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CLASS ACTION COMPLAINT

LAW OFFICES OF GARY R. CARLIN APC

[Plaintiffs Demand a Trial by Jury]

Plaintiffs, by their undersigned attorneys, for their Class Action Complaint (Complaint) against Defendants, alleges as follows:

### **JURISDICTION AND VENUE**

- 1. Jurisdiction of this Court is based on 28 USC § 1332, diversity of citizenship, and 28 USC § 1603 (a) and (b).
- 2. This Court has subject-matter jurisdiction over this action pursuant to  $28 \text{ U.S.C.} \ \$ \ 1332(a)(d)(2)(B)(4)$  and  $28 \text{ USC} \ \$ \ 1603$  (a) and (b). The aggregate value of the claims of all members of the proposed class and subclass(es) are in excess of ten million dollars , exclusive of interest and costs. Many members of the proposed class are citizens of a state and/or country different from Defendant.

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- 3. Pursuant to 28 U.S.C. § 1391, this Court is the proper venue for this action because a substantial part of the events, omissions, and acts giving rise to the claims herein occurred in this District where DEFENDANTS and each of them, distributed, marketed, advertised, and sold the trading devices which are the subject of the present complaint. Venue is also appropriate in this District pursuant to 28 USC § 1391(b)(2) because a substantial part of the acts and omissions that gave rise to this Complaint occurred in or emanated from this District.
- DEFENDANT DATTO is authorized to do business and does conduct business in California and has specifically marketed, advertised, and made substantial sales in California.
- 5. DEFENDANT OPEN MESH has sufficient minimum contacts with this state and avails itself of the laws of the District and state of California by marketing its products, advertising them, and selling them within this District. The exercise of jurisdiction does not "offend the traditional notions of fair play and substantial justice" (International Shoe Co. v. Washington (1945) 326 U.S. 310).
- DEFENDANT DATTO has a place of business in the District from 6. an office at 400 Spectrum Center Dr., Ste. 2100, Irvine, CA 92618.

### **SUMMARY OF THE ACTION**

Users of Defendants' devices were promised a "lifetime cloud 7. license", "automatic firmware updates" and other features. Plaintiffs allege that the Defendants promoted false advertising upon purchasing OPEN MESH devices and in fact did not provide the features that were promised unless consumers agreed to pay a monthly maintenance fee for a cloud license to continue receiving the promised benefits and features. Without the cloud license the devices are rendered useless. Plaintiffs and Class members lost economic gain and suffered

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financial loss due to Defendants' false advertising and deception. Plaintiffs and Class members seek special, compensatory, punitive damages, and an injunction.

### **PARTIES**

- Plaintiff, Paul Feinberg ("FEINBERG") was and is a citizen of the 8. United States, and a permanent residence in Japan.
- Plaintiff, Joshua David Dinnerman ("DINNERMAN") was and is a 9. citizen of the United States.
- 10. Plaintiff, Pacific Information Technologies, Inc is an Arizona corporation with its principal place of business at 916 E. Baseline Rd., #106, Mesa, Arizona.
- Plaintiff, Pacific Business KK is a Tokyo Japan corporation with its 11. principal place of business at Mukai Building, 5th Floor, 1-13-14 Sekiguchi, Bunkyo-ku, Tokyo 112-0014.
- Plaintiff, Technology Design Systems, Ltd., is a Hong Kong, China 12. corporation with its principal place of business at Unit 06B, Viking Technology and Business Center, 93 Ta Chuen Ping St., Kwai Chung NT, Hong Kong.
- Class members are all those members of the American public and 13. many foreign countries who are similarly situated as the named Plaintiffs.
- Defendant Datto, Inc., ("DATTO") is a Connecticut corporation with 14. its principal place of business at 101 Merrit 7, Ste. 7, Norwalk, Connecticut 06851-1052, as is qualified to do business and is doing business in California, and has substantial contacts in California.
- Defendant Open Mesh, Inc, ("OPEN MESH") is an Oregon 15. corporation with its principal place of business at 5 Centerpoint Dr., Ste. 400, Lake Oswego, Oregon 97035-8661. Upon information and belief, it is a whollyowned Subsidiary of Defendant Datto, Inc.

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- Defendants, and each of them, produce cloud-managed network 16. devices. Their customers use these devices not only for internet activity and Wi-Fi, but also as a scalable foundation for a variety of other Internet of Things (IoT) cloud managed devices and systems, to wit; cameras, sensors, point of purchase systems, etc.
- 17. **OPEN MESH** provided cloud-managed platform called a CLOUDTRAX for networks and network devices which connected to this platform. DATTO, upon their purchase of OPEN MESH took over this platform under DATTO. The platform provides secure internet connectivity and device control, management and monitoring to consumers and businesses.
- 18. OPEN MESH programmed, advertised, sold, and distributed access points, switches, and routers with lifetime cloud licenses and automatic firmware/software updates.
- OPEN MESH advertised a "lifetime cloud license" along with other 19. features. A true and correct copy of the warranty advertised on the box is attached and labeled as Exhibit "A".
- DATTO and OPEN MESH devices use CLOUDTRAX, a cloud-20. based network controller. Without CLOUDTRAX and the "lifetime cloud license", the devices cannot and do not operate properly absent payment of a monthly maintenance fee hereinafter referenced.
- 21. In or about late 2016 DATTO acquired OPEN MESH. Once DATTO acquired OPEN MESH, it adopted a new pricing model which required all users to have to pay a monthly fee to maintain CLOUDTRAX and continue receiving the benefits of the "lifetime cloud license". This model leaves former users with the option to pay the monthly fee or completely/partially replace their hardware and switch to another provider. This model contradicts the basis on when the devices were purchased, which was that there would be no monthly fee.

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- On or about November 3<sup>rd</sup>, 2016 FEINBERG, Pacific Information 22. Technologies, Inc., and Pacific Business KK purchased multiple OPEN MESH devices, including but not limited to 6 (six) OM5 P-AC-NA access points priced at \$120.15 per unit; 1 (one) Cloud Managed Switch priced at \$269.10; and 11 (eleven) OM5 P-AC-PS access points. The total purchase price was \$2,366.65.
- 23. On or about January 31st, 2017 DATTO announced their acquisition of OPEN MESH to the public.
- On or about March 15th, 2017 FEINBERG entered into an 24. International Distributor Agreement with OPEN MESH, allowing him to receive units of OPEN MESH devices, but no written agreement was executed.
- 25. In or about the middle of 2021 one of FEINBERG's OPEN MESH devices failed and disconnected from the Wi-Fi. FEINBERG had a spare OPEN MESH device that he wanted to use, but it was set up on another network. To remove the device from the old network and make it usable, he had to contact OPEN MESH and DATTO.
- 26. FEINBERG attempted to contact OPEN MESH's customer support multiple times through phone calls and emails, but was never able to reach OPEN MESH and never received a response to his numerous attempts to contact OPEN MESH.
- 27. FEINBERG then sought to contact DATTO's customer support. but to no avail. DATTO claimed that because the devices were not from their company they couldn't provide FEINBERG with much assistance. The DATTO customer support agent mentioned to FEINBERG that if he purchased a monthly subscription from DATTO for CLOUDTRAX, that it could bring his devices back online.
- 28. On or about October 2<sup>nd</sup>, 2021 DINNERMAN and Technology Systems, Ltd purchased four (4) OPEN MESH access points. Design DINNERMAN encountered the same problem with the devices as FEINBERG.

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DINNERMAN's OPEN MESH devices could not be disconnected from the previous user's network unless he paid a monthly fee to DATTO.

- At all times mentioned hereto, DATTO has not allowed for their 29. devices to be unlocked and used with another network platform.
- Plaintiffs are informed and believe that DATTO issued an "End of 30. Life" and "End of Support" statement to all its users informing them that their lifetime cloud license and customer support would be cut off by December 31st, 2021, absent their agreement to pay a monthly maintenance fee.
- 31. DATTO contacted OPEN MESH distributor's clients to persuade them to switch to DATTO.
- 32. Plaintiff FEINBERG is informed and believes and thereon alleges that in or about early 2017 DATTO cut off OPEN MESH's customer support.
- Plaintiff FEINBERG is informed and believes and thereon alleges 33. that in or about early 2017 DATTO began ending support and automatic updates for OPEN MESH devices.
- 34. As a direct and proximate result of DATTO's business model change, Plaintiffs and Class Members, like so many others, lost out on significant investments and prospective profits to their damage.

### **CLASS ACTION ALLEGATIONS**

- 35. Plaintiffs bring claims pursuant to Federal Rules of Civil Procedure Rule 23 (a) and (b)(3) on behalf of the following Class, as defined below: All PLAINTIFFS and each of them, consumers who bought OPEN MESH devices that require a connection to CLOUDTRAX to function during 2007 through and including the present.
- 36. Additionally, Plaintiffs brings claims pursuant to Federal Rules of Civil Procedure Rule 23 (a) and (c)(5) on behalf of the following Subclass, as defined below: All DISTRIBUTORS and each of their customers who bought

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OPEN MESH devices that require a connection to CLOUDTRAX to function during 2007 through and including the present.

- 37. This action has been brought and may properly be maintained as a class action against ALL DEFENDANTS and each of them, pursuant to the provisions of Federal Rules of Civil Procedure Rule 23 (b) and (c)(4).
- 38. **Numerosity:** The precise number of members of the proposed Class is unknown to Plaintiffs at this time, but, based on information and belief, Class members are so numerous that their individual joinder herein is impracticable. Based on information and belief and publicly available reports, Class members number in the hundreds of thousands. Subclass members are likely in the hundreds. All Class and Subclass members may be notified of the pendency of this action by reference to DEFENDANTS and each of their records or by other alternative means.
- 39. Commonality: Numerous questions of law or fact are common to Plaintiffs' claims and members of the proposed Class. These common questions of law and fact exist as to all Class members and predominate over questions affecting only individual Class members. These common legal and factual questions include, but are not limited to the following:
- Whether DEFENDANTS and each of them made a practice of knowingly selling the OPEN MESH CLOUDTRAX supported devices under the pretense of providing lifetime cloud license and support, nevertheless knowing that they were going to end the lifetime cloud license and support, unless and until consumers agreed to pay a monthly maintenance fee;
- Whether DEFENDANTS and each of them made a practice of selling b. the OPEN MESH CLOUDTRAX supported devices purposefully with the intent to gain more customers that would have to eventually pay the monthly maintenance fees;

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- Whether in doing so, DEFENDANTS and each of them regularly, c. routinely and with impunity violated the Magnuson-Moss Warranty Act.
- d. Whether in doing so, DEFENDANTS and each of them made a practice of violating consumer protection laws in failing to disclose their changes in the cloud license and support policy;
- Whether in doing so, DEFENDANTS and each of them were in multiple breaches of their contracts and the implied covenant of good faith and fair dealing in connection with their failure to continue to provide lifetime cloud license and support;
- f. Whether DEFENDANTS and each of them regularly and as a practice were negligent or grossly negligent by failing to continue to provide lifetime cloud license for customers who had already purchased the OPEN MESH devices;
- Whether DEFENDANTS and each of them regularly and as a g. practice breached their fiduciary duties to customers by failing to provide adequate access to customer support;
- h. Whether Plaintiffs and the other Class members suffered damages by DEFENDANTS' practices, and if so, the appropriate class-wide measure of damages, restitution, and other appropriate relief, including injunctive relief;
- Whether Plaintiffs and the other Class members are entitled to injunctive equitable and declaratory relief.
- 40. Typicality: The claims of the named Plaintiffs are typical of the proposed Class's claims in that the named Plaintiffs were customers and/or distributors during the class period and are unable to connect devices to Wi-Fi and/or networks, and unable to maintain their lifetime warranty as a result of DEFENDANTS, and each, of their wrongful conduct.
- 41. Adequate Representation: Plaintiffs will fairly and adequately represent the Class's interests in that he has no conflicts with any other Class

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members. Plaintiffs have retained competent counsel experienced in prosecuting complex class actions, including those involving financial services, and they will vigorously litigate this class action.

- Predominance and Superiority: There is no plain, speedy, or 42. adequate remedy other than maintaining this class action. A class action is superior to other available means, if any, for the fair and efficient adjudication of this controversy. Prosecution of separate actions by individual Class members would create the risk of inconsistent or varying adjudications, establishing incompatible standards of conduct for the Defendant. Additionally, given the relatively modest damages sustained by most individual members, few, if any, proposed Class members could or would sustain the economic burden of pursuing individual remedies for DEFENDANTS and each of their wrongful conduct. Treatment as a class action will achieve substantial economies of time, effort, and expense and provide comprehensive and uniform supervision by a single court. This class action presents no material difficulties in management.
- 43. Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(A) because the prosecution of separate actions by individual members of the proposed Class would create a risk of inconsistent or varying adjudications with respect to individual Class members, which may produce incompatible standards of conduct for Defendants.
- 44. Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(B) because the prosecution of separate actions by individual members of the proposed Class would create a risk of adjudications with respect to individual Class members, which may, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.
- 45. The prerequisites to maintaining a class action for injunctive or equitable relief pursuant to Fed. R. Civ. P. 23(b)(2) are met as DEFENDANTS,

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and each of them have acted or refused to act on grounds generally applicable to the Class, thereby making final injunctive, declaratory, or equitable relief appropriate with respect to the Class as a whole.

- Class action certification is also warranted under Fed. R. Civ P. 46. 23(b)(3) because questions of law or fact common to the class members predominate over any questions affecting only individual members, and a Class action is superior to other available remedies for the fair e individual Plaintiffs are insufficient to make litigation addressing DEFENDANTS, and each of their conduct economically feasible for most in the absence of the class action procedure. Individualized litigation also presents a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and the court system presented by the case's legal and factual issues. By contrast, the class action device presents far fewer management difficulties and provides the benefits of a single adjudication, economy of scale, and comprehensive supervision by a single court.
- 47. Class action certification is also warranted under Fed. R. Civ P. 23(c)(4) because questions of law or fact common to the Class members may be certified and decided by this Court on a class-wide basis.

### WISON-MOSS WARRANTY ACT BREACH OF THE AGAINST DEFENDANTS

Plaintiffs hereby incorporates by reference the allegations in the above paragraphs of this Complaint as though fully set forth herein.

- Plaintiffs and members of the Class are consumers. 48.
- 49. Plaintiffs and members of the Class purchased various devices from OPEN MESH. Defendant's product was labeled, through their own manuals ("Exhibit C"), as a product for home and apartment buildings making normal use of this product for personal, household, or family use. The product is a

consumer product.

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- DEFENDANTS are the warrantors who made a written warranty. 50.
- 51. DEFENDANTS' products failed to perform as warranted. Each product was labeled expressly on the product packaging as warranted for lifetime use. As of December 31, 2021, any use of the product was cut off per DEFENDANT'S "end of life notice," effectively making the products fail to perform as warranted.
- 52. DEFENDANTS and each of their conduct caused Plaintiffs and Class members harm, loss, and damages and continue to expose them to harm. These losses reflect damages to Plaintiffs and Class members in an amount to be determined at trial or separate proceedings as necessary.

### CAUSE OF ACTION II **BUSINESS** AND PROFESSIONS CODE FALSE ADVERTISING – CALIFORNIA AGAINST DEFENDANTS

- Plaintiffs hereby incorporate by reference the allegations in the 53. above paragraphs of this Complaint as though fully set forth herein.
- 54. California Business & Professions Code § 17500 et seq., also known as California False Advertising Law, makes it "unlawful for any person, ... corporation or association, or any employee thereof with intent directly or indirectly to dispose of ... personal property ... or anything of any nature whatsoever ... to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatsoever, including over the internet, any statement, concerning that ... personal property ... or concerning any circumstance or matter of fact connected with the proposed performance or disposition thereof, which is untrue or misleading, and which is known, or which by the exercise of reasonable case should be known, to be untrue or misleading..."

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- As alleged above, DEFENDANTS disseminated or caused to be 55. disseminated deceptive advertising of OPEN MESH devices to the general public. Such advertising, including but not limited to, product packaging, advertising and marketing represented OPEN MESH devices to come with a lifetime cloud access and support. These advertisements were false and misleading because DEFENDANTS are now switching over to a monthly fee policy, forcing existing OPEN MESH users to pay the monthly fee, or switch their devices and networks to another company. Plaintiff's relied on the untrue and misleading on-box advertisement for lifetime use and induced PLAINTIFF's to purchase the product.
- Upon Plaintiffs information and belief DEFENDANTS continue to disseminate or cause to be disseminated such deceptive promises as alleged herein.
- 57. The false and deceptive statements regarding the lifetime cloud access and support is likely to deceive the consuming public and had done so.
- 58. While disseminating or causing to be disseminated the false and deceptive statements regarding the lifetime cloud access and support, as alleged above, the DEFENDANTS knew or should have known that the statements were false or misleading. Defendants were to controllers and operators of their product and knew of any advertising on their product boxes. Furthermore, any changes to Defendant's products or access to Defendants products was under Defendant's control. There can be little doubt as to Defendant's knowledge of Defendant's practices.
- As a direct and proximate result of DEFENDANT'S false and 59. misleading advertising, Plaintiff and the members of the class have been injured in fact, in that they purchased OPEN MESH devices with cloud access and support until December 31st, 2021 and not lifetime cloud access and support as advertised. Plaintiff and members of the class would not have purchased said

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devices if they had known the "lifetime" policy would change.

- 60. DEFENDANTS' false and misleading advertising as alleged above presents a continuing harm to Plaintiff, the Class, and members of the public because DEFENDANTS persist and continue to disseminate false and misleading advertising.
- 61. DEFENDANTS and each of their conduct caused Plaintiffs and Class members harm, loss, and damages and continue to expose them to harm. These losses reflect damages to Plaintiffs and Class members in an amount to be determined at trial or separate proceedings as necessary.

### CAUSE OF ACTION III VIOLATIONS OF UNFAIR TICE ACT- CALIFORNIA SIONS CODE \$17200 et sea

- Plaintiffs hereby incorporate by reference the allegations in the 62. above paragraphs of this Complaint as though fully set forth herein.
- California Business & Professions Code § 17200 at seq., also known 63. as the California Unfair Competition Law ("UCL"), prohibits acts of "unfair competition," including any unlawful, unfair, fraudulent, or deceptive business act or practice as well as "unfair, deceptive, untrue or misleading adverting."
- Defendant's engaged in the practice of "unfair competition" through their "unfair, fraudulent, and deceptive" business practice of false advertising as alleged in paragraphs 54 through 62 where defendant knowingly placed untrue and misleading statements on their product packaging. The advertising was unlawful, unfair and fraudulent and DEFENDANTS made it knowingly or should have known they were engaged in this practice.
- By engaging in the false, deceptive, and misleading conduct alleged 65. above, DEFENDANTS have engaged in unlawful business acts and practices in violation of the UCL by violating state and federal laws including but limited to Business & Professions Code § 17500 et seq., which makes false and deceptive

advertising unlawful.

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- In addition to being unlawful, DEFENDANTS' acts, conduct and 66. practices as alleged above are unfair. DEFENDANTS, through deceptive and misleading advertising and representations, induced Plaintiff and class members to purchase OPEN MESH devices believing them to have lifetime cloud access and support.
- As a direct and proximate result of DEFENDANTS' unlawful, 67. unfair and fraudulent business practices, Plaintiff and members of the class have been injured in fact. They purchased OPEN MESH devices in reliance on DEFENDANTS' false and misleading advertising and representations to the general public regarding the lifetime cloud access and support. Plaintiffs and the members of the class would have purchased the devices had they known they were going to change their lifetime policy.
- 68. DEFENDANTS' false and misleading advertising as alleged above presents a continuing harm to Plaintiffs, the Class, and members of the public because DEFENDANTS persist and continue to disseminate false and misleading advertising.
- 69. DEFENDANTS conduct caused Plaintiffs and Class members harm, loss, and damages and continue to expose them to harm. These losses reflect damages to Plaintiffs and Class members in an amount to be determined at trial or separate proceedings as necessary.

### VIOLATION OF CONSUMERS REMEDIES ACT- ESSENTIAL FACTUAL AGAINST DEFENDANTS

- Plaintiffs hereby incorporate by reference the allegations in the 70. above paragraphs of this Complaint as though fully set forth herein.
- 71. Plaintiffs and Class members bought various OPEN MESH devices. Defendant's product was labeled, through their own manuals (Exhibit C), as a

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product for home and apartment buildings making normal use of this product for personal, household, or family use.

- That DEFENDANTS and each of them advertised their devices with 72. the intent to switch their lifetime cloud license to a monthly fee; making false or misleading statements of fact concerning the lifetime cloud license policy.
  - Plaintiffs and Class members were harmed. 73.
- Plaintiffs' and Class members' harm directly and proximately 74. resulted from the DEFENDANT and each of their conduct.

DEFENDANTS conduct damaged Plaintiffs and Class members in 75. an amount to be determined at trial or separate proceedings as necessary.

DEFENDANTS and each of them acted with fraud, malice, or 76. oppression. Based on the foregoing, Plaintiffs and class members are entitled to recover punitive damages from DEFENDANTS and each of them, in an amount according to proof.

### **CAUSE OF ACTION FOR** AGAINST DEFENDANTS

- Plaintiffs hereby incorporate by reference the allegations in the 77. above paragraphs of this Complaint as though fully set forth herein.
- 78. Plaintiffs and Class members entered into a contract with DEFENDANTS when they purchased the devices. The
- 79. When Plaintiffs and class members purchased the OPEN MESH devices, it included lifetime cloud access and support.
- DEFENDANT DATTO failed to maintain the lifetime policy to 80. OPEN MESH users, even though they were required to do so under the contract.
- The terms of the contract were each Plaintiff's monetary 81. considerations for each of Defendant's product, including the lifetime warranty

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expressly provided for in the packaging of the product.

- 82. Plaintiffs and Class members were proximately harmed because they now have no/minimal use of the devices or have to pay a monthly maintenance fee.
- 83. DEFENDANT's breach of contract was a substantial factor in causing Plaintiffs and Class members' harm.
- DEFENDANTS and each of their conduct caused Plaintiffs and 84. Class members harm, loss, and damages and continue to expose them to harm. These losses reflect damages to Plaintiffs and Class members in an amount to be determined at trial or separate proceedings as necessary.

### BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

- Plaintiffs hereby incorporate by reference the allegations in the 85. above paragraphs of this Complaint as though fully set forth herein.
  - 86. Plaintiffs and Class members entered into a contract.
- Plaintiffs and Class members did all, or substantially all off the 87. significant things that the contract required them to do. In purchasing, Plaintiffs and Class members were guaranteed a onetime purchase with no extra added costs to keep the devices functioning.
- All conditions required for DEFENDANTS' performance had 88. occurred.
- 89. The terms of the contract were each Plaintiff's monetary considerations for each of Defendant's product, including the lifetime warranty expressly provided for in the packaging of the product.
- DEFENDANTS ended their lifetime policy and breached the 90. lifetime warranty contract it had with its consumers who purchased the OPEN MESH devices.

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91.	By doing so	<b>DEFENDANTS</b>	did not act fairly	v and in good	l faith
91.	by doing so,	DETENDANTS	ulu iioi aci iaiii	y and in good	ı talılı

- As a direct and proximate result of DEFENDANTS' conduct, 92. Plaintiffs and members of the Class were harmed.
- DEFENDANTS and each of their conduct caused Plaintiffs and 93. Class members harm, loss, and damages and continue to expose them to harm. These losses reflect damages to Plaintiffs and Class members in an amount to be determined at trial or separate proceedings as necessary.

### BREACH OF IMPLIE **MERCHANTABILITY** AGAINST DEFENDANTS

- Plaintiffs hereby incorporate by reference the allegations in the 94. above paragraphs of this Complaint as though fully set forth herein.
- Plaintiffs and members of the Class bought OPEN MESH devices 95. from distributors of DEFENDANTS. There is vertical privity between defendant's and their distributors.
- At the time of purchase DEFENDANTS were in the business of 96. selling the devices to distributors for the general public's use.
- The devices did not measure up to the promises or facts stated on 97. the box. Any disclaimers were in direct conflict with what they warranted on their product packaging.
- Any alleged warranties may not be given with one hand then taken 98. away by another through a disclaimer.
  - 99. Plaintiffs and class members were harmed.
- DEFENDANTS' breach of the implied warranty was a substantial 100. factor in causing Plaintiffs and the members of the Class' harm.
  - 101. DEFENDANTS and each of their conduct caused Plaintiffs and

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Class members harm, loss, and damages and continue to expose them to harm
These losses reflect damages to Plaintiffs and Class members in an amount to be
determined at trial or separate proceedings as necessary.

102. In doing the acts herein alleged, DEFENDANTS, and each of them, acted with oppression, fraud, malice, and conscious disregard of Plaintiffs' and members of the Class rights, and Plaintiffs and members of the Class are therefore entitled to punitive damages in an amount to be determined at trial according to proof.

> CAUSE OF ACTION VIII INTENTIONAL MISREPRESENTATION AGAINST DEFENDANTS

- 103. Plaintiffs hereby incorporate by reference the allegations in the above paragraphs of this Complaint as though fully set forth herein.
- 104. DEFENDANTS represented in writing and advertisement to Plaintiffs and Class members that with their onetime purchase of the device(s), their cloud license and customer support would work for the lifetime of the product. A true and correct copy of OPEN MESH's website is attached and labeled as Exhibit "B".
- 105. DEFENDANTS' representations were false. In or about late 2016 DATTO acquired OPEN MESH and changed the lifetime warranty policy to consumers paying a monthly fee to maintain CLOUDTRAX.
- 106. DEFENDANTS knew that the lifetime cloud access and support representations they made were false when they advertised OPEN MESH devices.
- DEFENDANTS intended for Plaintiffs and Class members to rely 107. on their lifetime cloud access and support representations in order to induce Plaintiffs and Class members to purchase the devices.

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- Plaintiffs and Class members reasonably and justifiably relied to 108. their detriment on said representations. Both PLAINTIFFs and DEFENDANTS were sophisticated parties to understand and rely on representations made by defendant. PLAINTIFFS understood that the purchase of this product included lifetime cloud access or Defendant may not have purchased the product. Defendant relied on this material provision in purchasing Defendant's product.
- As a direct and proximate result, Plaintiffs and Class members lost 109. monies, business, devices, etc.
- 110. Plaintiffs and Class members detrimental and justifiable reliance on DEFENDANTS' false representations was a substantial factor in causing them harm.
- 111. DEFENDANTS and each of their conduct caused Plaintiffs and members of the Class and Subclass harm, loss, and damages. These losses reflect damages to Plaintiffs and members of the Class and Subclass in an amount to be determined at trial or separate proceedings as necessary.
- In doing the acts herein alleged, DEFENDANTS, and each of them, 112. acted with oppression, fraud, malice, and conscious disregard of Plaintiffs' and members of the Class rights, and Plaintiffs and members of the Class are therefore entitled to punitive damages in an amount to be determined at trial according to proof.

### AGAINST DEFENDANTS

- Plaintiffs hereby incorporate by reference the allegations in the 113. above paragraphs of this Complaint as though fully set forth herein.
  - 114. DEFENDANTS and each of them have a duty to exercise

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reasonable care due and cautious care in their packaging, labeling, advertising, and marketing towards their consumers.

- Furthermore, Defendants have a legal duty to exercise reasonable 115. care products through the supply chain to ensure there is no damage done to the Plaintiff.
- 116. DEFENDANTS and each of them unlawfully breached its duties by, among other things, marketing the devices with false promises that were negligently made.
- As outlined in this Complaint, DEFENDANTS and each of their 117. conduct were negligent in that they lacked due and cautious care, and their individual and collective conduct is and continues to be a departure from the ordinary standard of conduct. Their actions breach any duty of due cautious care to their customers.
- DEFENDANTS and each of them negligently marketed the devices 118. with including but not limited to "lifetime cloud license" and "automatic updates", even though it was not true.
- 119. DEFENDANTS and each of them intentionally, negligently, and wrongfully breached their duties owed to Plaintiffs, and members of the Class and Subclass, thereby proximately caused losses and damages that would not have occurred but for DEFENDANTS and each of their gross breaches of their duty of due and cautious care. These losses reflect special compensatory and general damages to Plaintiffs and members of the Class and Subclass in an amount to be determined at trial or separate proceedings as necessary.

### **REQUEST FOR RELIEF:**

1. Enter an immediate injunction requiring DEFENDANTS to reinstate their Lifetime warranty and bar their public advertising of the subject devices until said warranties are reinstated;

- 2. Certify a Class of Plaintiffs similarly situated to the named representative;
- 3. Compensatory damages in excess of \$75,000;
- 4. Enter an award for attorneys fees and costs;
- 5. Enter an award for punitive damages for the willful, wanton, and reckless behavior of Defendants; and,
- 6. Any other relief this Court deems just and fit.

///

Respectfully Submitted,

Dated: May 19, 2022

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Gary R. Carlin

Attorneys for Plaintiffs and Class members

~ Can

LAW OFFICES OF GARY R. CARLIN, APC

### **DEMAND FOR JURY TRIAL**

Plaintiffs hereby respectfully demand a jury trial.

Respectfully Submitted,

Dated: May 19, 2022 LAW OFFICES OF GARY R. CARLIN, APC

By: Gary R. Carlin

Attorneys for Plaintiffs and Class members

# EXHIBIT A

# Smarter, Simpler

Open Mesh helps professionals deploy intelligent WiFi networks that build and heal themselves. It's easy to scale from small networks with one access point to large sites and thousands of locations—all from a single cloud-based dashboard.

#### System requirements:

- A broadband Internet connection
- The CloudTrax app on a device with iOS 7 and up, Android 4.0 and up, or a modern web browser pointed to cloudtrax.com

#### Cloud management:

Includes lifetime cloud license. Single point of configuration for one access point or thousands.

#### Installation:

Includes mounting kit to install indoors (desktop, ceiling, wall or Ethernet jack) and outdoors (wall or pole). Power supply and PoE injector sold separately.

#### Security and network services:

Built-in cloud management, automatic firmware upgrades, WPA/WPA2 Personal and Enterprise, captive portal/splash pages, roaming, mesh, Facebook Wi-Fi, user management capabilities, and much more.

#### Warranty:

1 year limited warranty. See openmesh.com/warranty.

#### Wireless connectivity:

Tri-Band 802.11ac Wave 2. Single 2.4GHz 2x2, Dual 5GHz 2x2

#### Power and environment:

PoE Ethernet 1:
802.3af/at or Passive 48-54V--- 0.6A
PoE Ethernet 2:
Passive 18-24V --- 1.34-1A (mode A, B, A+B)
Operating temperature: 0 - 50°C

# EXHIBIT B

Open Mesh is now Datto Networking. For technical support, visit the Help Center.

### Open Mesh is Now Datto Networking

We've combined everything you know and love about Open Mesh with additional services and pricing designed specifically for Managed Service Providers.

### What you need to know:

01

The Open Mesh product line has been merged into the Datto Networking product line and is now available exclusively from Datto.

02

Open Mesh Products purchased previously will continue to work as always, with included cloud management and email-based support.

03

Eligible partners are encouraged to transition to Datto where they will benefit from a partner-centric pricing model that includes a lifetime warranty and 24/7/365 Direct-to-Tech support.

### Questions? Continue reading or reach out directly

#### **CONTACT US**

### Ready to get started with Datto Networking?

**BECOME A PARTNER** 

### What is Datto Networking?

Datto Networking is everything you love about Open Mesh:





Networks that just work

Simple, powerful cloud-management



Low total cost of ownership

...Plus added benefits to help your business grow:



24/7/365 Direct-to-Tech support



Lifetime warranty with advanced replacement



Pricing designed for service providers



More products such as LTE-enabled routers and managed power

### Frequently Asked Questions

### What is the news?

We're starting the next chapter in the Open Mesh story: Open Mesh is now Datto Networking. The Open Mesh product line is being merged into the Datto Networking product line and will be available exclusively from Datto beginning January 1, 2019. Eligible partners are encouraged to become a Datto partner and experience the benefits of a partner-centric networking line that includes 24/7/365 direct to tech support, lifetime product warranty, MSP-friendly pricing and more.

### Why is Datto making this change?

Open Mesh was acquired by Datto, a technology solutions provider exclusively focused on the IT channel, in late 2016. Datto is driven to empower the world's small and medium sized businesses with the best in enterprise-level technology, delivered through managed services providers. With that, Datto has combined the best of Open Mesh with pricing and additional services designed specifically for MSPs. The network landscape is evolving and Datto's partner model allows for more focus on product development and faster innovation. Along with this comes a lifetime warranty and 24/7 support and exclusive access to a growing suite of products designed to help partners grow their businesses.

### What will happen to my Open Mesh products?

We commit that existing Open Mesh networks will continue to operate like they always have and will be supported through the life of the product. Some products may be eligible to upgrade to Datto Networking, which includes 24/7 support, a lifetime warranty and much more. Contact us to inquire about upgrading.

Moving forward, those that become Datto partners will have the ability to receive all product/feature enhancements, as well as access to new products, software management tools, and new product categories that have yet to be announced.

The end of life policy and product matrix is available here.

### Can I still buy under the one-time sales model?

The one-time sales model will be available through the end of 2018 on openmesh.com and through select distributors and resellers. Availability after January 1, 2019 will be limited to any remaining inventory on hand through distribution and online resellers.

### What is the Datto Networking pricing model?

Datto Networking pricing aligns with how a managed services provider sells its service, on a month by month basis. There are low up-front costs, no contracts to sign, no long-term commitments, and products are billed only if the devices are active. Contact us to learn more and a representative will review your specific needs.

### Will Open Mesh start charging a monthly fee on devices I've already purchased?

No, customers will not be charged a monthly fee on devices already purchased. Any device previously purchased from Open Mesh includes a free cloud license for the life of the product. Many products may be eligible to upgrade to Datto Networking, which includes 24/7 support, a lifetime warranty and much more. Contact us to inquire about upgrading.

Some customers who use custom features such as APIs or custom branding may see a charge as noted in our technical documentation. We will be reaching out to these customers directly.

### I'm an MSP: how can I buy?

Become a Datto partner! Datto offers the most MSP-centric networking line in the world. Datto partners will have access to our complete line of access points, switches, firewalls and routers, managed power and a suite of complementary products designed to help your business grow. Not a Datto partner yet? Apply here.

I'm an end user: how can I buy?

Open Mesh products will be available to end-users through openmesh.com through the end of 2018 and from distributors and online resellers as long as inventory remains. As of January 1, 2019, Datto Networking products will be available exclusively through an authorized Datto partner. For assistance finding a local Datto Networking partner, click here.

## I'm an ecosystem partner or software vendor: how can I buy?

Ecosystem, software and OEM partners (such as location-based marketing, point-of-sale, loT and managed security services providers) will continue to have access to custom services and products. For more information, **contact us**.

### I still have questions. Can I speak with someone?

Of course! We're here to help. Contact us about the transition here and we'll be in touch shortly.

### Still have questions?

**CONTACT US** 

Ready to get started with Datto Networking?

**BECOME A PARTNER** 



Datto.com

CloudTrax Login

Help Center

**Privacy Policy** 

**Cookies Settings** 

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### **EXHBIT C**

### **OM Series**

Wireless networking simplified

### Open Mesh makes WiFi smarter and simpler.

We help create powerful, easy-to-use wireless networks that automatically spread Internet connections throughout hotels, apartments, retail stores, restaurants, small and medium-sized businesses—and just about anywhere else.

The Open Mesh OM Series includes everything you need to deploy professional wireless networks across one site or thousands: a modular platform of access points and indoor and outdoor enclosures for easy, professional installation; CloudTrax, a free cloud-based network controller that can manage an unlimited number of access points and networks; and a global suite of power supplies and PoE solutions.

With the OM Series, Open Mesh shows how easy, cost-effective and reliable cloud-managed wireless networking can be.

### **Diverse solutions**



#### Hospitality

Powerful, scalable cloud-managed WiFi that keeps guests coming back.



#### Small/medium-sized business

Secure, cost-effective staff and guest networks built for any environment.



#### Retail, food and beverage

Zero-touch deployment across 1 or 1,000's of locations. Compelling data and integrations.



#### Housing

WiFi for new and old apartments, care homes and more with less cost and complexity.

### **OM Series Access Points**

### **Open Mesh**

### Cloud-managed wireless LAN

Open Mesh OM Series access points provide robust WiFi just about anywhere.

Each device is a cloudmanaged access point, router, mesh gateway and repeater all in one compact, reliable, high-performance package.



### **Features**

- Zero config, plug and play networking
- Self forming, self healing mesh
- Seamless roaming for continued connectivity across multiple APs
- Four SSIDs for public and private use
- Free cloud-based network controller for complete control and monitoring with no licensing or monthly fees

### **Benefits**



#### **Cloud managed**

What used to live in dedicated on-site servers can now be managed centrally through the cloud. Whether you are deploying a single access point or thousands across multiple sites, CloudTrax is powerful enough to meet the demands of IT professionals while easy enough for someone with little network experience.



#### Mesh-enabled

Every Open Mesh access point is mesh enabled. That means you can install units as traditional access points—hardwired to the Internet—and add additional units that only require power wherever you need to extend coverage. The access points automatically self-form and self-heal to provide seamless coverage with automatic roaming.



#### **Modular**

Open Mesh access points and enclosures are designed to work seamlessly together. Just choose the access point that is optimized for your wireless demands—range, speed, or lowest cost—then choose the enclosure that best fits your environment and existing infrastructure. Swap, upgrade, and move as needed.



#### White labeled

Open Mesh is ideal for systems integrators, resellers and IT consultants because we don't put any logos on our boxes or access points. Even our cloud controller, CloudTrax, can be completely branded as your own cloud solution.\* With no competing messages, your brand is the star of the show.

### **OM Series Enclosures**

### Open Mesh

### Custom, modular installation

Open Mesh OM Series enclosures are designed to work seamlessly with OM Series access points for professional, modular WiFi installations in virtually any environment.

With Open Mesh enclosures and access points, you can deploy custom-tailored wireless networks at a fraction of the time and cost of traditional networks.



### Designed to Fit



Indoor Ethernet Jack Enclosure



Indoor Ceiling Enclosure



Outdoor Wall/Pole Enclosure

### **Benefits**



#### A perfect fit

Open Mesh makes it easy to get wireless coverage exactly where you need it. Out of the box, Open Mesh MR Series access points can be installed in any indoor location like a ceiling (to cover a room) or wall (to cover a sector of a larger facility). And with the outdoor enclosure that mounts to a wall or pole, you can take your wireless network outside. Open Mesh enclosures blend in seamlessly in any office, school conference facility or event venue.



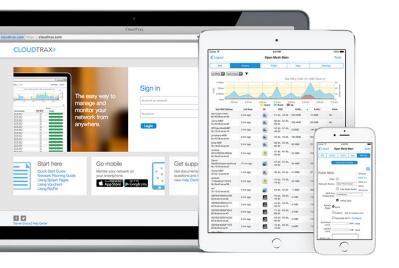
#### Modular by design

Open Mesh enclosures and access points are designed to work seamlessly together. First, choose the access point optimized for your wireless demands. Next, choose the enclosures that best fit your install environment: the indoor ceiling enclosure on any drop ceiling or any solid wall or ceiling; the indoor wall plug on any North American power outlet; the indoor Ethernet enclosure on any Ethernet jack; and the outdoor enclosure on any wall or pole.

### **Open Mesh Cloud Controller**



### Powerful network management



### Say goodbye to onsite controllers — and monthly fees.

Build, manage and monitor your networks across one site or thousands through the cloud. With no servers or software to install, Open Mesh is powerful enough to meet the demands of IT professionals yet easy enough to use by someone with little or no experience.

#### **Features**

- Single point of configuration for one access point or thousands
- Automatic reporting and alerts
- Usage statistics and control with client device fingerprinting
- Full captive portal/ voucher system
- Free iOS and Android apps
- Zero cost license
- Full CloudTrax API (additional cost)

### **Benefits**



#### **Easy scalability**

Whether you're managing one site or thousands, CloudTrax is built to grow with you. Because there's nothing to configure on-site, adding new access points and network locations takes just seconds. Create new networks by cloning existing ones and provision new access points in just a click. CloudTrax makes it easy to get all of your networks behind a single pane of glass.



#### Mobile apps

CloudTrax includes free iOS and Android apps, so you can build, manage and monitor your networks while on the go. Create new networks in seconds, add new APs by simply scanning them, and swap old APs with new with zero typing or configuration. You have access to the full functionality available at cloudtrax.com and can switch between mobile and desktop seamlessly.



#### **Multiple SSIDs**

CloudTrax can broadcast multiple unique networks, some public and others private. Public networks can be customized with powerful captive portal features, while private networks work seamlessly as an extension of your LAN. Each network can be uniquely named, left visible or hidden, and left open or password-protected with WPA2 encryption.



#### **Automated alerts**

Don't have time to check the network status every day?
Don't worry. If any access point goes down and doesn't come back up within an hour, CloudTrax will automatically email you (and anyone else you designate). Outage alerts are easy to turn on and off, always keeping you in-the-know when it comes to the health of your wireless network.

### **OM Series Specifications**







#### OM2P-HS Higher Speed, Long Range



### OM5P-AC Highest Speed, Dual Band 802.11ac



	Long Range	Long Range	Dual Balla 602.flac		
Best use	Cost-sensitive deployments or long-range mesh networks	General WiFi in uncongested environments	High-density deployments where mesh is not required		
Speed (rated)	150 Mbps	300 Mbps	1.17 Gbps (300+867 Mbps)		
Radio	802.11b/g/n 2.4 GHz	802.11b/g/n 2.4 GHz	1 802.11b/g/n 2.4 GHz + 1 802.11a/n/ac 5 GHz		
Antenna	Single external 1x1 (2.4 GHz)	Two internal 2x2 (2.4 GHz)	Two internal dual band 2x2 (2.4 GHz) + 2x2 (5 GHz)		
Power	23 dBm (200 mw) flat power	23 dBm (200 mw) flat power	19 dBm (79 mw) flat power		
Power consumption (approximate)	4W idle, 7W normal load, 10W heavy load	4W idle, 7W normal load, 10W heavy load	4W idle, 7W normal load, 11W heavy load		
Range (approximate)	75-150' indoor (3-4 walls); 75-150' indoor (3-4 walls); 400'-500' outdoor 400'-500' outdoor		25-50' indoor (1-2 walls); 100'-200' outdoor		
Processor	400 MHz QCA9331 MIPS 24K	520 MHz QCA9341 MIPS 74K	720 MHz QCA9557 + QCA9882 MIPS 74K		
Max users (recommended)	20-50 per AP	20-50 per AP	20-50 per AP		
Max real per-user speed	80 Mbps 95 Mbps		TBC		
WLAN standard	802.11g/n 2.4 GHz	802.11g/n 2.4 GHz	802.11a/g/n/ac 2.4 + 5 GHz		
Memory	64MB DRAM	64MB DRAM	128MB DRAM		
Zero config plug and play	Yes				
Self-forming, self-healing mesh	Yes				
Seamless roaming	Yes				
Hardware watchdog CPU	Yes				
Free cloud management		Yes			
Free iOS/Android apps	Yes				
Captive portal w/ bandwidth throttling, splash pages and user controls	Yes				
SSIDs	4				
SSID to VLAN tagging	Yes				
Ethernet (WAN and LAN)	2 x 100 Mbps	2 x 100 Mbps	2 x Gigabit		
РоЕ	12-24v Passive (non-802.3af)	Standard 802.3af and 12-24v Passive	Standard 802.3af and 12-24v Passive		
Power supply options	Universal 24V 1A (US, UK, EU, AU); US 12V 1A (bundled w/ wallplug enclosure)				
LEDs	Power, Ethernet (2), WiFi				
Temperature	0-50 C	0-50 C	-10-50C		
Recommended enclosures	Outdoor, Wall Plug	All Enclosures	All Enclosures		
Size	3.75" x 2.75" x 1"				
Certifications	FCC (US), IC (Canada), CE (Europe), RCM (Australia, New Zealand)				
Warranty	1 year				

### **OM Series Specifications**



#### Outdoor Wall/Pole

Indoor Wall Plug



Indoor Ethernet Jack



Indoor Ceiling



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Best use	Add coverage outdoors or use as a point-to- point solution	Add wireless mesh repeaters in places difficult to reach by cable	Use existing Cat5 wall outlets to add coverage in hotel rooms, apartments, dorms or office spaces	Mount access points on ceiling for classrooms, hallways or conference areas		
Size	Height: 14.2 cm (5.5") Width: 8.0 cm (3.1") Depth: 4.5 cm (1.8")	Height: 11.3 cm (4.4") Width: 13.6 cm (5.4") Depth: 4.86 cm (1.9")	Height: 17.1 cm (6.8") Width: 8.2 cm (3.2") Depth: 3.2 cm (1.3")	Depth: 3.3 - 4.5 cm (1.3-1.8") Width: 15.9 cm round (6.25")		
Compatible access points	OM2P-LC OM2P OM2P-HS OM5P OM5P-AN OM5P-AC	OM2P-LC OM2P OM2P-HS OM5P OM5P-AN OM5P-AC	OM2P-LC OM2P-HS OM5P OM5P-AN OM5P-AC	OM2P-LC OM2P-HS OM5P OM5P-AN OM5P-AC		
Compatible power supplies	PoE or any power supply (not placed in enclosure)	12v North American only (included)	PoE or any power supply (not placed in enclosure)	PoE or any power supply (not placed in enclosure)		
Physical security	Screwdriver required to open	Small tab hidden on bottom; no flashing lights	Key required to open	None		
Material	Bright white, UV- stabilized ABS plastic	Light almond ABS plastic. UL 94 HB flammability rated. RoHs compliant.	Bright white ABS plastic. UL 94 HB flammability rated. RoHs compliant.	Bright white ABS plastic. UL 94 HB flammability rated. RoHs compliant.		
Mounting options	Pole, wall	North American electrical outlet (standard or decora)	Ethernet jack (1-gang North American electrical box)	9/16" & 15/16" drop ceiling rails; solid wall or ceiling		
Warranty	1 Year					