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Food & Consumer Packaged Goods Litigation

Court Partially Dismisses Case Involving “All Natural” and “Reduced Fat” Claims

Hall v. Diamond Foods, Inc., No. 14cv2148 (N.D. Cal.): In a putative class action alleging claims under California's UCL, FAL, CLRA, and for unjust enrichment, the plaintiffs claimed that the defendant falsely labels and advertises its Kettle and Tias! chips as, among other things, "all natural," "reduced fat," or "40% reduced fat" when, in fact, they contain only 33% less fat than the defendants' other chips, and contain synthetic ingredients such as citric acid, maltodextrin, and color additives. The court granted in part and denied in part the defendant's motion to dismiss. Regarding the "reduced fat" claims, the court first noted that the plaintiffs are required to plead reliance and failed to do so to the extent they did not specify which statements they relied upon. Regarding the "all natural" claims, the court refused to decide at the pleadings stage whether a reasonable consumer would be misled by the alleged misrepresentations, and rejected the defendant's argument that the plaintiffs had failed to define what "all natural" means, because the plaintiffs relied on the dictionary definition of those words and cited a 2007 consumer study regarding what consumers understand "natural" to mean. The court also held that the defendant could not rely on a contrary ingredients list to avoid a false labelling claim. Next, the court turned back to the reliance pleading argument and held that the plaintiffs had also failed to plead reliance as to any promotional or website materials that were alleged to be misleading. Finally, the court allowed a quasi-contract claim to stand, finding that this was a viable restitution-based claim. [Order.](#)

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