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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

EDDIE GUERRA, on behalf of himself and all
others similarly situated,

Plaintiff,

v.

APPLE INC., a corporation,

Defendant.

CASE NO.:

CLASS ACTION COMPLAINT

1. Violation of California False Advertising Law
2. Violation of California Unfair Competition Law
3. Violation of California Consumers Legal Remedies Act
4. Unjust Enrichment

DEMAND FOR JURY TRIAL

1 Plaintiff Eddie Guerra (“Plaintiff”), on behalf of himself and all others similarly situated,
 2 brings this class action against Defendant Apple, Inc. (“Apple” or “Defendant”), based on
 3 Defendant’s false and deceptive advertising of its Apple TV movies and other video content.

4 **APPLE’S VIOLATION OF AB 2426 AND FALSE ADVERTISING OF “4K” CONTENT**

5 1. On January 1, 2025, California’s Assembly Bill 2426, the California Digital Property
 6 Rights Transparency Law, California Business & Professions Code § 17500.6 went into effect (“AB
 7 2426” or Section 17500.6). Section 17500.6 prohibits a seller of a digital good from advertising a
 8 digital good (such as movies and television shows) with terms “buy,” “purchase,” or any other term
 9 with a reasonable person would understand to confer an unrestricted ownership interest unless 1)
 10 the seller receives at the time of the transaction an affirmative acknowledge from the purchaser
 11 indicating that the purchaser is receiving a *license* to access the digital good, a complete list of
 12 restrictions and conditions of the license, *and that access to the digital good may be unilaterally*
 13 *revoked* by the seller if they no longer hold a right to the digital good or 2) the seller provides to the
 14 consumer before executing each transaction a clear and conspicuous statement that states in plain
 15 language that “buying” or “purchasing” the digital good is a license and includes a hyperlink, QR
 16 code, or similar method to access the terms and conditions that provide full details on the license.
 17 Section 17500.6(b)(1). Section 17500.6 further requires that any affirmative acknowledgement from
 18 the purchaser or clear and conspicuous statement pursuant to § 17500.6(b)(1) “shall be distinct and
 19 separate from any other terms and conditions of the transaction that the purchaser acknowledges or
 20 agrees to.” Section 17500.6(b)(2).

21 2. California enacted Section 17500.6 on the heels of high-profile debacles by media
 22 and entertainment companies revoking, or threatening to revoke, access to digital goods that
 23 consumers thought they “purchased” and “owned” forever. For instance, in April 2024, the company
 24 Ubisoft revoked the licenses to access a video game it sold called “The Crew,” meaning that all of
 25 its customers that thought they “purchased” the game could no longer play it.¹ This stood in sharp
 26 contrast to consumer expectations of what “ownership” of a video game meant. After all, before the

27 _____
 28 ¹ <https://www.engadget.com/ubisoft-is-deleting-the-crew-from-players-libraries-reminding-us-we-own-nothing-165328083.html>

1 mass proliferation of online-only video games, gamers could “buy” a Nintendo 64 or Playstation
 2 game and play it *forever* on an offline gaming console at home. In another high-profile example,
 3 Sony faced backlash after announcing it would remove Discovery content (*i.e.*, thousands of TV
 4 shows) from users’ digital libraries, only retracting this move after public outrage.² In another more
 5 dated example, Amazon remotely deleted copies of George Orwell’s “1984” from customers’
 6 Kindles without warning in 2009. Again, on the backdrop of literally hundreds of years of consumer
 7 expectation, consumers never thought that they could ever lose access to a “book” that they
 8 “purchased,” at least not without losing the physical book. Similarly, when Microsoft shut down its
 9 e-book store in 2019, customers lost access to all their purchased books, receiving refunds but no
 10 permanent copies.³

11 3. The California Rules Committee notes and comments to Section 17500.6 summarize
 12 many of the concerns California aimed at addressing when passing the new rule:

13 Our increasingly online lives have opened up a vast market of online “digital
 14 goods.” These are products that are offered for “sale” but are not available to be
 15 permanently downloaded. These digital goods, such as movies on streaming
 16 services or books to be read on various electronic devices, are “purchased” by
 17 consumers. However, despite what an ordinary consumer might think, oftentimes
 18 these sales are only providing license to access and use these digital goods and do
 19 not confer ownership of anything.

20 This bill seeks to address the arguably misleading use of the terms “buy,”
 21 “purchase,” or other similar terms in these transactions by prohibiting their use
 22 unless the seller of the good either (1) secures an affirmative acknowledgement
 23 from the buyer that indicates they are only receiving a license to access the digital
 24 good that may be unilaterally revoked and includes the terms of the license; or (2)
 25 the seller provides a clear and conspicuous statement that the transaction is only
 26 conferring a license and includes some easily accessible method to access the
 27 terms and conditions of that license. These must be separate and apart from any
 28 other terms and conditions. ...

Comments

24 *Providing transparency in digital good “sales”.* Digital goods are now ubiquitous.
 25 These online products and services include music, movies, video games, and
 26 books. These products are increasingly easy to purchase on the many devices most
 27 people use to take advantage of these goods, reading on a Kindle, watching a
 28 movie on their laptop, or playing an online video game on their gaming system.

² <https://publicknowledge.org/ownership-used-to-mean-something/>

³ *Id.*

1
2 However, while many of these goods are available to “buy” or “purchase” online,
3 the buyer is not receiving the type of ownership that comes with ancient products
4 like DVDs, CDs, or paper books:

5 As the entertainment industry shifts its distribution strategy to let
6 people buy or rent movies closer to—or simultaneously with—their
7 release in theaters, you may find yourself amassing a larger digital
8 library than you’ve had in the past. But when you buy a movie from a
9 digital service like Amazon Prime Video or Vudu, does it really
10 belong to you? What if you buy a song on iTunes or download one to
11 your phone from Spotify? Are these files yours forever? If you cancel
12 the service or, as unlikely as it may seem, one of these huge
13 companies goes out of business, what then?

14 The answer is a little complex, but the short version is, no, you don’t
15 actually own the digital media files that you purchase. This doesn’t
16 mean you’re imminently at risk of losing every digital movie and TV
17 show you’ve ever bought at the whim of a megacorp, but it is
18 possible. . . .

19 What you’re purchasing in most cases is a license to watch that video
20 or listen to that song.

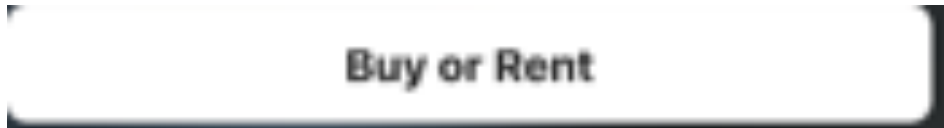
21 While there is nothing inherently wrong with these licensing structures, they may
22 not align with what a consumer expects, especially when the term “buy” or
23 “purchase” is being used. A report put out by the Department of Commerce’s
24 Internet Policy Task Force concludes:

25 It does not appear that consumers have a clear understanding whether
26 they own or license the products and services they purchase online
27 due in part to the length and opacity of most EULAs, the labelling of
28 the “buy” button, and the lack of clear and conspicuous information
regarding ownership status on websites. The Task Force believes that
consumers would benefit from more information on the nature of the
transactions they enter into, including whether they are paying for
access to content or for ownership of a copy, in order to instill greater
confidence and enhance participation in the online marketplace.

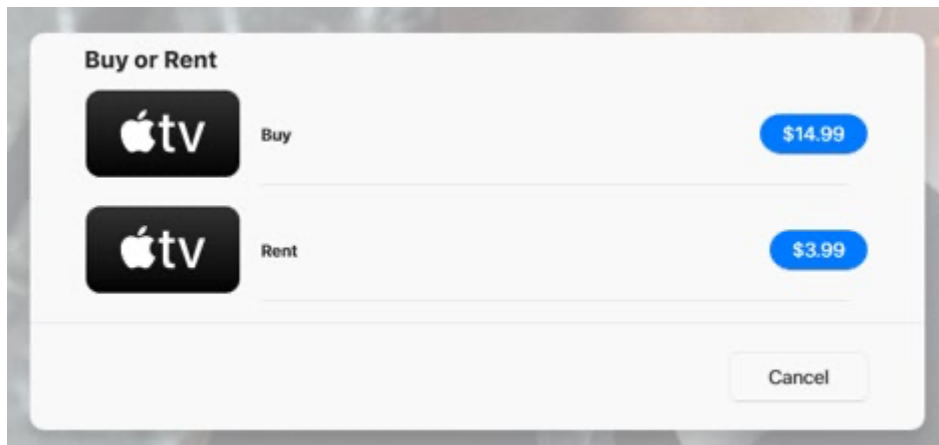
29 This bill seeks to ensure consumers know what they are getting in these
30 transactions by prohibiting sellers of these digital goods from advertising or
31 offering for sale digital goods using the terms “buy,” “purchase,” or other similar
32 terms which a reasonable person would understand to confer an unrestricted
33 ownership interest in the digital good. A “digital good” is a digital audiovisual
34 work, digital audio work, digital book, digital code, or digital application or game,
35 as defined, whether electronically or digitally delivered or accessed.

36 Ex. 1.

4. While many digital content providers were quick to adjust their marketing of movies, TV shows, and games sold (or licensed) online, Apple effectively made no change in response to Section 17500.6 despite having its headquarters in California and surely closely following § 17500.6's passage. To this day, Apple's massively popular Apple TV service offers movies, TV shows, and other digital content with a "Buy or Rent" button, as depicted below:



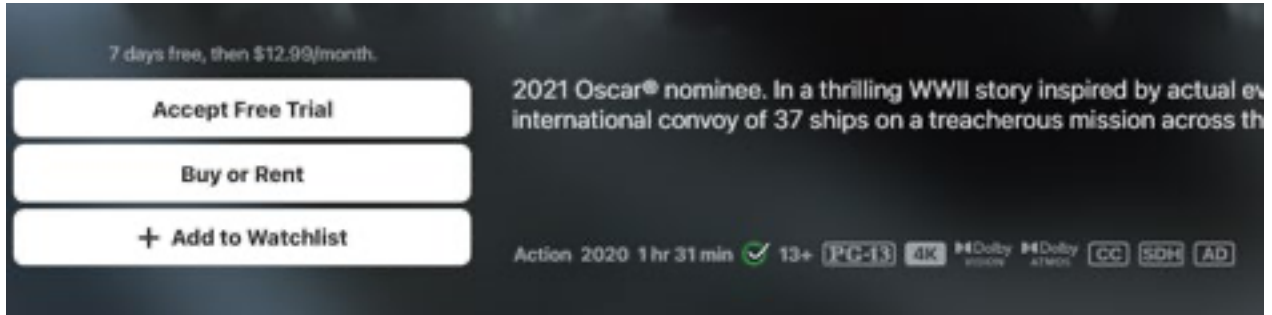
5. When a consumer clicks "Buy or Rent," they are presented with separate prices to either "Buy" or "Rent" the content, with no disclosures or asterisks anywhere that the "Buy" option is actually an offer for the sale of a "license," and not an offer of an unrestricted ownership interest in the digital good. The "Buy" option is always more expensive than the "Rent" option, as depicted below for the movie "Greyhound" starring Tom Hanks.



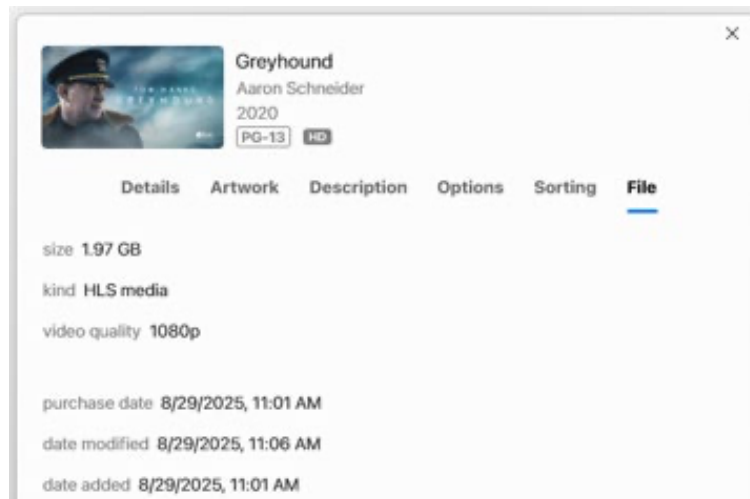
6. Unknown to consumers, Apple has the option and the right to unilaterally revoke this license, such as if it loses the rights to any given digital good, such as through a merger with another company, sale of media and licensing rights, or discontinuation of its Apple TV service. In other words, consumers are not actually "purchasing" the digital good, but only a limited license to the digital good, without the mandatory disclosures required by Section 17500.6.

7. To make matters worse, Apple also advertises many of its movies and TV shows as "4K," referring to high-end resolution of approximately 4,000 pixels. 4K resolution is preferred by

1 and sought out by consumers because of the perceived premium image and motion quality of the
 2 display, with sharper, more detailed, and clearer images, especially on larger screens. 4K resolution
 3 provides nearly four times the pixel count of normal HD (high definition) content, which typically
 4 maxes out at 1080 pixels. The “4K” image is displayed prominently before a consumer decides
 5 whether to purchase the movie, as depicted below for the movie “Greyhound” below:



8. However, despite offering a limited opportunity for consumers to “download” digital
 content after “purchase” for a short period of 30 days (after which downloads are no longer
 permitted), any downloaded content is made available only in a maximum of 1080 pixels (regular
 HD), *even if the digital content was advertised as 4K at the time of sale*. For instance, a consumer
 purchasing and then downloading the Greyhound movie depicted above would then be surprised to
 learn (and even then only if they happened to investigate) that the video quality is only 1080p, *not*
 4K, in the file description of the movie in their Apple movie library, as depicted below:



9. Accordingly, Apple does not allow the downloading of 4K content for offline
 viewing, despite advertising digital content as 4K at the time of sale. 4K content can only be viewed

1 in 4K, if at all, only by streaming the content over an internet connection and is subject at all times
2 to Apple removing the license to view the content if it chooses to. In violation of Section 17500.6,
3 Apple advertises putative 4K digital content on its Apple TV platform as available for “purchase”
4 even though it cannot be downloaded for offline viewing in 4K and despite the “sale” only
5 conveying a limited license. Apple’s conduct not only violates Section 17500.6, but is also false and
6 misleading and violates California’s False Advertising Law, Cal. Bus. & Prof. Code § 17500, *et*
7 *seq.*, California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et seq.*, California’s
8 Consumers Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.*

9 **JURISDICTION AND VENUE**

10 10. This Court has original jurisdiction over this action pursuant to the Class Action
11 Fairness Act of 2005, 28 U.S.C. § 1332(d), because the proposed Class consists of 100 or more
12 members; the amount in controversy exceeds \$5,000,000, exclusive of costs and interest; and
13 minimal diversity exists. This Court also has supplemental jurisdiction over the state law claims
14 pursuant to 28 U.S.C. § 1367.

15 11. This Court has personal jurisdiction over Defendant because its principal place of
16 business is in Cupertino, California and Defendant conducts substantial business within California,
17 including the promotion, marketing, and sale of the digital content in this State to render the exercise
18 of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.
19 Further, a substantial part of the events or omissions giving rise to Plaintiff’s claims also occurred
20 in California.

21 12. Plaintiff resides in Chatsworth, California, and he purchased the audiovisual work in
22 California within the statute of limitations period.

23 **PLAINTIFF**

24 13. Plaintiff is a citizen and resident of the United States and the State of California. He
25 currently resides in Chatsworth, California.

26 14. In August 2025, Plaintiff paid for a movie called “F1: The Movie” on Defendant’s
27 Apple TV service for \$24.99. Plaintiff believed that he was receiving unrestricted rights to the movie
28 because he clicked the “Buy” button when purchasing it. Plaintiff also believed that he would have

unrestricted rights to download and view the movie in 4K resolution, because it was prominently advertised as “4K” on the screen at the time he made the purchase. Unbeknownst to Plaintiff, Apple instead only provided Plaintiff with a license to view the movie and retained the right to terminate the license at any time. Further, unbeknownst to Plaintiff at the time of purchase, Apple did not provide Plaintiff with an opportunity to download the movie for offline viewing in 4K resolution. These misrepresentations and omissions were fundamental parts of Plaintiff’s decision to purchase the movie at the premium price of \$24.99. Had he known the true nature of the misrepresentations and omissions, he would not have purchased the movie, or he would have paid less for it. Thus, Plaintiff has suffered injury in fact and lost money as a result of Apple’s misleading, false, and unfair and deceptive practices as alleged herein.

15. Plaintiff will be unable to rely on Apple TV's 4K or "Buy" representations in the future, as it is not possible to tell whether digital content on Apple TV will be available for download in 4K resolution until after the purchase is complete, and there is no prominent or adequate disclosure that the sale is a mere license. He will be unable to determine the true nature of the transaction absent first making a purchase, and so will be unable to purchase Apple TV digital products in the future, although he would like to. Plaintiff remains interested in purchasing Apple TV 4K digital content, intends on purchasing them in the future, and would purchase them in the future if Defendant ensured that the 4K and "Buy" representations were accurate and truthful.

16. As a result of Defendant's unlawful business practices, and the harm caused to Plaintiff and Class members, Defendant should be required to pay for all damages and/or restitution. Monetary compensation alone is insufficient to remedy the ongoing harm that is being caused to Plaintiff, and Class members, who are unaware of Defendant's deceptive conduct and will continue purchasing the Apple TV digital content, reasonably but incorrectly believing that they are purchasing 4K content and not just a license to view digital content without the opportunity to download it in 4K for offline viewing. As such, injunctive relief requiring Defendant to cease its false and deceptive practices is necessary and appropriate.

DEFENDANT

1 21. Pursuant to Fed. R. Civ. P. 23(c)1(C), each of the above class definitions is a
2 placeholder that may be altered or amended any time before final judgment. As a result of additional
3 information obtained through further investigation and discovery, the above-described Classes may
4 be modified or narrowed as appropriate before the Court determines whether class certification is
5 appropriate.

6 22. Plaintiff is a members of all classes.

7 23. Numerosity: The proposed Classes are so numerous that joinder of all members
8 would be impractical. Apple sells hundreds of thousands, if not millions, of audiovisual works
9 throughout the United States and the State of California on a monthly basis. The number of
10 individuals who purchased audiovisual works during the relevant time period is at least in the
11 hundreds. Accordingly, Class members are so numerous that their individual joinder herein is
12 impractical. While the precise number of Class members and their identities are unknown to Plaintiff
13 at this time, these Class members are identifiable and ascertainable.

14 24. Common Questions Predominate: There are questions of law and fact common to the
15 proposed Classes that will drive the resolution of this action and will predominate over questions
16 affecting only individual Class members. These questions include, but are not limited to, the
17 following:

- 18 a. Whether Defendant misrepresented material facts and/or failed to disclose
19 material facts in connection with the marketing, distribution, and sale of the
20 audiovisual works;
21 b. Whether Defendant's sale of audiovisual works violates 17500.6;
22 c. Whether Defendant's use of the challenged advertising constituted false or
23 deceptive advertising;
24 d. Whether Defendant engaged in unfair, unlawful and/or fraudulent business
25 practices;
26 e. Whether Defendant's unlawful conduct, as alleged herein, was intentional and
27 knowing;
28

- 1 f. Whether Plaintiff and the Classes are entitled to damages and/or restitution, and
- 2 if so, in what amount;
- 3 g. Whether Plaintiff and the Classes are entitled to an injunctive relief;
- 4 h. Whether Plaintiff and the Classes are entitled to punitive damages, and if so, in
- 5 what amount; and
- 6 i. Whether Plaintiff and the Classes are entitled to an award of reasonable
- 7 attorneys' fees, interest, and costs of suit.

8 25. Defendant has engaged in a common course of conduct giving rise to violations of
9 the legal rights sought to be enforced uniformly by Plaintiff on behalf of the proposed Classes.
10 Similar or identical statutory and common law violations, business practices, and injuries are
11 involved. The injuries sustained by members of the proposed Classes flow, in each instance, from a
12 common nucleus of operative fact, namely, Defendant's deceptive sale and advertising of the
13 audiovisual works. Each instance of harm suffered by Plaintiff and Class members has directly
14 resulted from a single course of unlawful conduct. Each Class member has been exposed to the same
15 deceptive practice, as the advertising of audiovisual works: (a) bears the same material "4K"
16 representation and is sold using a "Buy" button without disclosure that the audiovisual works are
17 only offered as a license, and (b) the audiovisual works do not meet these representations of fact.
18 Therefore, individual questions, if any, pale in comparison to the numerous common questions
19 presented in this action.

20 26. Superiority: Because of the relatively small damages at issue for each individual
21 Class member, no Class member could afford to seek legal redress on an individual basis.
22 Furthermore, individualized litigation increases the delay and expense to all parties and multiplies
23 the burden on the judicial system presented by the complex legal and factual issues of this case.
24 Individualized litigation also presents a potential for inconsistent or contradictory judgments. A
25 class action is superior to any alternative means of prosecution.

26 27. Typicality: The representative Plaintiff's claims are typical of those of the proposed
27 Classes, as all members of the proposed Classes are similarly affected by Defendant's uniform
28 unlawful conduct as alleged herein.

1 28. Adequacy: Plaintiff will fairly and adequately protect the interests of the proposed
 2 Classes as his interests do not conflict with the interests of the members of the proposed Classes he
 3 seeks to represent, and he has retained counsel competent and experienced in similar class action
 4 litigation. The interests of the members of the Classes will be fairly and adequately protected by the
 5 Plaintiff and his counsel.

6 29. Defendant has also acted, or failed to act, on grounds generally applicable to Plaintiff
 7 and the proposed Classes, supporting the imposition of uniform relief to ensure compatible standards
 8 of conduct toward the members of the Classes.

9 **FIRST CLAIM FOR RELIEF**
 10 **Violation of California's False Advertising Law**
 11 **California Business & Professions Code § 17500, *et seq***
 (*For all Classes*)

12 30. Plaintiff hereby incorporates by reference and re-alleges herein the allegations
 13 contained in all preceding paragraphs of this complaint.

14 31. Plaintiff brings this claim individually and on behalf of the members of the
 15 Nationwide Class and California Class against Defendant pursuant to California's False Adverting
 16 Law ("FAL"), Cal. Bus. & Prof. Code § 17500, *et seq*.

17 32. The FAL makes it "unlawful for any person to make or disseminate or cause to be
 18 made or disseminated before the public . . . in any advertising device . . . or in any other manner or
 19 means whatever, including over the Internet, any statement, concerning . . . personal property or
 20 services professional or otherwise, or performance or disposition thereof, which is untrue or
 21 misleading and which is known, or which by the exercise of reasonable care should be known, to
 22 be untrue or misleading." Cal. Bus. & Prof. Code § 17500.

23 33. Defendant has represented and continues to represent to the public, including
 24 Plaintiff and members of the Nationwide Class and California Class, through its deceptive
 25 advertising, that the audiovisual works are available in 4K resolution and are being sold with
 26 unrestricted rights, without disclosing that the audiovisual works cannot be downloaded for offline
 27 viewing in 4K and that class members are only receiving a revokable license to view the audiovisual
 28 works in 4K online with an internet connection. Because Defendant has disseminated misleading

information regarding the audiovisual works, and Defendant knows, knew, or should have known, through the exercise of reasonable care, that the representations are false and misleading, Defendant has violated the FAL.

34. As a result of Defendant's false advertising, Defendant has and continues to unlawfully obtain money from Plaintiff and members of the Nationwide Class and California Class. Plaintiff therefore requests that the Court cause Defendant to restore this fraudulently obtained money to him and members of the Nationwide Class and California Class, to disgorge the profits Defendant made on these transactions, and to enjoin Defendant from violating the FAL or violating it in the same fashion in the future as discussed herein. Otherwise, Plaintiff and members of the Nationwide Class and California Class may be irreparably harmed and/or denied an effective and complete remedy.

35. Plaintiff and members of the Nationwide Class and California Class have no adequate remedy at law and are therefore entitled to restitution, disgorgement, and/or the imposition of a constructive trust to recover the amount of Defendant's ill-gotten gains, and/or other sums as may be just and equitable.

SECOND CLAIM FOR RELIEF
Violation of California’s Unfair Competition Law (“UCL”),
California Business & Professions Code § 17200, *et seq.*
(For all Classes)

36. Plaintiff hereby incorporates by reference and re-alleges herein the allegations contained in all preceding paragraphs of this complaint.

37. Plaintiff brings this claim individually and on behalf of the members of the Nationwide Class and California Class against Defendant.

38. The UCL, Cal. Bus. & Prof Code § 17200, provides, in pertinent part, that “unfair competition shall mean and include unlawful, unfair or fraudulent business practices and unfair, deceptive, untrue or misleading advertising . . . ”.

39. Under the UCL, a business act or practice is “unlawful” if it violates any established state or federal law. Defendant’s false and misleading advertising of audiovisual works was and continues to be “unlawful” because it violates, *inter alia*, the CLRA, the FAL, and Section 17500.6

1 as alleged herein. As a result of Defendant's unlawful business acts and practices, Defendant has
2 unlawfully obtained money from Plaintiff and members of the Nationwide Class and California
3 Class.

4 40. Under the UCL, a business act or practice is "unfair" if the Defendant's conduct
5 offends an established public policy, or is immoral, unethical, oppressive, unscrupulous, or
6 substantially injurious to consumers, as the benefits for committing such acts or practices are
7 outweighed by the gravity of the harm to the alleged victims. Defendant's conduct was and
8 continues to be of no benefit to purchasers of the audiovisual works, as it is misleading, unfair,
9 unlawful, and is injurious to consumers who rely on the advertising and omissions. Further, violating
10 Section 17500.6 offends the established public policy of California, which has explicitly forbidden
11 the advertising at issue because it is confusing, deceptive, and injurious to consumers. Therefore,
12 Defendant's conduct was and continues to be "unfair." As a result of Defendant's unfair business
13 acts and practices, Defendant has and continues to unfairly obtain money from Plaintiff and
14 members of the Nationwide Class and California Class.

15 41. Under the UCL, a business act or practice is "fraudulent" if it actually deceives or is
16 likely to deceive members of the consuming public. Defendant's conduct was and continues to be
17 fraudulent as it represents that the audiovisual works are available in 4K resolution and are being
18 sold with unrestricted rights, without disclosing that the audiovisual works cannot be downloaded
19 for offline viewing in 4K and that class members are only receiving a revokable license to view the
20 audiovisual works in 4K online with an internet connection. Because Defendant misled Plaintiff and
21 members of the Nationwide Class and California Class, Defendant's conduct was "fraudulent." As
22 a result of Defendant's fraudulent business acts and practices, Defendant has and continues to
23 fraudulently obtain money from Plaintiff and members of the Nationwide Class and California
24 Class.

25 42. Plaintiff requests that the Court cause Defendant to restore this unlawfully, unfairly,
26 and fraudulently obtained money to him, and members of the Nationwide Class and California
27 Class, to disgorge the profits Defendant made on these transactions, and to enjoin Defendant from
28 violating the UCL or violating it in the same fashion in the future as discussed herein. Otherwise,

1 Plaintiff and members of the Nationwide Class and California Class may be irreparably harmed
2 and/or denied an effective and complete remedy.

3 43. Plaintiff and class members have suffered an injury in fact resulting in the loss of
4 money and/or property as a proximate result of the violations of law and wrongful conduct of
5 Defendant alleged herein, and they lack an adequate remedy at law to address the unfair conduct at
6 issue here. Legal remedies available to Plaintiff and class members are inadequate because they are
7 not equally prompt and certain and in other ways efficient as equitable relief. Damages are not
8 equally certain as restitution because the standard that governs restitution is different than the
9 standard that governs damages. Hence, the Court may award restitution even if it determines that
10 Plaintiff fails to sufficiently adduce evidence to support an award of damages. Damages and
11 restitution are not the same amount. Unlike damages, restitution is not limited to the amount of
12 money defendant wrongfully acquired plus the legal rate of interest. Equitable relief, including
13 restitution, entitles a plaintiff to recover all profits from the wrongdoing, even where the original
14 funds taken have grown far greater than the legal rate of interest would recognize. Legal claims for
15 damages are not equally certain as restitution because claims under the UCL entail few elements.
16 In short, significant differences in proof and certainty establish that any potential legal claim cannot
17 serve as an adequate remedy at law.

18 44. Equitable relief is appropriate because Plaintiff may lack an adequate remedy at law
19 if, for instance, damages resulting from their purchase of the audiovisual work is determined to be
20 an amount less than the premium price of the audiovisual work. Without compensation for the full
21 premium price of the audiovisual work, Plaintiff would be left without the parity in purchasing
22 power to which he is entitled.

23 **THIRD CLAIM FOR RELIEF**
24 **Violation of California's Consumers Legal Remedies Act**
25 **California Civil Code § 1750, *et seq.***
(For all Classes)

26 45. Plaintiff hereby incorporates by reference and re-alleges herein the allegations
27 contained in all preceding paragraphs of this complaint.
28

1 46. Plaintiff brings this claim individually and on behalf of the members of the
2 Nationwide Class and California Class against Defendant pursuant to California’s Consumers Legal
3 Remedies Act (“CLRA”), Cal. Civ. Code § 1750, *et seq.*

4 47. The audiovisual works are a “good” within the meaning of Cal. Civ. Code § 1761(a),
5 and the purchases of the audiovisual works by Plaintiff and members of the Nationwide Class and
6 California Class constitute “transactions” within the meaning of Cal. Civ. Code § 1761(e).

7 48. Cal. Civ. Code § 1770(a)(5) prohibits “[r]epresenting that goods or services have
8 sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not
9 have...” By marketing the audiovisual works with its current advertising, Defendant has represented
10 and continues to represent that the audiovisual works have characteristics that they do not have.
11 Therefore, Defendant has violated section 1770(a)(5) of the CLRA.

12 49. Cal. Civ. Code § 1770(a)(7) prohibits “[r]epresenting that goods or services are of
13 a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of
14 another.” By marketing the audiovisual works with their current advertising, Defendant has
15 represented and continues to represent that the audiovisual works are of a particular standard, quality,
16 or grade which they do not possess. Therefore, Defendant has violated section 1770(a)(7) of the CLRA.

17 50. Cal. Civ. Code § 1770(a)(9) prohibits “[a]dvertising goods or services with intent not
18 to sell them as advertised.” By marketing the audiovisual works as discussed herein, Defendant has
19 violated section 1770(a)(9) of the CLRA.

20 51. At all relevant times, Defendant has known or reasonably should have known that its
21 representations and omissions concerning the audiovisual works is false and deceptive, and that
22 Plaintiff and other members of the Nationwide Class and California Class would reasonably and
23 justifiably rely on it when purchasing the audiovisual works. Nonetheless, Defendant persisted in
24 making the representations and omissions to deceive consumers.

25 52. Plaintiff and members of the Nationwide Class and California Class have justifiably
26 relied on Defendant’s misleading representations and omissions. Moreover, based on the materiality
27 of Defendant’s misleading and deceptive conduct, reliance may be presumed or inferred for Plaintiff
28 and members of the Nationwide Class and California Class.

53. Plaintiff and members of the Nationwide Class and California Class have suffered and continue to suffer injuries caused by Defendant because they would have paid less for the audiovisual works, or would not have purchased them at all, had they known that the truth.

54. Accordingly, Plaintiff, on behalf of himself and all other members of the Classes, seeks damages and to enjoin the unlawful acts and practices described herein.

55. On October 1, 2025, a CLRA demand letter was sent to Defendant's headquarters and registered agent. This letter provided notice of Defendant's violation of the CLRA, for Plaintiff and the Classes, and demanded that Defendant correct the unlawful, unfair, false and/or deceptive practices alleged here.

56. Plaintiff seeks all relief available under this cause of action, other than damages. Plaintiff may amend the Complaint in the future to add a damages claim.

FOURTH CLAIM FOR RELIEF

Unjust Enrichment

57. Plaintiff incorporates and realleges each preceding paragraph as though fully set forth herein.

58. Plaintiff brings this claim individually and on behalf of the members of the Nationwide Class and California Class against Defendant.

59. To the extent required, Plaintiff asserts this cause of action in the alternative to legal claims, as permitted by Rule 8.

60. Plaintiff and the class members conferred a benefit on Defendant in the form of the gross revenues Defendant derived from the money they paid to Defendant.

61. Defendant knew of the benefit conferred on it by Plaintiff and the class members.

62. Defendant has been unjustly enriched in retaining the revenues derived from Plaintiff's and the class members' purchases of the audiovisual works, which retention of such revenues under these circumstances is unjust and inequitable because Defendant omitted that the audiovisual works could not be downloaded in 4K resolution and were only being offered with a revokable license to view 4K content online with an active internet connection. This caused injuries

1 to Plaintiff and class members because they would not have purchased the audiovisual works or
2 would have paid less for them if the true facts concerning the audiovisual works had been known.

3 63. Defendant accepted and retained the benefit in the amount of the gross revenues it
4 derived from sales of the audiovisual works to Plaintiff and the class members.

5 64. Defendant has thereby profited by retaining the benefit under circumstances which
6 would make it unjust for Defendant to retain the benefit.

7 65. Plaintiff and the class members are, therefore, entitled to restitution in the form of
8 the revenues derived from Defendant's sale of the audiovisual works.

9 66. As a direct and proximate result of Defendant's actions, Plaintiff and the class
10 members have suffered in an amount to be proven at trial.

11 67. Putative class members have suffered an injury in fact and have lost money as a result
12 of Defendant's unjust conduct.

13 Putative class members lack an adequate remedy at law with respect to this claim and are
14 entitled to non-restitutionary disgorgement of the financial profits that Defendant obtained as a
15 result of its unjust conduct.

16 **PRAYER FOR RELIEF**

17 **WHEREFORE**, Plaintiff, individually and on behalf of the proposed Classes, respectfully
18 prays for following relief:

19 A. Certification of this case as a class action on behalf of the Classes defined above,
20 appointment of Plaintiff as Class representatives, and appointment of his counsel as Class counsel;

21 B. A declaration that Defendant's actions, as described herein, violate the laws
22 described herein;

23 C. An award to Plaintiff and the proposed Classes of restitution and/or other equitable
24 relief, including, without limitation, restitutionary disgorgement of all profits and unjust enrichment
25 that Defendant obtained from Plaintiff and the proposed Classes as a result of its unlawful, unfair
26 and fraudulent business practices described herein;

1 D. An award of injunctive and other equitable relief as is necessary to protect the
2 interests of Plaintiff and the Class members, including, *inter alia*, an order prohibiting Defendant
3 from engaging in the unlawful acts described above;

4 E. An award of all economic, monetary, actual, consequential, and compensatory
5 damages caused by Defendant's conduct;

6 F. An award of punitive damages;

7 G. An award of nominal damages;

8 H. An award to Plaintiff and his counsel of reasonable expenses and attorneys' fees;

9 I. An award to Plaintiff and the proposed Classes of pre- and post-judgment interest, to
10 the extent allowable; and

11 J. For such further relief that the Court may deem just and proper.

12
13 **DEMAND FOR JURY TRIAL**

14 Plaintiff, on behalf of himself and the proposed Classes, hereby demands a jury trial with
15 respect to all issues triable of right by jury.

16 DATED: October 8, 2025

Respectfully submitted,

17 **SMITH KRIVOSHEY, PLLC**

18
19 By: /s/ Yeremey O. Krivoshey
Yeremey O. Krivoshey

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Attorneys for Plaintiff and the Putative Classes

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