

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

G.G. (a minor), et al.,)	
)	
Plaintiffs,)	
)	No. 20-cv-02335
v.)	
)	Judge Andrea R. Wood
SALESFORCE.COM, INC.,)	
)	
Defendants.)	

MEMORANDUM OPINION AND ORDER

When G.G. was thirteen years old, she ran away from home and fell into the hands of a sex trafficker. The trafficker posted advertisements for sex with G.G. on the classified ad website run by Backpage.com (“Backpage”).¹ As alleged in the complaint, Backpage did not just allow but encouraged these types of illegal ads, to the point of becoming a dominant force in online sex trafficking. Beginning in 2013, Backpage contracted with Defendant Salesforce.com, Inc. (“Salesforce”) to provide it with customer relationship management (“CRM”) business software and support. That relationship allegedly helped grow Backpage’s operations, including promoting the business of sex traffickers. G.G. and her mother, Deanna Rose, (together, “Plaintiffs”) have now sued Salesforce pursuant to 18 U.S.C. § 1595, alleging that, through its contracts with Backpage, Salesforce violated the federal anti-trafficking laws by knowingly benefiting from and participating in a venture that it knew, or should have known, was engaged in illegal sex trafficking. Salesforce has filed a motion to dismiss the complaint in its entirety pursuant to

¹ The Third Amended Complaint, which is the operative complaint, includes Backpage as a defendant. Before Backpage answered the Third Amended Complaint, however, the Court granted Plaintiffs’ motion voluntarily to dismiss Backpage from this suit. (Dkt. No. 101.)

Federal Rule of Civil Procedure 12(b)(6). (Dkt. No. 63.) For the reasons given below, the Court grants the motion.

BACKGROUND

For purposes of Salesforce's motion to dismiss, the Court accepts as true all well-pleaded facts in the Third Amended Complaint ("TAC") and views those facts in the light most favorable to Plaintiffs as the non-moving parties. *Killingsworth v. HSBC Bank Nev., N.A.*, 507 F.3d 614, 618 (7th Cir. 2007). The TAC alleges as follows.

Backpage was established in 2004 as an online marketplace for various goods and services. (TAC ¶ 16, Dkt. No. 62.) Among other things, Backpage allowed classified ads for sex. (*Id.*) In 2008, Backpage's primary competitor, Craigslist, made it harder for users to post ads for sex on its platform. Capitalizing on the displaced ad volume, Backpage entered into a period of explosive growth, soon becoming the most popular online classified site for adult advertisements and deriving the vast majority (up to 99%) of its revenue from such ads. (*Id.* ¶¶ 16, 23–24.)

Salesforce is the world's top CRM platform, selling software to help companies manage their relationships with customers, improve profitability, and streamline processes. (*Id.* ¶¶ 29–30.) Specifically, Salesforce sells "software as a service" ("SaaS") technology consisting of a set of applications that, among other things, can help businesses manage sales and marketing functions, assist with customer service and support, provide customer data integration and support, permit both internal communications and communications with customers, offer business intelligence analytics, and process other forms of data. (*Id.* ¶ 31.) The Salesforce platform also has a "customer org"—that is, a portal that serves as a point of interaction between Salesforce and its customers. (*Id.* ¶ 32.) The customer org is confidential to each Salesforce customer and consists of

that customer's users, data, and automation. (*Id.*) Additionally, to help its customers achieve their business goals, Salesforce also provides personalized support. (*Id.* ¶ 33.)

As Backpage grew, it required more support and better CRM tools and capabilities to keep up with customer demand and scale its platform. (*Id.* ¶ 35.) To meet this need, Backpage contracted with Salesforce in 2013. (*Id.* ¶ 37.) As set forth in the Master Service Agreements between Salesforce and Backpage, Salesforce retained the right to delete or restrict access to Backpage's customer org if Backpage's actions or content was tortious. (*Id.* ¶ 47.) During their negotiations in November 2013, Backpage's Chief Executive Officer ("CEO") Carl Ferrer and another high-level executive met with a certified Salesforce Consulting Partner to assess Backpage's needs and goals as a business and to determine how Salesforce could help. (*Id.* ¶ 53.) An in-house Salesforce account executive continued those conversations, which eventually culminated in a deal between the companies. (*Id.* ¶ 54.) Over the next five years, Salesforce sold Backpage access to several products, including the premium "Enterprise Edition" of its CRM software. (*Id.*) An in-house Salesforce executive recommended the Enterprise Edition, which is described as "fully customizable." (*Id.* ¶ 45.) And, in 2015, Salesforce provided the technological infrastructure for Backpage to move its business overseas, allegedly to help it evade law enforcement scrutiny in the United States. (*Id.* ¶ 46.) Overall, Backpage purchased a new application, requested support, or renewed a contract with Salesforce on at least five occasions. (*Id.* ¶ 48.) Each of those times, Backpage consulted with Salesforce about how best to assess and meet its operational needs. (*Id.*)

Using the sophisticated CRM tools, as well as platform support, provided by Salesforce, Backpage was able to scale its operations and expand its business. (*Id.* ¶¶ 39–42.) The nature of those operations—and Salesforce's knowledge of them—are at the center of the present lawsuit.

Plaintiffs allege that Backpage was primarily (or even solely) a sex-trafficking business. As early as 2008, Backpage had been publicly identified by law enforcement and state and federal officials as being associated with sex trafficking. (*Id.* ¶ 18.) And over the next decade, Backpage faced calls to remove its adult services section by, among others, a group of state attorneys general. Backpage refused, resisting efforts to shut down its site on First Amendment grounds. (*Id.* ¶ 21.) Yet, even in the midst of persistent controversy and allegations regarding sex trafficking on Backpage, Salesforce continued to provide software and support to Backpage throughout this period. (*Id.* ¶ 50.)

Eventually, Backpage and its corporate leadership faced federal criminal charges. (*Id.* ¶¶ 25–26.) Backpage’s CEO pleaded guilty to charges that he conspired to facilitate prostitution using a facility in interstate or foreign commerce and engaged in money laundering, while the corporation pleaded guilty to conspiring to engage in money laundering. (*Id.* ¶¶ 25 n.17, 26 n.18; *see also* Plea Agreement, *United States v. Ferrer*, No. 2:18-cr-00464-DJH (D. Ariz. Apr. 5, 2018); Plea Agreement, *United States v. Backpage*, No. 2:18-cr-00465-DJH (D. Ariz. Apr. 5, 2018.) As part of its plea agreement with the government, Backpage admitted to having operated as a site for the sale of illegal sex and to receiving benefits from the sex trafficking of minors. (*Id.* ¶¶ 26–27.)

G.G. was one of those sex-trafficking victims. In 2016, when she was thirteen years old, G.G. ran away from home and was soon picked up by her trafficker. (*Id.* ¶¶ 74, 76.) While searching for her daughter, Rose found an ad featuring G.G. on Backpage’s Escort Page. (*Id.*) Rose notified Backpage that G.G., a child, was being advertised for sex on their website and requested that the ads be taken down. (*Id.*) Backpage, however, did not remove the ads and instead merely referred Rose to the National Center for Missing and Exploited Children. (*Id.*)

Although G.G. is no longer under the control of her trafficker, she suffered significant physical and emotional injuries as a result of her tragic ordeal and still suffers from the effects of being trafficked at such a young age. (*Id.* ¶ 79.)

DISCUSSION

To survive a Rule 12(b)(6) motion, a complaint must contain sufficient factual allegations to “state a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). In evaluating a motion to dismiss, the Court accepts as true all well-pleaded facts and draws all reasonable inferences from those facts in the plaintiff’s favor. *Bell v. City of Country Club Hills*, 841 F.3d 713, 716 (7th Cir. 2016). While a complaint need not contain detailed factual allegations, there “must be enough to raise a right to relief above the speculative level.” *Twombly*, 550 U.S. at 545. “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Ashcroft*, 556 U.S. at 678.

Federal law provides for both criminal sanctions against sex traffickers and civil remedies for victims of sex trafficking. Relevant to this case, 18 U.S.C. § 1591 creates both primary and secondary liability for the sex trafficking of minors, and 18 U.S.C. § 1595 allows any victim of such trafficking to sue for damages. Specifically, § 1595 allows victims of sex trafficking violations under § 1591 to “bring a civil action against the perpetrator (or whoever knowingly benefits, financially or by receiving anything of value from participation in a venture which that person knew or should have known has engaged in an act in violation of [§ 1591].” 18 U.S.C. § 1595(a). Beyond the requirement that there be an underlying violation of § 1591, a plaintiff seeking to impose liability under § 1595 must establish that the defendant (1) knowingly benefited

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