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| 1 | THE HONORABLE BARBARA J. ROTHSTEIN | |
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| 7 | UNITED STATES DISTRICT COURT | |
| 8 | WESTERN DISTRICT OF WASHINGTON | |
| 9 | AT SEATTLE | |
| 10 | MARY AND MATTHEW STREET, | Case No.: 2:21-cv-00912-BJR |
| 11 | Plaintiffs, | |
| 12 | v. | MOTION TO DISMISS |
| 13 | AMAZON.COM SERVICES, LLC, a | |
| 14 | Delaware Limited Liability Company, and AMAZON DIGITAL SERVICES, LLC, a Delaware Limited Liability Company, | |
| 15 | Defendants. | |
| 16 | | |
| 17 | Pursuant to Fed. R. Civ. P. 12(b)(6), Defendants Amazon.com Services, LLC and | |
| 18 | Amazon Digital Services, LLC respectfully request that the Court dismiss Plaintiffs' First | |
| 19 | Amended Class Action Complaint ("FAC") for failure to state a claim. Pursuant to the Court's | |
| 20 | Standing Order for Civil Cases, the parties' counsel conferred to determine whether Amazon's | |
| 21 | motion could be avoided; because it is Amazon's position that the Streets' claims all fail as a | |
| 22 | matter of law, and cannot be salvaged by amendment, the parties were unable to agree on any | |
| 23 | middle ground that would obviate this Motion. | |
| 24 | INTRODUCTION | |
| 25 | Mary and Matthew Street are longtime Amazon customers. They use an Amazon device | |
| 26 | called the Echo Dot smart-speaker, which the Streets connect to the internet using Wi-Fi or to | |
| 27 | other devices using Bluetooth. Like most consumers, the Streets have undoubtedly experienced | |
| 28 | the frustration of situations when their devices lose connection or fail to function properly. | |
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1 In September 2019, Amazon publicly announced development of Amazon Sidewalk. Sidewalk is a program that allows low-cost, low-bandwidth, low-power devices—think lights, 2 sensors, pet-trackers-to extend their range by borrowing very small amounts of bandwidth from 3 more powerful Wi-Fi-connected devices. For example, a motion sensor at the end of a long 4 driveway might briefly connect to a neighbor's Sidewalk-enabled device in order to transmit 5 data. The goal of the program is to enable small "neighbor-created networks" that allow a 6 variety of low-cost devices to perform better. Sidewalk costs the consumer nothing, and the 7 8 program is entirely voluntary: users may disable Sidewalk on their devices at any time.

9 In June 2021, after nearly two years of extensive publicity and media attention, Amazon launched Sidewalk. Less than a month later, the Streets filed this lawsuit. They seek to 10 11 represent a nationwide class of every person who has purchased and used a Sidewalk-enabled Echo device. The Streets claim that "Amazon is building an unprecedented national wireless 12 network but making its consumers foot the bill." FAC ¶ 1. Even if that were true (it is not), the 13 Streets have no viable legal claim because they have suffered no harm. The Streets acknowledge 14 that they can simply turn off Sidewalk (and presumably have done so in light of their claims). 15 And they do not allege any actual harm; they allude to the "potential for overage charges" for 16 excess internet use, but do not allege that such overages have actually occurred (nor is there any 17 credible risk of overages given how little bandwidth Sidewalk uses). Because each of the 18 19 Streets' three causes of action requires some form of harm, the Complaint should be dismissed.

BACKGROUND

In September 2019, Amazon publicly announced that it was developing Sidewalk.
See Declaration of Brian Buckley ("Buckley Decl."), filed in support of this Motion, Ex. A.¹

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¹ It is well-established that the Court can take judicial notice of press releases and media
¹ It is well-established that the Court can take judicial notice of press releases and media
²⁴ coverage, not for the truth of the statements in those media but for notice purposes. Rule 201 of
²⁵ the Federal Rules of Evidence allows the court to judicially notice facts that are not subject to
²⁶ reasonable dispute. Fed. R. Evid. 201(b), (d). Facts are not subject to reasonable dispute if they
²⁶ "can be accurately and readily determined from sources whose accuracy cannot reasonably be
²⁷ questioned." Fed. R. Evid. 201(b)(2). The court "must take judicial notice if a party requests it
²⁷ and the court is supplied with the necessary information." Fed. R. Evid. 201(c)(2). Courts
²⁸ routinely take judicial notice of publicly available documents such as corporate press releases
²⁸ and facts in published news articles. *See, e.g., Ritter v. Hughes Aircraft Co.*, 58 F.3d 454, 458-

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As Amazon explained in that announcement, many devices in our homes rely on Wi-Fi and
 Bluetooth connections to operate, but those connections only extend so far. That leaves spaces
 in and around homes for low-cost devices like sensors and lights that can benefit from low power, low-bandwidth connections. Sidewalk extends the working range of such devices by
 allowing more powerful Wi-Fi connected devices, like some models of Echo smart-speakers and
 Ring devices, to share small amounts of bandwidth with Sidewalk-enabled devices nearby. *Id.*

A year later, in September 2020, Amazon updated the public on Sidewalk's progress. 7 8 See Buckley Decl., Ex. B. Amazon explained: "Operated by Amazon at no charge to customers, 9 Amazon Sidewalk uses Bluetooth Low Energy (BLE), the 900 MHz spectrum, and other frequencies to simplify new device setup, extend the low-bandwidth working range of devices, 10 11 and help devices stay online and up-to-date even if they are outside the range of home Wi-Fi." *Id.* As Amazon explained further: "Customers will be able to access Sidewalk using two types 12 of devices operating on the network: Sidewalk Bridges and Sidewalk-enabled devices. Sidewalk 13 14 Bridges, including select Ring Floodlight Cams and Ring Spotlight Cams, are devices that provide connections to Sidewalk. Sidewalk-enabled devices [such as smart lights at the end of 15 16 your driveway] connect to Sidewalk Bridges to access the network." Id. Amazon also announced that certain models of Amazon Echo devices would be equipped to act as Sidewalk 17 Bridges. Id. 18

The Streets' FAC also references an Amazon website—maintained by Ring, which is
wholly owned by Amazon—that explains how Sidewalk functions. *See* FAC, ¶ 25, n.9² (citing *Support Center, Amazon Sidewalk*, <u>https://support.ring.com/hc/en-us/articles/360032492292-</u>

copies of websites where the complaint included only excerpts because "[i]n evaluating the context in which the statement appeared, we must take into account 'all parts of the communication that are ordinarily beard or read with it?") (intermal situations emitted)

²²

Mut., Inc. Sec., Derivative & ERISA Litig., 259 F.R.D. 490, 495 (W.D. Wash. 2009). Further,
 Plaintiffs themselves cite repeatedly to media coverage of Sidewalk in support of arguments they
 make in the FAC. See, e.g., FAC ¶ 3, n.1.

²⁵ Under the "incorporation by reference" doctrine, the Court can consider documents "whose contents are alleged in a complaint and whose authenticity no party questions, but which are not physically attached to the pleading." *Branch v. Tunnell*, 14 F.3d 449, 454 (9th Cir. 1994). *See also Knievel v. ESPN*, 393 F.3d 1068, 1076 (9th Cir. 2005) (incorporating by reference complete

^{28 ||} communication that are ordinarily heard or read with it''') (internal citations omitted).

Amazon-Sidewalk-Information (last visited October 27, 2021)). See Buckley Decl., Ex. C. As
that website explains, "Sidewalk works by sharing a little bit of your internet bandwidth with
your neighbors." *Id.* The site also explains that Sidewalk is completely voluntary, costs users
nothing to enjoy, does not slow down users' Internet connections, and "is designed with multiple
layers of privacy and security to secure data traveling on the network." *Id.* (This negates the
Streets' wholly unsupported and conclusory allegation that Sidewalk poses an "increased risk to
the security of their personal data." FAC ¶ 6).

On June 8, 2021, Sidewalk officially launched. FAC ¶ 5. Leading up to the launch, there 8 9 was substantial media attention and coverage regarding Sidewalk's functionality. Some of that coverage had a negative slant, wrongly suggesting that Sidewalk was "stealing" customers' 10 11 internet bandwidth. See, e.g., Associated Press, Own an Echo? Amazon may be helping itself to your bandwidth, N.Y. POST (June 9, 2021), https://nypost.com/2021/06/09/own-an-echo-12 amazon-may-be-helping-itself-to-your-bandwidth/ (Buckley Decl., Ex. D); Brenda Stolyar, How 13 to check if Amazon Alexa is stealing your internet bandwidth for Sidewalk, MSN.COM (Dec. 6, 14 2020), https://www.msn.com/en-us/news/technology/how-to-check-if-amazon-alexa-is-stealing-15 16 your-internet-bandwidth-for-sidewalk/ar-BB1bGj8s (Buckley Decl., Ex. E). But there was positive coverage too, highlighting the benefits of a free, shared, low-power network to make 17 low-cost devices operate more efficiently. See, e.g., Josephine Wolff, Amazon Wants to Connect 18 19 Your Smart Speaker and Doorbell With Your Neighbor's. It's Actually Pretty Cool!, SLATE (June 3, 2021), https://slate.com/technology/2021/06/amazon-sidewalk-mesh-network-experiment-20 privacy.html (Buckley Decl., Ex. F); Michael Bizzaco, Amazon Sidewalk is coming soon. 21 22 *Here's how it will improve smart home devices*, DIGITALTRENDS.COM (May 25, 2021), https://www.digitaltrends.com/home/amazon-sidewalk-and-what-it-means-for-you/ 23 (Buckley Decl., Ex. G); Kim Lyons & Russell Brandom, Amazon will launch a new location-24 25 tracking mesh network system later this year, THE VERGE (Sept. 21, 2020), https://www.theverge.com/2020/9/21/21448926/amazon-sidewalk-ring-echo-tile-wifi-mesh-ble-26 27 location-tracking (Buckley Decl., Ex. H). 28

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The media coverage also explained to consumers that Sidewalk is entirely voluntary, 2 and many articles offered instructions on how to opt out. See, e.g., Laurel Wamsley, Your Amazon Echo Will Share Your Wireless Network With Neighbors, Unless You Opt Out, NAT'L. 3 PUB. RADIO (June 4, 2021), https://www.npr.org/2021/06/02/1002590964/your-amazon-echo-4 will-share-your-wi-fi-network-with-neighbors-unless-you-opt-out (Buckley Decl., Ex. I); Barbara Krasnoff, How to opt out of (or into) Amazon's Sidewalk network, MSN.COM (June 1, 6 2021), https://www.msn.com/en-us/news/technology/how-to-opt-out-of-or-into-amazon-e2-80-7 8 <u>99s-sidewalk-network/ar-AAKBENZ</u> (Buckley Decl., Ex. J).

9 That extensive media coverage evidently reached the Streets. On July 8, 2021, exactly 30 days after Sidewalk launched, the Streets filed this lawsuit. They allege that in October 2018 10 11 they bought an Echo Dot third generation smart speaker for their home. FAC \P 12. They note the benefits of Sidewalk, namely that "Sidewalk works by sharing a little bit of your internet 12 bandwidth with your neighbors. By combining it with bandwidth donated by others in the 13 14 neighborhood, Sidewalk creates a low-bandwidth, low-power network that can be used by neighbors to help one another in new ways." Id. ¶ 26. The Streets also acknowledge that they 15 16 and other consumers are free to opt out of Sidewalk at any time. Id. ¶ 30. Yet, with knowledge of how Sidewalk functions, the Streets continue to use and enjoy their Echo device. Id. ¶ 49. 17

In the FAC, the Streets assert three causes of action against Amazon: (1) violation of the 18 19 Washington Consumer Protection Act ("CPA"); (2) theft of telecommunication services under RCW § 9A.56.268; and (3) unjust enrichment. As explained below, those claims all fail for 20 various reasons, including that the Streets do not allege that they have been harmed. 21

ANALYSIS

23 At the pleading stage, Rule 12(b)(6) allows the Court to dispense with spurious or legally flawed complaints before the parties begin the expensive and burdensome discovery 24 25 process, particularly in a putative class action like this one. To survive a Rule 12(b)(6) motion, a complaint must plead "enough facts to state a claim to relief that is plausible on its face." Bell 26 Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007). A claim only has "facial plausibility when the 27

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