Court Grants-in-Part and Denies-in-Part Defendant's Motion for Judgment on the Pleadings in False Labeling Action Involving Coconut Oil

Jones v. Nutiva, Inc., No. 4:16-cv-711 (N.D. Cal.): The Court issued an order granting in part Defendant's motion for judgment on the pleadings in this putative class action alleging violations of California's UCL, CLRA, and FAL, based on the claim that Defendant misleadingly labels and markets its coconut oil product as "inherently healthy, and a healthy alternative to butter and other oils," when in fact it is inherently unhealthy and a less healthy alternative. Defendant's motion asserted several grounds. First, Defendant argued that Plaintiff lacked standing to bring claims involving products that he did not purchase. While the Court declined to accept Defendant's argument wholesale, because it recognized certain claims can be resolved without a context-specific analysis of each label, it ruled Plaintiff lacked standing to challenge the labels of products he did not purchase, because the representations on these products were not substantially similar to those on products purchased by Plaintiff. The Court declined, however, to dismiss the California consumer protection counts (FAL, CLRA, UCL) for failure to state a claim, instead finding Plaintiff had adequately alleged that reasonable consumers are likely to be misled into believing Defendant's coconut oil is a healthier alternative to butter. The Court was not persuaded by Defendant's contention that the statements Plaintiff relied on in purchasing the product constituted non-actionable puffery, instead finding even statements that are closer to subjective, general assertions of superiority than measurable facts could contribute to the deceptive context of the package as a whole. The Court also declined to dismiss the breach of warranty claims, because the determination of whether a statement is an expression of opinion as opposed to an affirmation of fact is often dependent on the facts and circumstances existing at the time the statement is made. Finally, the Court dismissed Plaintiff's claims for injunctive relief with prejudice because Plaintiff did not allege that he intends to purchase the product again in the future. Order.

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