

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Class Action)

NC 500-06-000894-176

EDWARD A. SHORE

Petitioner

-vs-

SYMANTEC CORPORATION, a legal person, duly constituted according to law, with its head office located at 350 Ellis Street, in the City of Mountain View, State of California, USA, 94043;

Respondent

**APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION
AND TO OBTAIN THE STATUS OF REPRESENTATIVE
(Articles 574 et seq. C.C.P.)**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN AND FOR THE DISTRICT OF MONTREAL, PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

1. **The Petitioner wishes to institute a class action on behalf of the class of persons hereinafter described, namely:**

"All natural persons resident in Quebec at the time that they purchased and/or licensed, for purposes other than their business, any of the following products: Norton™AntiVirus, Norton™Internet Security, Norton™Security, Norton™Security with Backup, Norton 360™ or Norton™One (collectively, the "**Norton Products**"), at any time between July 24, 2010 and June 27, 2016 (the "**Class Period**")."

(the "**Class Members**" or the "**Class**").

2. **The Petitioner's personal claim against the Respondent is based on the following facts:**

The Parties

- 2.1. The Respondent, Symantec Corporation ("**Symantec**"), is a legal person incorporated in virtue of the laws of the State of Delaware, USA, with its head office in Mountain View, California;
- 2.2. At all relevant times, Symantec has held itself out as one of the world's largest security technology companies. Symantec manufactures, sells and licenses the Norton Products throughout the world, including in Quebec, the whole as appears more fully from its 2016 Annual Report, a copy of which is produced herewith as **Exhibit R-1**;
- 2.3. Symantec carries on business in Quebec through its wholly owned, controlled and operated websites Symantec.com and Norton.com (the "**Websites**"). It sells the Norton Products to Quebec consumers directly through the Websites and indirectly through third-party retailers;
- 2.4. Symantec has a market value in excess of \$15 billion and, in 2016 alone, generated revenues in excess of \$2 billion from the sale and licensing of the Norton Products in the Americas;
- 2.5. At all relevant times, Symantec has been a "Merchant" pursuant to the Consumer Protection Act (R.S.Q., c. P-40.1) ("**CPA**");
- 2.6. At all relevant times, Symantec marketed the Norton Products as capable of protecting personal computers from viruses and cyberattacks;
- 2.7. The Petitioner, Edward A. Shore, is a natural person resident in Quebec who purchased and licensed a Norton™Internet Security product, one of the Norton Products, for purpose other than his business. On January 30, 2016, the Petitioner paid 39.99\$ plus taxes in order to renew his license for its Norton™Internet Security product through one of the Websites, the whole as more fully appears from a receipt dated January 30, 2016 and the invoice relating to same, copies of which are produced herein *en liasse* as **Exhibit R-2**;

The Petitioner's claim against Symantec

- 2.8. The Petitioner was required to accept a license agreement on one of the Norton Websites in order to obtain the "protection" offered by the Norton Products (the "**Norton License Agreement**"), the whole as appears more

fully from the Norton License Agreement, a copy of which is produced herewith as **Exhibit R-3**;

- 2.9. The Petitioner acquired the foregoing Norton Products in order to secure his personal computer from potential viruses and attacks;
- 2.10. Unbeknownst to the Petitioner, throughout the Class Period, all of the Norton Products were affected by design defects, such that the Class Members' personal computers were susceptible to viruses and cyberattacks which Symantec represented the Norton Products would prevent (the "**Design Defects**");
- 2.11. In particular, each of the Norton Products contained Design Defects in a critical component of the anti-virus software, namely the "decomposer";
- 2.12. As a result of the Design Defects associated with the decomposer, Symantec's security software was susceptible to attack which would compromise users' computers and data;
- 2.13. Symantec admitted that the Norton Products contained Design Defects, the whole as appears more fully from a Symantec Security Advisory Note, a copy of which is produced herewith as **Exhibit R-4**;
- 2.14. Google's Project Zero, an independent third party, reported the Design Defects associated with the Norton Products to Symantec. Google's Project Zero noted that Symantec had i) unnecessarily assigned the highest levels of trust in the decomposer component; and ii) failed to implement security updates to patch known vulnerabilities in the open source code used in the decomposer for a period of seven years. Google's Project Zero's reports dated April 28 and June 28, 2016 are produced herewith *en liasse* as **Exhibit R-5**;
- 2.15. Symantec acted contrary to its own "best practices" recommendations to its customers and failed to adhere to two fundamental rules standard in the industry in order to secure customers' personal computers from viruses and attacks, namely:
 - 2.15.1 Symantec failed to ensure that its software applied the principle of "least privilege", whereby any user, program or process should have only the bare minimum privileges necessary to perform its function; and,
 - 2.15.2 Symantec failed to promptly update all operating systems and applications with the latest vendor patches as they became available;

- 2.16. The foregoing failures were easily preventable, as admitted by Symantec in a report entitled "SYM07-019, July 11, 2007 Symantec Antivirus Malformed RAR and CAB Compression Type Bypass", a copy of which is produced herewith as **Exhibit R-6**, in which Symantec publicly acknowledged that it was necessary to respect the principle of "least privilege";
- 2.17. As a result of the Design Defects, the Norton Products were rendered useless for the Class Members because i) until such time as the latest security patches were installed, the vulnerabilities in the decomposer remained exploitable by viruses, malware, and hackers and ii) by unnecessarily running the decomposer at the highest privilege levels, there was no protection from such attacks and the decomposer was capable of making unrestricted, potentially adverse, system-wide changes on a user's computer, thereby defeating the principal reason why a customer acquires the Norton Products;
- 2.18. As a result of the foregoing, the Petitioner and all members of the Class purchased Norton Products for protection which they did not receive;
- 2.19. Moreover, not only did the Norton Products fail to provide the protection that they were supposed to provide, but the Design Defects also increased the susceptibility to a wide variety of cyberattacks, viruses, malware, spyware, hacking, and other cybersecurity threats, thereby exposing the Class Members' personal computers to a greater risk of viruses and cyberattacks than would have existed if the customers had not acquired the Norton Products;
- 2.20. As a result of the existence of the Design Defects throughout the Class Period, numerous representations made by Symantec proved to be blatantly false. In particular, the Petitioner produces herewith *en liasse* as **Exhibit R-7** a series of false representations made by Symantec during the Class Period to the effect that the Norton Products would provide "superior", proactive, up-to-date, and "layered" protection against viruses, malware, and hacking, and that Symantec applied fundamental cybersecurity best practices by following the principle of least privilege and promptly updating its software with the latest security patches;

Violations of the Consumer Protection Act

- 2.21. Throughout the Class Period, Symantec breached the public order requirements of the CPA, including, without limiting the generality of the foregoing, sections 8, 16, 37, 40, 41, 219, 220(a), 221(g) and 228 of the CPA, in that the Norton Products contained serious Design Defects, preventing said products from fulfilling their intended purpose, and in that Symantec's representations in respect of said Norton Products were false;

- 2.22. Accordingly, the Petitioner and every member of the Class is entitled to be reimbursed the cost of the Norton Products, given that neither the Petitioner nor any member of the Class, received what he/she bargained for;

The Respondent's Liability and the Applicable Remedies

- 2.23. The Petitioner and every member of the Class is entitled to be reimbursed the price paid to purchase and/or license the Norton Products during the Class Period;

- 2.24. Accordingly, the Petitioner is entitled to claim the sum of 39.99\$ plus taxes, representing the price he paid for his 2016 license renewal, as per exhibit R-2;

- 2.25. The Petitioner is also entitled to claim, on behalf of the members of the Class, collectively, reimbursement of the purchase price paid for any Norton Products acquired throughout the Class Period, said amount currently estimated to be \$10 million *sauf à parfaire* upon receipt of Symantec's sales and licensing records;

- 2.26. The Petitioner is also entitled to claim from Symantec, both personally and on behalf of all members of the Class, collectively, punitive damages arising from the systematic violation of the CPA over a period of numerous years, as well as from Symantec's inexplicable failure to notify consumers and offer them compensation once Symantec learned of and admitted the defects associated with the Norton Products;

- 2.27. Symantec's conduct over a significant period of time, as well as the fact that thousands of consumers were affected by the Design Defects, entitles the Petitioner to claim, both personally and on behalf of the members of the Class, collectively, punitive damages from Symantec in the amount of \$10 million;

3. The personal claims of each of the members of the Class against Respondent are based on the following facts:

- 3.1 All Class Members are in an identical, similar or related situation as the Petitioner, in that each of them acquired the Norton Products containing the Design Defects during the Class Period;

- 3.2 Each Class Member is accordingly entitled to be reimbursed the purchase price paid for the Norton Products during the Class Period, as well as to claim punitive damages from Symantec;

4. The composition of the class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings:

- 4.1. Symantec holds itself out as a world leader in cyber security, selling the Norton Products to customers in more than 35 countries, including Canada, through *inter alia* the Websites;
- 4.2. Symantec's marketing is multilingual, including in French and in English in the province of Quebec;
- 4.3. While the Petitioner does not have a list of the members of the Class who acquired the Norton Products during the Class Period, and while Symantec presumably does have such a list, the Petitioner estimates that several thousand consumers acquired the Norton Products during the Class Period;
- 4.4. In all likelihood, the Class Members are dispersed throughout the province of Quebec;
- 4.5. It would accordingly be impossible, and certainly difficult or impracticable, for the Petitioner to locate and contact all members of the Class and to obtain a mandate to institute proceedings for their benefit;

5. The claims of the members of the Class raise the following identical, similar or related issues of law or of fact:

- 5.1 Is Symantec a "Merchant" governed by the CPA?
- 5.2 Were the Norton Products affected by Design Defects during the Class Period?
- 5.3 Did Symantec admit that the Norton Products were defective?
- 5.4 Were the Norton Products unfit for their intended purpose?
- 5.5 Did the members of the Class pay a purchase price for protection which the Norton Products did not in fact provide?
- 5.6 Did Symantec's representations in selling and/or licensing the Norton Products contravene sections 8, 16, 37, 40, 41, 219, 220(a), 221(g) and/or 228 of the CPA during the Class Period?
- 5.7 Is there an irrebutable presumption that the Class Members suffered prejudice as a result of Symantec's false representations?

- 5.8 What amount of revenue did Symantec collect from the members of the Class during the Class Period for the sale and/or licensing of the Norton Products, collectively?
 - 5.9 Is Symantec liable to reimburse the amounts paid by the members of the Class, collectively, for the acquisition of the Norton Products during the Class Period?
 - 5.10 Is Symantec liable to the payment of punitive damages as a result of its systematic violations of the CPA and, if so, what amount of punitive damages should Symantec be condemned to pay, collectively?
6. **The questions of law or of fact which are particular to each of the members of the Class are:**
- 6.1. The only individual question for the Class Members is the amount paid to acquire the Norton Products during the Class Period;
7. **It is expedient that the institution of a class action for the benefit of the members of the Class be authorized for the following reasons:**
- 7.1 The class action is the best procedural vehicle available to the Class Members in order to protect and enforce their rights herein;
 - 7.2 A class action is the best, and likely the only, means for a multitude of consumers to seek justice from Symantec, arising from its systematic violation of the CPA;
 - 7.3 The Design Defects affecting the Norton Products, and Symantec's violations of the CPA, are identical for each and every member of the Class, such that it is appropriate for the questions of law and fact that are common for every class member to be decided by a single judge, within a single class action proceeding, the whole in order to avoid a multitude of proceedings, as well as the risk of contradictory Judgments;
8. **The nature of the recourse which the Petitioner wishes to exercise on behalf of the members of the Class is:**
- 8.1 An Action to recover reimbursement of the price paid to acquire the Norton Products, and to recover punitive damages;
9. **The conclusions sought by Petitioner against the Respondent are as follows:**
- 9.1. **GRANT** the Class Action against the Respondent;

- 9.2. **CONDEMN** the Respondent to pay to the Petitioner, for the benefit of the Class, the aggregate amount of the purchase price paid by the Class Members for the Norton Products, the whole with interest and the additional indemnity provided by law;
 - 9.3. **CONDEMN** the Respondent to pay punitive damages of \$10 million, the whole with interest and the additional indemnity provided by law;
 - 9.4. **ORDER** collective recovery of the total amount of the claims herein;
 - 9.5. **ORDER** that the claims of the Class Members be the object of individual liquidation in accordance with Articles 596 to 598 C.C.P. or, if impractical or inefficient, order the Respondent to perform any remedial measures that this Honourable Court deems to be in the interests of the Class Members;
 - 9.6. **CONDEMN** the Respondent to any further relief as may be just and proper;
 - 9.7. **THE WHOLE** with legal costs, including the costs of all exhibits, reports, expertise and publication of notices.
10. **Petitioner requests that he be ascribed the status of representative;**
 11. **Petitioner is in a position to represent the members of the Class adequately for the following reasons:**
 - 11.1 Petitioner is a typical customer of Symantec, in that he acquired Norton Products in order to benefit from security and protection from viruses and potential attacks;
 - 11.2 Petitioner purchased the Norton Products in order to benefit from protection which he did not receive, as a result of the Design Defects associated with the Norton Products;
 - 11.3 Petitioner believes and understands that the Design Defects affected the Norton Products acquired by every member of the Class during the Class Period;
 - 11.4 Petitioner is not in a conflict with any class member;
 - 11.5 Petitioner is in good faith and is interested in protecting and advancing the rights of the consumers comprising the Class;
 - 11.6 Petitioner is well-informed of and understands the facts giving rise to the present Action and the nature of the present Action;

- 11.7 Petitioner is determined to devote the time necessary to act as the representative of the Class in this Action;
 - 11.8 Petitioner has retained competent counsel with experience in class actions, and has met with class counsel for purposes of the present class action;
 - 11.9 Petitioner has fully cooperated with the undersigned attorneys in the context of this Action, including answering diligently and intelligently to their questions, and there is every reason to believe that he will continue to do so;
 - 11.10 Petitioner will fairly and adequately represent and protect the rights of the members of the Class, and will take measures with the undersigned attorneys to keep the members of the Class informed of the present Class Action;
12. **Petitioner suggests that the class action be brought before the Superior Court for the district of Montreal for the following reasons:**
- 12.1 To the best of Petitioner's knowledge, thousands of members of the Class are domiciled in the City of Montreal;
 - 12.2 Petitioner is domiciled in the District of Montreal;
 - 12.3 Petitioner's undersigned attorneys practice in the District of Montreal;
13. **The present Motion is well-founded in fact and in law;**

WHEREFORE THE PETITIONER PRAYS THAT BY JUDGMENT TO BE RENDERED HEREIN, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the present Application;

AUTHORIZE the institution of the class action;

GRANT the status of representative to Edward A. Shore for the purpose of instituting the said Class action for the benefit of the following group of persons, namely:

"All natural persons resident in Quebec at the time that they purchased and/or licensed, for purposes other than their business, any of the following products: NortonTMAntiVirus, NortonTMInternet Security, NortonTMSecurity, NortonTMSecurity with Backup, Norton 360TM or NortonTMOne (collectively, the "**Norton Products**"), at any time between July 24, 2010 and June 27, 2016 (the "**Class Period**")."

IDENTIFY the principal questions of law and of fact to be dealt with collectively as follows:

- A. Is Symantec a “Merchant” governed by the CPA?
- B. Were the Norton Products affected by Design Defects during the Class Period?
- C. Did Symantec admit that the Norton Products were defective?
- D. Were the Norton Products unfit for their intended purpose?
- E. Did the members of the Class pay a purchase price for protection which the Norton Products did not in fact provide?
- F. Did Symantec’s representations in selling and/or licensing the Norton Products contravene sections 8, 16, 37, 40, 41, 219, 220(a), 221(g) and/or 228 of the CPA during the Class Period?
- G. Is there an irrebutable presumption that the Class Members suffered prejudice as a result of Symantec’s false representation?
- H. What amount of revenue did Symantec collect from the members of the Class during the Class Period for the sale and/or licensing of the Norton Products, collectively?
- I. Is Symantec liable to reimburse the amounts paid by the members of the Class, collectively, for the acquisition of the Norton Products during the Class Period?
- J. Is Symantec liable to the payment of punitive damages as a result of its systematic violations of the CPA and, if so, what amount of punitive damages should Symantec be condemned to pay, collectively?

IDENTIFY the conclusions sought by the class action to be instituted as being the following:

- A. **GRANT** the Class Action against the Respondent;
- B. **CONDEMN** the Respondent to pay to the Petitioner, for the benefit of the Class, the aggregate amount of the purchase price paid by the Class Members for the Norton Products, the whole with interest and the additional indemnity provided by law;

- C. **CONDEMN** the Respondent to pay punitive damages of \$10 million, the whole with interest and the additional indemnity provided by law;
- D. **ORDER** collective recovery of the total amount of the claims herein;
- E. **ORDER** that the claims of the Class Members be the object of individual liquidation in accordance with Articles 596 to 598 C.C.P. or, if impractical or inefficient, order the Respondent to perform any remedial measures that this Honourable Court deems to be in the interests of the Class Members;
- F. **CONDEMN** the Respondent to any further relief as may be just and proper;
- G. **THE WHOLE** with legal costs, including the costs of all exhibits, reports, expertise and publication of notices.

DECLARE that any Class Members who has not requested his/her exclusion from the Class be bound by any judgment to be rendered on the Class action, in accordance with law;

FIX the delay for exclusion from the Class at sixty (60) days from the date of notice to the members, and at the expiry of such delay, the members of the Class who have not requested exclusion be bound by any such judgment;

ORDER the publication of a notice to the members of the Class drafted according to the terms of form VI of the Rules of Practice of the Superior Court of Quebec and to be published:

1. In the following newspapers La Presse, Le Journal de Montréal, The Gazette, Le Devoir and Le Soleil;
2. On the first page of the internet site of the Respondent and the internet site of the attorneys for Petitioner with a hypertext entitled "Avis aux membres d'une action collective, Notice to all Class Action Members" prominently displayed on Respondent' internet site and to be maintained thereon until the Court orders publication of another notice to members by final judgment in this instance or otherwise; and
3. On the Facebook and Twitter pages of the Respondent.

ORDER the Respondent to provide to class counsel, in electronic form, a list containing (i) the names and the last known coordinates of all Class Members (ii) their email address (iii) the description of the Norton products they bought and (iv) the price they paid during the Class Period;

REFER the record to the Chief Justice so that he may fix the district in which the Class action is to be brought and the Judge before whom it will be heard;

ORDER the Clerk of this Court, in the event that the Class action is to be brought in another district, upon receiving the decision of the Chief Justice, to transmit the present record to the Clerk of the district so designated;

THE WHOLE with legal costs, including the costs of all publications of notices.

MONTREAL, December 1, 2017

Kugler Kandestin LLP.

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NOTICE OF PRESENTATION

TO: **SYMANTEC CORPORATION**
350 Ellis Street
Mountain View, California
USA
94043

TAKE NOTICE of the foregoing Application for Authorization to Institute a Class Action and to Obtain the Status of Representative attached hereto and that same will be presented for adjudication before one of the Judges of this Honourable Court, sitting in and for the Judicial District of Montreal, in **Room 2.16** of the Montreal Courthouse, situated at 1 Notre-Dame Street East, Montreal, Quebec, on **January 17, 2018**, at **9:00 a.m.**, or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, December 1, 2017



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SUPERIOR COURT
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**APPLICATION FOR AUTHORIZATION TO
INSTITUTE A CLASS ACTION AND TO OBTAIN
THE STATUS OF REPRESENTATIVE
(ARTICLES 574 ET SEQ. C.C.P.)**

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