) involving one of the defendant's vehicles, and (3) the defendant's advertising, sale, and service of those model vehicles in each forum state "for many years." 141 S.Ct. at 1028.

Plaintiff asserts that kind of relationship also exists here, because Defendant's website, with its embedded Session Replay Code, is accessible to California residents. The website enables residents to obtain information about Defendant's products and to order and purchase those products from Defendant's California stores, which products are then delivered to Defendant's customers in California. (Mem. in Opp'n to Mot. at 9.) None of

these facts are disputed, and they support Plaintiff's argument that the "arise out of or relate to" requirement is met. 2

Defendant attempts to avoid this result by raising a number of arguments to support its position that the only "relevant conduct" here is its "operation of a nationally accessible website and alleged use of 'session replay' technology on that website," neither of which occurred in California, (Mot. at 8-9), but none of those arguments overcomes Plaintiff's showing that her claims "arise out of or relate to" Defendant's California-related activities. First, Defendant's attempt to paint its website as an either-or proposition, i.e., as either a nationally accessible website or a California-based website, is unconvincing. Defendant's website can be both nationally accessible and create contacts with California, just like the defendant's activities in Ford. There, the defendant marketed, sold, and serviced its products across the United States and overseas, Ford, 141 S.Ct. at 1022, including in the forum states, but that global reach did not prevent the Court from relying on the defendant's forum-related activities to find the defendant subject to specific jurisdiction in the forum states.

Defendant's argument that Plaintiff's claims arise solely out of Defendant's use of session replay technology on its website is also misguided. Indeed, it ignores Defendant's marketing and sales of its products in California, and fails to acknowledge what is presumably the primary reason why Plaintiff and other California residents access Defendant's website in the first place, which is to order and pay for Defendant's products. Although Defendant attempts to segregate its use of session replay technology from its California-based activities, there is no evidence to support such a bright-line distinction, and the Court declines to do so.

There is also no evidence to support Defendant's assertion that Plaintiff is Defendant's only link to California. (Mot. at 8.) Nowhere in the FAC does Plaintiff so allege. Rather, Plaintiff alleges Defendant directed its acts towards "citizens of California while they were located within California." (FAC ¶9.) She also seeks to represent not just herself, but also a class of "natural persons in California whose Website Communications

were captured through the use of Session Replay Code embedded in
www.papajohns.com[.]" (*Id.* ¶57.) Clearly, Plaintiff is not Defendant's only California
customer.

Also contrary to Defendant's suggestion, this case is nothing like *Walden v. Fiore*, 571 U.S. 277 (2014). (*See* Mot. at 8.) In that case, "no part of [the defendant's] course of conduct occurred" in the forum state. *Walden*, 571 U.S. at 288. The defendant "never traveled to, conducted activities within, contacted anyone in, or sent anything or anyone" to the forum state. *Id.* at 289. "In short, … [the defendant] formed no jurisdictionally relevant contacts" with the forum state. *Id.* That is not the case here. Unlike the defendant in *Walden*, Defendant makes its website accessible to and usable by California residents. It also "has in excess of 130 stores in California." (FAC ¶10.) Through its website and the California stores, Defendant receives orders and payments from California residents, and it delivers products to California residents. Defendant's citation to *Walden* does not advance Defendant's position, and it does not refute Plaintiff's showing that the "arises out of or relates to" element for specific jurisdiction is satisfied.

Having satisfied the first two prongs of the specific jurisdiction test, the burden now shifts to Defendant to show it would be unreasonable for the Court to exercise specific jurisdiction in this case. Defendant offers no argument on this prong, and thus has not met its burden.

For the reasons set out above, the Court finds it has specific jurisdiction over Defendant here. Accordingly, Defendant's motion to dismiss for lack of personal jurisdiction is denied.

B. Failure to State a Claim

Turning to Plaintiff's substantive claims, Defendant raises a number of arguments as to why they are not pleaded sufficiently and should therefore be dismissed. On Plaintiff's CIPA claim, this Court has addressed many of the same or similar arguments in other cases. *See Garcia v. Build.com, Inc.*, Case No. 22cv1985 DMS (KSC), 2023 WL 4535531 (S.D. Cal. July 13, 2023); *Esparza v. UAG Escondido A1 Inc.*, Case No. 23cv0102

1 DMS (KSC), 2023 WL 4834945 (S.D. Cal. July 27, 2023). Given the overlap between the 2 arguments raised here and the arguments raised in those cases, this Court incorporates the 3 reasoning of Garcia to this case, as well, see Garcia, 2023 WL 4535531, at *4-6, and grants Defendant's motion to dismiss Plaintiff's CIPA claim. 4

5 This leaves only Plaintiff's claim for invasion of privacy. "California recognizes four categories of the tort of invasion of privacy: (1) intrusion upon seclusion, (2) public 6 disclosure of private facts, (3) false light in the public eye, and (4) appropriation of name 8 or likeness." Bartolone v. Ocwen Mortg. Servicing, Inc., No. 8:17-cv-00821-JLS-JDE, 2017 WL 8186686, at *2 (C.D. Cal. Nov. 15, 2017) (citations omitted). Here, Plaintiff 10 alleges a claim for intrusion upon seclusion. This claim has two elements. "First, the defendant must intentionally intrude into a place, conversation, or matter as to which the plaintiff has a reasonable expectation of privacy. Second, the intrusion must occur in a manner highly offensive to a reasonable person." Hernandez v. Hillsides, Inc., 47 Cal. 4th 13 272, 286 (2009). 14

Defendant argues Plaintiff has failed to plead either of these elements. Plaintiff disagrees, and cites several portions of her FAC to demonstrate that these elements are properly pleaded. (See Mem. in Opp'n to Mot. at 21.) None of the cited portions of the FAC, however, pleads any specific facts to support either of these elements. Rather, those portions of the FAC allege, in general, how Session Replay Code works. (See FAC ¶24-39, 44, 51.) Because Plaintiff has failed to plead any specific facts to support her invasion of privacy claim, that claim is dismissed, as well.

III.

CONCLUSION

For the reasons set out above, the Court denies Defendant's motion to dismiss this case for lack of personal jurisdiction, but grants Defendant's motion to dismiss for failure to state a claim. In accordance with Garcia, Plaintiff's CIPA claim is dismissed without ///

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1	leave to amend. If Plaintiff wishes to amend her invasion of privacy claim, she shall file a					
2	Second Amended Complaint no later than August 28, 2023.					
3	IT IS SO ORDERED.					
4	Dated: August 14, 2023					
5	_ mr.m. 2015m					
6	Hon. Dana M. Sabraw, Chief Judge United States District Court					
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