

Notable Ruling: Supply Chain Opinion for Mars

On Monday, June 4, 2018, the Ninth Circuit Court of Appeals issued an important opinion, [Hodson v. Mars, Inc.](#), holding that food manufacturers do not have any independent obligation under California consumer protection laws to disclose on their labels the possibility of alleged harmful labor practices occurring in the downstream supply chain of the manufacturer's products. Affirming the district court's dismissal of an action against Mars demanding such labeling, the Ninth Circuit confirmed that consumer protection laws do not impose this requirement, as California law limits such affirmative disclosures to circumstances where there is an "unreasonable safety hazard" associated with the product—a condition that was admittedly not present in the Mars case. Plaintiff had appealed the district court's dismissal of the action, asking the Ninth Circuit to adopt a more open-ended standard that would require affirmative disclosures concerning issues like supply chain practices, even where no "safety hazard" was present. In a unanimous decision, the Ninth Circuit affirmed, rejecting plaintiffs' position and holding that California's consumer protection laws do not require such disclosures. The panel also noted that the relevant information regarding slave and child labor is published on Mars' website, in compliance with California's Transparency in Supply Chains Act (CTSCA). *Hodson* thus reaffirms that California consumer protection laws cannot be employed by plaintiffs to demand labeling disclosures for consumer products simply because certain consumers might prefer that information. Rather, at least in cases involving pure omissions, the demanded disclosure must be related to safety considerations. A note of caution on *Hodson* is in order on supply chain issues specifically, however. *Hodson* does not relieve consumer goods' manufacturers of the requirements imposed by the California Transparency in Supply Chains Act, to disclose on the manufacturers' website its efforts to verify and audit suppliers and their supply chain practices. Indeed, as noted above, Mars' compliance with that law helped support affirmance of the district court's dismissal. For more information on the specific requirements of the CTSCA, see Perkins Coie's overview [here](#).

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