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| 15 | ANALYS OF A THE PARTY COALDS | |
| 16 | UNITED STATES DISTRICT COURT | |
| | NORTHERN DISTRICT OF CALIFORNIA | |
| 17 | SAN FRANCISCO/OAKLAND DIVISION | |
| 18 | SAN FRANCISCO/O | ARLAND DIVISION |
| 10 | META PLATFORMS, INC., a Delaware | |
| 19 | corporation, | Case No.: 3:20-CV-07182-JCS |
| 20 | Plaintiff/Counterclaim | DEFENDANTS' OPPOSED MOTION TO |
| 21 | Defendant, | ENLARGE TIME PURSUANT TO |
| 21 | V. | LOCAL CIVIL RULE 6-3 |
| 22 | BRANDTOTAL, LTD., an Israeli | Judge: The Hon. Joseph C. Spero |
| 23 | corporation, and UNIMANIA, INC., a Delaware | Ctrm.: Courtroom F – 15 th Floor |
| | corporation, | |
| 24 | | |
| 25 | Defendants/Counterclaim Plaintiffs. | |
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| 20 | DEFENDANTS' OPPOSED MOTION TO | |
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I. INTRODUCTION

Not content that BrandTotal has made the strategic decision to cease all business activity and wind down its operations, Meta is now attempting to use its limitless resources to further strong-arm BrandTotal into an unfavorable settlement by forcing it to respond to premature, prejudgment motions seeking attorneys' fee and injunctive relief without allowing BrandTotal a full and fair opportunity to respond. These motions seek to impose massive new financial penalties, conduct restrictions, and property disgorgements upon BrandTotal based on theories and evidence that were not previously disclosed to BrandTotal—all before any judgment has even been entered in this matter. In view of the new theories, evidence, and draconian relief sought in Meta's motions, and given that BrandTotal has been focused on winding down its operations and preparing for a scheduled mediation on August 29 intended to resolve the parties' dispute without further judicial intervention, BrandTotal requested a modest-under-the-circumstances 30-day extension to the deadline for its response.

Meta's response—which it has refused to budge from even after further compromise offers from BrandTotal— was a miserly nine-day extension that was conditional upon BrandTotal accepting Meta's arbitrary and unilateral decision that the hearing on these motions should be held on September 30. BrandTotal cannot reasonably evaluate and respond to Meta's new theories, evidence, and argument in that time frame and should not have to agree to these unacceptable conditions. There is no urgent need to resolve these issues—to the contrary, as is explained in more detail below, many are likely not even ripe for adjudication—and Meta had more than 2.5 months to develop its arguments after entry of the Court's Order on the parties' partial summary judgment motions. There is no reason that BrandTotal should be prohibited from using a fraction of that time to respond to incredibly impactful motions that seek to impose lifelong and invasive conduct restrictions on BrandTotal and its officers and agents, in addition to financial penalties that are almost twenty times larger than the actual damages Meta has claimed. Accordingly, and for all the reasons set forth below and in the accompanying declaration of Kara Fussner, BrandTotal files this opposed motion under Local Civil Rule 6-3 and asks the Court to enlarge the time for



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BrandTotal's opposition to the following motions—(1) Plaintiff Meta Platforms, Inc.'s Motion for Attorney's Fees (ECF No. 368, "Fee Motion") and (2) Plaintiff Meta Platforms, Inc.'s Motion for Permanent Injunction (ECF No. 367, "Injunction Motion) (collectively, "the Motions")—to September 30 or a date to be determined after the Court enters judgment.

II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND

The Court issued its Order on the parties' partial summary judgment motions on May 27. In that Order, the Court granted aspects of both parties' summary judgment motions, denied other aspects, and expressly deferred resolution of substantial legal and factual issues for subsequent proceedings. Specifically, on Meta's breach of contract claim, the Court granted Meta summary judgment as to BrandTotal's liability, but made clear that "the amount of any actual damages [is] to be proven at trial." ECF No. 339 at 41. As to Meta's Computer Fraud and Abuse Act ("CFAA") claim and Penal Code § 502 claim (sometimes called the "CDAFA" claim), the Court granted BrandTotal's request for summary judgment that its UpVoice 2021 data collection does *not* violate the CFAA, holding that "the statute does not encompass UpVoice 2021's data collection, at least where it is installed by individuals who are not subject to any sort of direction by BrandTotal." *Id.* at 43. The Court also held that BrandTotal's accessing of non-password protected Facebook and Instagram pages did not violate the CFAA. *Id.* at 43-44. The Court applied both of these holdings in full to Facebook's Penal Code claim, which the Court recognized as substantially "coextensive" with Meta's CFAA claim. *Id.* at 45.

As to Meta's motion for summary judgment on its CFAA and Penal Code claims, the Court denied it as to CFAA entirely based on disputed issues of fact relating to damages and denied summary judgment on the merits as to substantial aspects of both of Meta's CFAA and Penal Code claims. For example, the Court denied Meta's summary judgment claim on the CFAA and Penal Code "[t]o the extent it seeks judgment that BrandTotal's collection of data from panelists using UpVoice 2021, or its direct access to non-password-protected portions of Meta's platforms violates those statutes." *Id.* at 47. Further, the Court held that "Meta's motion for summary judgment is DENIED as to the question of whether BrandTotal's use of the RPE violates the CFAA or the



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CDAFA." *Id.* at 57. Indeed, the Court only granted summary judgment in Meta's favor on a narrow subset of the conduct for which Meta sought relief, and even as to that conduct made clear that "relief [is] to be determined at trial":

Meta's motions for summary judgment is GRANTED as to the question of whether active collection of data from password-protected portions of Meta's services by BrandTotal's legacy programs, and by BrandTotal directly, violated the CFAA and the CDAFA. Meta's motion is otherwise DENIED as to these claims. Meta will be entitled to judgment in its favor on the CDAFA claim based on its legacy programs and direct access to password-protected material, with relief to be determined at trial. Meta's CFAA claim remains contingent on showing at trial at least \$5,000 in loss caused by BrandTotal's violations.

Id. at 57 (emphasis added). The Court's grant of summary judgment as to Meta's UCL claim was narrowly circumscribed to the same limited conduct, and the Court granted BrandTotal summary judgment "as to a finding that its use of UpVoice 2021 does not violate the UCL." *Id.* at 59. Critically, the Court has not entered judgment in this action as to any of the parties' claims.

Following the Court's Order, BrandTotal repeatedly met and conferred with Meta in good faith to resolve the outstanding issues and allow the parties to proceed with an appeal without requiring the expenditure of resources required by a trial. While no comprehensive agreement was reached, substantial progress was made regarding the scope of a proposed an injunction—an agreement that Meta seemingly ignores in filing its motion for a permanent injunction that fails to include many of BrandTotal's revisions—the parties have been unable to agree on the scope of damages. BrandTotal maintains that Meta's request for millions in "unjust enrichment" is legally improper, depends on improper methodology, and factually absurd considering that BrandTotal was never profitable. BrandTotal's motion to exclude the opinions of Meta's damages expert remains pending. ECF No. 249.

After several such meet and confers, Meta raised—for the first time in this litigation—its intent to seek attorneys' fees under the Penal Code. Meta did not even include a claim under the California State Penal Code in its original State court complaint. Nor did Meta plead any entitlement to attorneys' fees in either its original or amended Federal complaint.

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III. THERE ARE NO EXIGENT CIRCUMSTANCES JUSTIFYING META'S REFUSAL TO GRANT THE REQUESTED EXTENSION AND ITS DEMAND FOR COMPRESSED BRIEFING AND HEARING SCHEDULE

Until Meta unilaterally altered the status quo by filing the Motions, there were no significant upcoming pre-trial deadlines on the case calendar apart from the August 29 mediation. Negotiations were ongoing on remaining disputes and BrandTotal at least was optimistic that the mediation could lead to amicable resolution of the remaining issues. Trial is not set to begin until October 31. In short, BrandTotal's requested extension would have no negative impact on the case schedule, and there is no basis in the schedule for Meta's sudden insistence that its pre-judgment demands for attorney's fees and injunctive relief be heard on September 30.

Meta's proffered reasons for its sudden urgency and its refusal to grant the requested extension—(1) that BrandTotal might somehow restart its business in the interim and (2) that it might not have funds to pay Meta the attorneys' fees to which it is purportedly "entitled"—are illogical and internally contradictory. It is undisputed and indisputable that BrandTotal has ceased all operations. See Injunction Motion at 13 (quoting unequivocal BrandTotal notice on website stating that "BrandTotal has ceased operating and has shut down all operations, including UpVoice, effective June 29, 2022"). Indeed, in its Fee Motion Meta flatly represented that "Meta's summary judgment victories on the merits of its claims have...caused BrandTotal to shut down its entire scraping operation" and argued that Meta qualifies as a "prevailing party" on that basis alone. ECF No. 368 at 8 n.3. Meta's purported concern that granting BrandTotal a modest 30-day extension for its Response to the Motions creates a risk that BrandTotal will resume operations is disingenuous and unserious.

As to the notion that BrandTotal might not have the funds sufficient to cover the attorneys' fees to which Meta claims it is "entitled" merely because it "prevailed on its CDAFA claim," ECF No. 368 at 7, Meta knows better. BrandTotal has shared its insurance policy with Meta and there are ample funds available (i.e., several *million* remaining on the policy). Further, it would be fundamentally unjust if Meta were permitted to use the very financial difficulties it created as a sword to deny BrandTotal a full and fair opportunity to respond to Meta's Fee Motion, which is based on a previously undisclosed legal theory and relies on over 4,000 fee entries which Meta





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