UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

W.A. Call Mfg. Co., Inc. v. WiLine Networks Inc.

No. 24-cv-07141-LB (N.D. Cal. Sept. 11, 2025) · No. 24-cv-07141-LB · Decided September 11, 2025

SUMMARY

The court ruled on WiLine Networks Inc.'s motion to dismiss non-contract claims and to strike class allegations in a putative class action concerning service-rate increases, automatic renewals, and early termination fees. It dismissed the Federal Communications Act claim with prejudice and the Unfair Competition Law claim without prejudice and with leave to amend, while allowing the false-promise claim to proceed. The court denied the motion to strike the class allegations, concluding that class-certification issues were better addressed after discovery.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Laurel Beeler
JURISDICTION	United States District Court for the Northern District of California
DECIDED	September 11, 2025
DOCKET	24-cv-07141-LB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs filed a putative class action asserting breach of contract, a Federal Communications Act claim, a California Unfair Competition Law claim, and false promise. Defendant moved under Federal Rules of Civil Procedure 12(b)(6) and 12(f) to dismiss claims, strike a UCL allegation, and strike the class allegations.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepted factual allegations as true and construed them in plaintiffs' favor, requiring enough facts to state a claim plausible on its face. On a Rule 12(f) motion, allegations may be stricken if redundant, immaterial, impertinent, or scandalous; class allegations are generally not stricken at the pleading stage unless it is clear that class treatment is not viable.
PRECEDENTIAL VALUE	unpublished district court order; nonprecedential

TOPICS

breach of contract · motions to dismiss · class actions · civil procedure · consumer protection

PRACTICE AREAS

civil procedure · contracts · consumer protection · commercial litigation

QUESTIONS PRESENTED

1. Whether the plaintiffs stated a private Federal Communications Act claim under 47 U.S.C. § 201(b) without identifying an FCC determination that the challenged conduct violated the statute.
2. Whether the plaintiffs adequately pleaded that they lacked an adequate remedy at law, as required for equitable relief under California's Unfair Competition Law.
3. Whether the plaintiffs adequately pleaded a false-promise fraud claim, including the promise, falsity when made, intent, reliance, and damages with the particularity required by Rule 9(b).
4. Whether the court should strike the putative class allegations at the pleading stage under Rule 12(f) because individualized issues allegedly predominated.
5. Whether the reference to California Penal Code § 484 in paragraph 193 of the UCL claim should be stricken as irrelevant.

HOLDINGS

1. A private action under § 201(b) requires an FCC determination that the specific challenged conduct violates the statute. Because the complaint identified no such determination concerning the alleged rate increases, notice failures, or automatic-renewal practices, the FCA claim was dismissed with prejudice.
2. A plaintiff seeking equitable relief under California's UCL must plead the inadequacy of legal remedies. Because plaintiffs did not allege that damages were inadequate, the UCL claim was dismissed without prejudice and with leave to amend.
3. The false-promise claim was adequately pleaded because plaintiffs alleged that WiLine promised annual CPI-tethered rate increases with thirty days' notice and, when making the promise, did not intend to perform.
4. The court denied the motion to strike the class allegations because the alleged contract issues presented common questions and challenges to predominance were better resolved on a class-certification motion after discovery.
5. Paragraph 193 was stricken as irrelevant after dismissal of the UCL claim, without prejudice to further pleading.

KEY QUOTATIONS

> “*Thus, a complaint that does not identify an FCC determination that the challenged conduct violates Section 201 must be dismissed.*” (at 3)

> “*The UCL provides equitable relief only if no adequate legal remedy exists.*” (at 5)

> *“The issues — whether WiLine raised rates more than annually, without notice, and untethered to the CPI — present common questions available for classwide resolution.”* (at 7)

FACTUAL BACKGROUND

WiLine provides internet and telephone services under form customer-service agreements incorporating online terms and conditions. The agreements allegedly permitted annual CPI-based rate adjustments with thirty days' notice, automatic renewal absent thirty days' written notice, and early termination fees. Plaintiffs alleged that WiLine increased rates more than once per year, without the required notice, and by amounts exceeding CPI, while obscuring renewal terms and using termination fees to deter cancellation.

PROCEDURAL HISTORY

The action was before the Northern District of California on defendant's motion directed at the first amended complaint. The court dismissed the FCA claim with prejudice, dismissed the UCL claim without prejudice and with leave to amend, struck the challenged UCL paragraph without prejudice, denied dismissal of the false-promise claim, and denied the motion to strike the class allegations as premature. Plaintiffs were ordered to file an amended complaint within twenty-one days with a blackline comparison.

DISPOSITION

other

CASES CITED

- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Woods v. U.S. Bank N.A., 831 F.3d 1159, 1162 (9th Cir. 2016)
- Interpipe Contracting, Inc. v. Becerra, 898 F.3d 879, 886-87 (9th Cir. 2018)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- N. Cnty. Commc'ns Corp. v. Cal. Catalog & Tech., 594 F.3d 1149, 1158 (9th Cir. 2010)
- Glob. Crossing Telecomms., Inc. v. Metrophones Telecomms., Inc., 550 U.S. 45, 52-53 (2007)
- Sonner v. Premier Nutrition Corp., 971 F.3d 834, 844 (9th Cir. 2020)
- Ramirez v. County of San Bernardino, 806 F.3d 1002, 1008 (9th Cir. 2015)
- First Advantage Background Servs. Corp. v. Priv. Eyes, Inc., 569 F. Supp. 2d 929, 938-39 (N.D. Cal. 2008)
- Platte Anchor Bolt, Inc. v. IHI, Inc., 352 F. Supp. 2d 1048, 1057 (N.D. Cal. 2004)
- Whittlestone, Inc. v. Handi-Craft Co., 618 F.3d 970, 974 (9th Cir. 2010)
- Cashatt v. Ford Motor Co., No. C19-5886, 2020 WL 1987077, at *3 (W.D. Wash. Apr. 27, 2020)
- Thorpe v. Abbott Labs., Inc., 534 F. Supp. 2d 1120, 1125 (N.D. Cal. 2008)
- In re Wal-Mart Stores, Inc. Wage & Hour Litig., 505 F. Supp. 2d 609, 615 (N.D. Cal. 2007)
- Sanders v. Apple Inc., 672 F. Supp. 2d 978, 990-91 (N.D. Cal. 2009)

OPINION

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA San Francisco Division W.A. CALL MFG. CO., INC., et al., Case No. 24-cv-07141-LB Plaintiffs, ORDER DENYING MOTION TO v. STRIKE AND DISMISS WILINE NETWORKS INC., Re: ECF No. 58 Defendant. INTRODUCTION In this putative class action, the plaintiffs, on behalf of themselves and a class of California consumers, sued their internet and phone service-provider, WiLine.

The plaintiffs allege that WiLine violated their service agreements by increasing rates more than once per year, without thirty days' notice, and in amounts exceeding the Consumer Price Index (CPI). They also allege that WiLine obscured automatic renewal terms and used early termination fees to extract additional funds or deter cancellations.

The plaintiffs assert four claims: breach of contract; a violation of the Federal Communications Act (FCA) under 47 U.S.C. § 201(b); unfair competition under California's Unfair Competition Law (UCL), Cal. Bus. & Prof. Code § 17200; and false promise (as to the named plaintiffs only). WiLine moved to strike the class allegations under Federal Rule of Civil Procedure 12(f), arguing that individualized inquiries predominate and class treatment is impossible under Rule 23.

WiLine also moves to strike Paragraph 193 of the UCL claim, which references California Penal Code § 484 (theft), on the ground that it rehashes a previously dismissed conversion claim. Finally, WiLine moves to dismiss claims two through four (the non-contract claims) under Rule 12(b)(6) for failure to state a claim.

The motion is granted in part and denied in part. The FCA claim (claim two) is dismissed because the plaintiffs do not identify an FCC determination that the challenged conduct violates § 201(b). The UCL claim (claim three) is dismissed because the plaintiffs do not allege that they lack an adequate remedy at law.

The motion to strike paragraph 193 is granted because it is irrelevant to any claim (without prejudice, as explained below). The false-promise claim (claim four) survives because it is adequately pled. The motion to strike the class allegations — now confined only to the contract claim — is denied because the issue is better resolved at the class-certification stage after discovery.

STATEMENT WiLine is a nationwide company that provides internet and telephone services to consumers in California. The named plaintiffs are three California business customers of WiLine: W.A. Call Mfg. Co., Inc., Lisa Diaz d/b/a Legacy Dance Academy, and Alilang LLC.[1] They bring this action on behalf of a putative class of all persons and businesses in California who incurred WiLine termination fees or service-rate increases.[2] WiLine uses form customer-service agreements (CSAs) for its customers.[3] The CSAs reference Terms and

Conditions posted online at 21 www.wiline.com, accessible via navigation (through two pages) from the homepage.4 The Terms 22 and Conditions include (1) a provision allowing WiLine to apply an annual price adjustment based 23 on the CPI with thirty days' notice, (2) an automatic renewal clause renewing the agreement for 24 25 1 FAC – ECF No. 52 at 2 (¶¶ 4–5), 5–6 (¶¶ 28–31).

Citations refer to the Electronic Case File (ECF); 26 pinpoint citations are to the ECF-generated page numbers at the top of documents. 2 Id. at 30 (¶ 151). 27 3 Id. at 2–3 (¶ 6). 1 successive terms absent thirty days' written notice from the customer, and (3) an early termination 2 fee (calculated based on remaining months in the term).5 3 The plaintiffs allege that WiLine increased rates more than once per year, without thirty days' 4 notice, and by amounts exceeding CPI adjustments.6 They further allege that WiLine obscured the 5 automatic renewal terms and used early termination fees to extract extra funds or prevent 6 cancellations.7 The named plaintiffs each allege that they were subjected to unauthorized rate 7 increases or hidden renewal terms.8 W.A.

Call experienced unauthorized rate increases and was 8 threatened with early termination fees.9 Diaz faced similar increases and threats,10 and Alilang 9 encountered the same issues.11 The plaintiffs claim that these practices violated the CSAs and 10 Terms and Conditions (claim one for breach of contract), constituted unjust or unreasonable 11 practices under the FCA, 47 U.S.C. § 201(b) (claim two), were unlawful, unfair, or fraudulent 12 under the UCL (including a reference to Penal Code § 484 in ¶ 193) (claim three), and involved 13 false promises made without an intent to perform (claim four, by the individual plaintiffs only).12 14 All parties consented to magistrate-judge jurisdiction under 28 U.S.C. § 636(c)(1).13 The court 15 held a hearing on September 11, 2025.

16 ANALYSIS 17 WiLine moves to strike the class allegations and Paragraph 193 and to dismiss the FCA, UCL, 18 and false-promise claims (claims two through four). The FCA and UCL claims are dismissed. The 19 false-promise claim survives.

The class allegations — now relevant only to the contract claim 20 (claim one) — are better addressed through motions after class discovery. 21 22 5 Id. at 4–5 (¶¶ 16–25); Terms & Conditions, Ex. A to Compl. – ECF No. 1-1 at 6. 23 6 FAC – ECF No. 52 at 4 (¶¶ 15–19). 7 Id. at 4–5 (¶¶ 20–27), 8–9 (¶ 47), 10–11 (¶¶ 59–65). 24 8 Id. at 23–29 (¶¶ 98–145). 25 9 Id. at 23–25 (¶¶ 101–11).

26 10 Id. at 25–27 (¶¶ 116–29). 11 Id. at 27–29 (¶¶ 130–45). 27 12 Id. at 32–39 (¶¶ 164–211). 1 1. Motion to Dismiss 2 A complaint must contain a short and plain statement of the claim showing that the pleader is 3 entitled to relief to give the defendant fair notice of the claim and the grounds upon which it rests. 4 Fed. R. Civ. P. 8(a); Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007).

Thus, “[a] complaint 5 may fail to show a right to relief either by lacking a cognizable legal theory or by lacking sufficient 6 facts alleged under a cognizable legal theory.” Woods v. U.S. Bank N.A., 831 F.3d 1159, 1162 (9th 7 Cir. 2016).

The court accepts as true the complaint’s factual allegations and construes them in the 8 light most favorable to the plaintiffs. Interpipe Contracting, Inc. v. Becerra, 898 F.3d 879, 886–87 9 (9th Cir. 2018). A complaint must allege “enough facts to state a claim to relief that is plausible on 10 its face.” Twombly, 550 U.S. at 570. Threadbare recital of the elements of a claim, supported by 11 mere conclusory statements, do not suffice.

Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009). 12 1.1 FCA Claim 13 WiLine moves to dismiss the § 201(b) claim, arguing that no private right exists without an 14 FCC determination that the specific conduct is unjust or unreasonable.14 The plaintiffs argue that 15 FCC findings on similar conduct (unauthorized charges, misleading rates, deceptive practices, 16 hidden renewals) suffice.15 The claim is dismissed.

17 Common carriers cannot engage in any “charge, practice, classification, or regulation that is 18 unjust or unreasonable.” 47 U.S.C. § 201(b). A private right of action exists only after the FCC 19 determines that the conduct violates § 201(b). N. Cnty. Commc’ns Corp. v. Cal. Catalog & Tech., 20 594 F.3d 1149, 1158 (9th Cir. 2010).

Thus, a complaint that does not identify an FCC 21 determination that the challenged conduct violates Section 201 must be dismissed. Id. 22 The plaintiffs argue that the conduct here resembles regulated activity, and that is enough to 23 state a claim.16 Their cited authority does not support that proposition. See Glob. Crossing 24 Telecomms., Inc. v. Metrophones Telecomms., Inc., 550 U.S. 45, 52–53 (2007); N. Cnty.

Commc’ns, 25 26 14 Mot. – ECF No. 58 at 24–27. 27 15 Opp’n – ECF No. 62 at 21–24. 1 594 F.3d at 1158. Global Crossing involved a violation of an FCC regulation requiring long- 2 distance carriers to compensate payphone operators for calls in a specific amount. 550 U.S. at 52– 3 53. North County vacated a judgment on the ground that the FCC had not determined that a failure 4 to pay the rates in question — a commercial mobile radio-service provider’s allegedly unlawful 5 failure to pay a competitive local exchange carrier — violated § 201(b).

594 F.3d at 1158. 6 The plaintiffs cite FCC determinations that do not match the issues in this case. 7 Protecting Consumers addressed bans on making material misrepresentations during sales 8 calls (about carriers changing providers without customer permission) and placing unauthorized 9 charges on phone bills.

In re Protecting Consumers from Unauthorized Carrier Chargers & 10 Related Unauthorized Charges, 33 FCC Rcd. 5773, 5773 (2018). NOS Communications did not 11 say that any rate increase violates § 201(b). It found a violation when a long-distance provider sold 12 phone plans with a pricing methodology and then switched users without permission to a different 13 pricing methodology.

In the Matter of NOS Commc'ns, Inc., 16 FCC Rcd. 8133, 8137 (2001). This 14 action, by contrast, is about breach, not false advertising: it involves a promised cap for rate 15 increases (via the CPI) and a limit on frequency to one a year. 16 Telecommunications Research was about blocking calls that would allow a caller to reach a 17 different long-distance carrier and indirectly routing calls to a different carrier, in violation of § 18 201(b).

In the Matter of Telecomms. Rsch. & Action Ctr. & Consumer Action Complainants, 4 19 FCC Rcd. 2157 (¶ 4 nn. 5–6) (1989). Business Discount Plan involved changing a customer's 20 carrier without authorization. In the Matter of Bus. Disc. Plan, Inc., 15 FCC Rcd. 24396, 24440 21 (2000). These cases are not about rate increases and do not support the proposition that misleading 22 practices like the ones here are violations of § 201(b).

23 Finally, Birch Communications is about one company's wrongdoing: misrepresenting that they 24 were affiliated with the consumers' carriers to switch them to Birch service, resulting in unwanted 25 charges. In the Matter of Birch Commc'ns, Inc., 31 FCC Rcd. 13510, 13510 (2016). It does not 26 support the broad proposition that the FCC polices automatic renewals.

27 There is no FCC determination that gives rise to a private right of action. The claim is dismissed 1 1.2 UCL Claim 2 WiLine moves to dismiss the UCL claim for the plaintiffs' failure to allege that they have an 3 inadequate remedy at law that would entitle them to pursue equitable relief.17 The plaintiffs argue 4 the court previously upheld the claim, precluding reconsideration under Rule 12(g).18 5 An amended complaint supersedes the original.

Ramirez v. County of San Bernardino, 806 6 F.3d 1002, 1008 (9th Cir. 2015). New allegations can provide more context to illuminate a 7 dispute. WiLine can attack the amended complaint through its motion. 8 The UCL provides equitable relief only if no adequate legal remedy exists. Sonner v. Premier 9 Nutrition Corp., 971 F.3d 834, 844 (9th Cir. 2020) (plaintiffs must plead inadequacy).

The 10 plaintiffs do not plead the inadequacy of damages to address the harm, as discussed at the hearing. 11 The claim is dismissed with leave to amend. 12 As a result, paragraph 193 of the FAC is stricken for lack of relevance (given the dismissal of 13 the UCL claim), without prejudice.19 14 1.3 False Promise Claim 15 WiLine moves to dismiss, arguing no promises were made or they were not false, and 16 contends that the plaintiffs did not allege that the promises were false when made, in violation of 17 Rule 9(b)'s requirement that fraud must be pleaded specifically.20 The plaintiffs argue that these 18 promises are in the contracts and intent is pled generally.21 19 A claim for fraud based on a false promise requires (1) a material misrepresentation, (2) 20 knowledge of falsity, (3) an intent to defraud or induce reliance; (4) justifiable reliance, and (5) 21 damage.

First Advantage Background Servs. Corp. v. Priv. Eyes, Inc., 569 F. Supp. 2d 929, 938– 22 23 17 Mot. – ECF No. 58 at 27–30. 24 18 Opp'n – ECF No. 62 at 25. 25 19 But for this conclusion, the court would not strike it.

The reference does not rehash the dismissed conversion claim in a manner warranting striking it on that ground. Platte Anchor Bolt, Inc. v. IHI, 26 Inc., 352 F. Supp. 2d 1048, 1057 (N.D. Cal. 2004) ("If there is any doubt whether the portion to be stricken might bear on an issue in the litigation, the court should deny the motion."). 27 20 Mot. – ECF No. 58 at 30–33.

1 39 (N.D. Cal. 2008). Fraud must be pled with particularity. Fed. R. Civ. P. 9(b). 2 The complaint adequately pleads false promise by alleging that WiLine promised annual CPI- 3 tethered increases with thirty days' notice and that at the time, WiLine did not intend to perform.22 4 5 2. Motion to Strike Class Claims 6 A court may strike allegations that are redundant, immaterial, impertinent, or scandalous.

Fed. 7 R. Civ. P. 12(f); Whittlestone, Inc. v. Handi-Craft Co., 618 F.3d 970, 974 (9th Cir. 2010). Motions 8 to strike class allegations are generally disfavored at the pleading stage unless it is clear that class 9 treatment is not viable. Cashatt v. Ford Motor Co., No. C19-5886, 2020 WL 1987077, at *3 10 (W.D. Wash. Apr. 27, 2020) (collecting cases); see Thorpe v. Abbott Labs., Inc., 534 F. Supp. 2d 11 1120, 1125 (N.D.

Cal. 2008); In re Wal–Mart Stores, Inc. Wage & Hour Litig., 505 F. Supp. 2d 12 609, 615 (N.D. Cal. 2007). Nonetheless, a court may grant a motion to strike class allegations if it 13 is clear from the complaint that the class claims cannot be maintained. See, e.g., Sanders v. Apple 14 Inc., 672 F. Supp. 2d 978, 990–91 (N.D. Cal. 2009). 15 WiLine moves to strike the class allegations — now confined to the contract claim — under 16 Rule 12(f), arguing that the FAC demonstrates on its face that class certification is impossible 17 under Rule 23(b)(3) because individualized inquiries into each class member's contract, rate 18 increases, notice, and reliance will predominate over common questions.23 The plaintiffs respond 19 that the class allegations are sufficient, and the motion is premature without discovery.24 20 The issues — whether WiLine raised rates more than annually, without notice, and untethered 21 to the CPI — present common questions available for classwide resolution.

Challenges to 22 predominance are best resolved on a class-certification motion. Cashatt, 2020 WL 1987077, at *3. 23 24 25 26 22 FAC – ECF No. 52 at 38–39 (¶¶ 202–11). 27 23 Mot. – ECF No. 58 at 4–22. 1 CONCLUSION 2 The motion to strike the class allegations is denied: the analysis extends only to the contract 3 claim, the surviving class claim.

The § 201(b) claim (claim two) is dismissed with prejudice. The 4 |} UCL claim is dismissed without prejudice, and with leave to amend. The motion to dismiss the 5 false-promise claim is denied. The plaintiffs must file an amended complaint within twenty-one || days and attach a blackline compare of the new complaint against the existing complaint. IT IS SO ORDERED.

Dated: September 11, 2025 Lit EC LAUREL BEELER United States Magistrate Judge as « Oo Z