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8 *Attorneys for Plaintiffs*

9 IN THE UNITED STATES DISTRICT COURT  
10 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
11 SAN JOSE DIVISION

12 ELIZABETH PARK and CAROLYN  
13 OTTO, individually and on behalf of all  
14 others similarly situated,

15 Plaintiffs,

16 v.

17 WELCH FOODS INC.,A  
18 COOPERATIVE,

19 Defendant.

Case No. C12-06449 PSG

**CLASS ACTION AND REPRESENTATIVE  
ACTION**

**THIRD AMENDED COMPLAINT FOR  
DAMAGES, EQUITABLE AND  
INJUNCTIVE RELIEF**

**JURY TRIAL DEMANDED**

20  
21 Plaintiffs Elizabeth Park and Carolyn Otto (“Plaintiffs”), through their undersigned  
22 attorneys, bring this lawsuit against Welch Foods Inc. (hereinafter “Welch’s” or “Defendant”) as to  
23 her own acts upon personal knowledge, and as to all other matters upon information and belief. In  
24 order to remedy the harm arising from Defendant’s illegal conduct, which has resulted in unjust  
25 profits, Plaintiffs bring this action on behalf of California consumers specifically defined herein,  
26 who purchased either:

- 27 a) Defendant’s 100% Juice line unlawfully or misleadingly labeled “No Sugar Added”  
28 after December 20, 2008. (the “Class Period”), or



1 on the label-in large print on both the front and back of the label in a manner intended to stand out  
2 from the background-that the product was “**All Natural**” and contained “**No preservatives**”  
3 (emphasis in original) which, upon information and belief, was and is untrue because the product  
4 contains unnatural, manufactured chemicals used for preservatives. The label also states in larger  
5 print and in a manner that stands out from the background that the “Natural” spreads contained “**No**  
6 **artificial flavors**” (emphasis in original) that, upon information and belief, is untrue because the  
7 product contains unnatural, manufactured chemicals for flavoring.

8 5. A separate facet of the deceptive claims are that Welch’s 100% juice line and “Natural”  
9 spread line are equally deceptive by the very fact that Defendant sold such illegal products and did not  
10 disclose this fact to consumers. Plaintiffs would not have purchased a product that is illegal and a crime  
11 to own or possess. Had Defendant informed Plaintiffs of this fact there would have been no purchases.  
12 Plaintiffs relied upon the Defendant’s implied representation that Defendant’s products were legal that  
13 arose from Defendant’s material omission of the fact that the products in its 100% Juice line and its  
14 Natural Spread line were illegal.

15 6. Plaintiffs did not know, and had no reason to know, that Defendant’s products were  
16 misbranded under the Sherman Law and bore food labeling claims despite failing to meet the  
17 requirements to make such claims thus making the purchased products illegal.

18 7. Separately, Plaintiffs did not know, and had no reason to know, that Defendant’s  
19 products were false and misleading as to the NSA claim, the “Natural” claim, and the legality of the  
20 product claim.

21 8. Identical California and federal laws require truthful, accurate information on the labels  
22 of packaged foods. The law is clear: misbranded food cannot legally be sold, possessed, has no  
23 economic value and is legally worthless. Purchasers of misbranded food are entitled to a refund of their  
24 purchase price.

25 9. Identical California and federal laws regulate the content of labels on packaged food.  
26 The FDCA requirements were adopted into California Sherman Law. Under both the Sherman Law  
27 and FDCA section 403(a), food is “misbranded” if “its labeling is false or misleading in any  
28 particular,” or if it does not contain certain information on its label or its labeling. 21 U.S.C. §

1 343(a).

2 10. Under the FDCA, the term “false” has its usual meaning of “untruthful,” while the term  
3 “misleading” is a term of art. Misbranding reaches not only false claims, but also those claims that  
4 might be technically true, but still misleading. If any one representation in the labeling is misleading,  
5 the entire food is misbranded, nor can any other statement in the labeling cure a misleading statement.

6 11. Under California Law, a misbranded food cannot be legally manufactured, advertised,  
7 distributed, held or sold. Misbranded products cannot be legally sold, possessed, have no economic  
8 value, and are legally worthless. Plaintiffs and members of the Class who purchased these products paid  
9 an unwarranted premium for these products.

10 12. If Welch Foods is going to make a claim on a food label, the label must meet certain  
11 legal requirements that help consumers make informed choices and ensure that they are not misled and  
12 that label claims are truthful, accurate, and backed by scientific evidence. As described more fully  
13 herein, Defendant has sold products that are misbranded and are worthless because (i) the labels violate  
14 the Sherman Law and, separately, (ii) Defendant made, and continues to make, false, misleading and  
15 deceptive claims on its labels.

16 **PARTIES**

17 13. Plaintiff Elizabeth Park is a resident of Los Gatos, California, who purchased  
18 Defendant’s misbranded food products in California during the four (4) years prior to the filing of  
19 this Complaint (the “Class Period”) in an excess of \$25.00. Specifically, Plaintiff purchased the  
20 following of Defendant’s misbranded juice products: 100% Grape Juice, 100% White Grape Juice,  
21 100% White Grape Cherry Juice. Each of these products carried the same NSA claim.

22 14. Plaintiff Carolyn Otto is a resident of San Jose, California, who purchased  
23 Defendant’s misbranded food products in California during the Class Period, in an excess of  
24 \$25.00. Specifically, Carolyn Otto purchased Defendant’s misbranded 100% Grape Juice and  
25 Defendant’s Natural Strawberry Spread.

26 15. Defendant Welch Foods Inc. is a foreign corporation with its headquarters in  
27 Concord, Massachusetts. Welch's is the food processing and marketing arm of the National Grape  
28 Cooperative Association.



1 fair play and substantial justice.

2 24. Because a substantial part of the events or omissions giving rise to these claims  
3 occurred in this District and because the Court has personal jurisdiction over Defendant, venue is  
4 proper in this Court pursuant to 28 U.S.C. § 1391(a) and (b).

5 **FACTUAL ALLEGATIONS**

6 **Identical California and Federal Laws Regulate Food Labeling**

7 25. Food manufacturers are required to comply with identical federal and state laws and  
8 regulations that govern the labeling of food products. First and foremost among these is the FDCA  
9 and its labeling regulations, including those set forth in 21 C.F.R. § 101.

10 26. Pursuant to the Sherman Law, California has expressly adopted the federal labeling  
11 requirements as its own and indicated that “[a]ll food labeling regulations and any amendments to  
12 those regulations adopted pursuant to the federal act, in effect on January 1, 1993, or adopted on or  
13 after that date shall be the food regulations of this state.” California Health & Safety Code  
14 § 110100.

15 27. In addition to its blanket adoption of federal labeling requirements, California has  
16 also enacted a number of laws and regulations that adopt and incorporate specific enumerated  
17 federal food laws and regulations. Food products are misbranded under California Health & Safety  
18 Code § 110660 if their labeling is false and misleading in one or more particulars; they are  
19 misbranded under California Health & Safety Code § 110665 if their labeling fails to conform to  
20 the requirements for nutrient labeling set forth in 21 U.S.C. § 343(f), (k) (q) and (r) and regulations  
21 adopted thereto; they are misbranded under California Health & Safety Code § 110670 if their  
22 labeling fails to conform to the requirements for nutrient content and health claims set forth in 21  
23 U.S.C. § 343(r) and regulations adopted thereto; they are misbranded under California Health &  
24 Safety Code § 110705 if words, statements, and other information required by the Sherman Law to  
25 appear on their labeling are either missing or not sufficiently conspicuous; they are misbranded  
26 under California Health & Safety Code § 110735 if they are represented as having special dietary  
27 uses but fail to bear labeling that adequately informs consumers of their value for that use; and  
28 they are misbranded under California Health & Safety Code § 110740 if they contain artificial

1     flavoring, artificial coloring, and chemical preservatives but fail to adequately disclose that fact on  
2     their labeling.

3             **Defendant’s Knowledge of FDA Enforcement**

4             28.     In recent years, the FDA has become increasingly concerned that food manufacturers  
5     were disregarding food-labeling regulations. To address this concern, the FDA elected to take  
6     steps to inform the food industry of its concerns and to place the industry on notice that food  
7     labeling compliance was an area of enforcement priority.

8             29.     In October 2009, the FDA issued a “Guidance For Industry: Letter Regarding Point  
9     Of Purchase Food Labeling (“2009 FOP Guidance”) to address its concerns about front-of-package  
10    labels.

11            30.     The 2009 FOP Guidance recommended that “manufacturers and distributors of food  
12    products that include FOP labeling ensure that the label statements are consistent with FDA law and  
13    regulations” and specifically advised the food industry that it would “proceed with enforcement  
14    action where such FOP labeling or labeling systems are used in a manner that is false or  
15    misleading.”

16            31.     Defendant had actual knowledge of the 2009 FOP Guidance.

17            32.     Despite the issuance of the 2009 FOP Guidance, Defendant did not remove the  
18    unlawful and misleading food labeling claims from its Misbranded Food Products.

19            33.     On March 3, 2010, the FDA issued an “Open Letter to Industry from [FDA  
20    Commissioner] Dr. Hamburg” (“Open Letter”). The Open Letter reiterated the FDA’s concern  
21    regarding false and misleading labeling by food manufacturers. In pertinent part, the letter stated:

22                    In the early 1990s, the Food and Drug Administration (FDA) and the food  
23                    industry worked together to create a uniform national system of nutrition  
24                    labeling, which includes the now-iconic Nutrition Facts panel on most food  
25                    packages. Our citizens appreciate that effort, and many use this nutrition  
26                    information to make food choices. Today, ready access to reliable information  
27                    about the calorie and nutrient content of food is even more important, given the  
28                    prevalence of obesity and diet-related diseases in the United States. This need is  
                      highlighted by the announcement recently by the First Lady of a coordinated  
                      national campaign to reduce the incidence of obesity among our citizens,  
                      particularly our children.

1 With that in mind, I have made improving the scientific accuracy and usefulness  
2 of food labeling one of my priorities as Commissioner of Food and Drugs. The  
3 latest focus in this area, of course, is on information provided on the principal  
4 display panel of food packages and commonly referred to as “front-of-pack”  
5 labeling. The use of front-of-pack nutrition symbols and other claims has grown  
6 tremendously in recent years, and it is clear to me as a working mother that such  
7 information can be helpful to busy shoppers who are often pressed for time in  
8 making their food selections. ...

9  
10 As we move forward in those areas, I must note, however, that there is one area in  
11 which more progress is needed. As you will recall, we recently expressed  
12 concern, in a “Dear Industry” letter, about the number and variety of label claims  
13 that may not help consumers distinguish healthy food choices from less healthy  
14 ones and, indeed, may be false or misleading.

15  
16 At that time, we urged food manufacturers to examine their product labels in the  
17 context of the provisions of the Federal Food, Drug, and Cosmetic Act that  
18 prohibit false or misleading claims and restrict nutrient content claims to those  
19 defined in FDA regulations. As a result, some manufacturers have revised their  
20 labels to bring them into line with the goals of the Nutrition Labeling and  
21 Education Act of 1990. Unfortunately, however, we continue to see products  
22 marketed with labeling that violates established labeling standards.

23  
24 To address these concerns, FDA is notifying a number of manufacturers that their  
25 labels are in violation of the law and subject to legal proceedings to remove  
26 misbranded products from the marketplace. While the warning letters that  
27 convey our regulatory intentions do not attempt to cover all products with  
28 violative labels, they do cover a range of concerns about how false or misleading  
labels can undermine the intention of Congress to provide consumers with  
labeling information that enables consumers to make informed and healthy food  
choices. For example:

\*\*\*

- Juice products that mislead consumers into believing they consist entirely of a single juice are still on the market. Despite numerous admonitions from FDA over the years, we continue to see juice blends being inaccurately labeled as single-juice products.

\*\*\*

I will close with the hope that these warning letters will give food manufacturers further clarification about what is expected of them as they review their current labeling. I am confident that our past cooperative efforts on nutrition information and claims in food labeling will continue as we jointly develop a practical, science-based front-of-pack regime that we can all use to help consumers choose healthier foods and healthier diets.



1 34. Defendant was or reasonably should have been aware of this guidance yet continued  
2 to utilize unlawful food labeling claims despite the express guidance of the FDA in the Open Letter.

3 35. Defendant also ignored the FDA’s Guidance for Industry, A Food Labeling Guide,  
4 which details the FDA’s guidance on how to make food labeling claims.

5 36. Despite the FDA’s numerous warnings to industry, Defendant continued to sell  
6 products bearing unlawful food labeling claims without meeting the requirements to make them.  
7 Defendant’s Misbranded Food Products continue to run afoul of FDA guidance as well as federal  
8 and California law, as Defendant continues to utilize unlawful claims on the labels of its  
9 Misbranded Food Products.

10 37. Pursuant to Section 403 of the FDCA, a claim that characterizes the level of a nutrient  
11 in a food is a “nutrient content claim” that must be made in accordance with the regulations that  
12 authorize the use of such claims. 21 U.S.C. § 343(r)(1)(A). California expressly adopted the  
13 requirements of 21 U.S.C. § 343(r) in § 110670 of the Sherman Law.

14 **Defendant Makes Unlawful “No Sugar Added” Nutrient Content Claims**

15 38. Federal and California law regulates “no sugar added” claims as a particular type of  
16 nutrient content claim. Specifically, 21 C.F.R. § 101.60 contains special requirements for nutrient  
17 claims that use the phrase “no sugar added.” Pursuant to the Sherman Law, California has expressly  
18 adopted the federal labeling requirements of 21 C.F.R. § 101.60 as its own. California Health &  
19 Safety Code § 110100.

20 39. Defendant claimed from the beginning of the class period to today that its 100% Juice  
21 products have “No Sugar Added” in an intentionally noticeable manner on the front of the juice  
22 packaging.

23 40. Labels of Defendant’s “100% Juice” products, including Grape, White Grape, White  
24 Grape Cherry, and Black Cherry Concord Grape juices, all of which Plaintiffs purchased as set out  
25 in Paragraphs\*\*\*\*, *supra*, prominently state “No Sugar Added” on the front of the labels.

26 41. All other of Defendant 100% Juice flavors in the 64 and 46 ounce sizes as well as  
27 Defendant’s 10 ounce multi-pack carry identical presentations of the same language on the front  
28 labels.

1 42. 21 C.F.R. § 101.60(c)(2) provides in pertinent part, with emphasis added:

2 (2) The terms “no added sugar,” “without added sugar,” or “*no sugar added*” may  
3 be used **only if**:

4 (i) No amount of sugars, as defined in §101.9(c)(6)(ii), or any other ingredient that  
5 contains sugars that functionally substitute for added sugars is added during  
6 processing or packaging; and

7 (ii) The product does not contain an ingredient containing added sugars such as jam,  
8 jelly, or ***concentrated fruit juice***; and

9 (iii) The sugars content has not been increased above the amount present in the  
10 ingredients by some means such as the use of enzymes, except where the intended  
11 functional effect of the process is not to increase the sugars content of a food, and a  
12 functionally insignificant increase in sugars results; and

13 (iv) The food that it resembles and for which it substitutes normally contains added  
14 sugars; and

15 (v) ***The product bears a statement that the food is not “low calorie” or “calorie  
16 reduced”*** (unless the food meets the requirements for a “low” or “reduced calorie”  
17 food) ***and that directs consumers’ attention to the nutrition panel for further  
18 information on sugar and calorie content*** (emphasis added).

19 43. 21 C.F.R. § 101.60(b)(2) provides that:

20 The terms “low-calorie,” “few calories,” “contains a small amount of calories,”  
21 “low source of calories,” or “low in calories” may be used on the label or in  
22 labeling of foods, except meal products as defined in § 101.13(l) and main dish  
23 products as defined in § 101.13(m), provided that: (i)(A) The food has a reference  
24 amount customarily consumed greater than 30 grams (g) or greater than 2  
25 tablespoons and does not provide more than 40 calories per reference amount  
26 customarily consumed; or (B) The food has a reference amount customarily  
27 consumed of 30 g or less or 2 tablespoons or less and does not provide more than 40  
28 calories per reference amount customarily consumed and, except for sugar  
substitutes, per 50 g ....(ii) If a food meets these conditions without the benefit of  
special processing, alteration, formulation, or reformulation to vary the caloric  
content, it is labeled to clearly refer to all foods of its type and not merely to the  
particular brand to which the label attaches (e.g., “celery, a low-calorie food”).

29 44. The principal display panel of each Defendant’s Misbranded 100% Juices identically  
30 states that the products contain “no sugar added.” Defendant’s Misbranded Food Products do not  
31 satisfy elements (ii), and (v) of 21 C.F.R. § 101.60(c)(2) and are therefore misbranded under

1 California and identical Federal law.

2 45. Defendant's 100% Juices do not meet any regulation for being low or reduced calorie  
3 food.

4 46. Notwithstanding the fact that 21 C.F.R. § 101.60(c)(2)(ii) bars the use of the term "no  
5 sugar added" on products containing "concentrated fruit juice," Defendant has touted its  
6 Misbranded 100% Juice products as having "no sugar added" despite the addition of those  
7 ingredients.

8 47. Notwithstanding the fact that 21 C.F.R. § 101.60(c)(2)(v) bars the use of the term "no  
9 sugar added" on foods that are not low-calorie unless they bear an express warning immediately  
10 adjacent to each use of the terms that discloses that the food is not "low calorie" or "calorie  
11 reduced," Defendant has touted its non-low calorie products as having "no sugar added" and chosen  
12 to omit the mandated disclosure statements.

13 48. Consumers of Defendant's 100% Juices reasonably regard terms that represent that  
14 food contains "no sugar added" as indicating a product which is low in calories or significantly  
15 reduced in calories. Consumers including Plaintiffs of Defendant's 100% Juices were thus misled  
16 when foods that are not low-calorie as a matter of law are falsely represented to be low-calorie  
17 through the unlawful use of phrases like "no sugar added."

18 49. Defendant's 100% Juices containing the NSA claim actually contain as much as or  
19 more sugar per ounce than many sugary soft drinks.

20 50. The labeling for Defendant's product violates California law and federal law making  
21 the products illegal to purchase, sell, own or hold. For these reasons, Defendant's "no sugar added"  
22 claims at issue in this Complaint are misleading and in violation of 21 C.F.R. §§ 1.21 and  
23 101.60(c)(2) and California law, and the products at issue are misbranded as a matter of law.  
24 Misbranded products cannot be legally sold and have no economic value and are legally worthless.

25 51. During the entire class period, Defendant knew or should have known that its 100%  
26 Juices were misleading as to sugar content.

27 52. During the entire class period, Defendant knew or should have known that its 100%  
28 Juices sold in California were unlawful to sale, hold or purchase.

1           53. Plaintiffs did not know, and had no reason to know, that Defendant's Misbranded  
2 Food Products were misbranded, and bore nutrient content claims despite failing to meet the  
3 requirements to make those nutrient content claims.

4           54. Further, Defendant 100% Juices sold in California to Plaintiffs and the Class during  
5 the class period with "No Sugar Added" contain disqualifying levels of calories that prohibit the  
6 claim from being made absent a mandated disclosure statement warning of the higher caloric level  
7 of the products and thus violate 21 CFR §1.21 which requires revealing of all material facts.

8           55. Defendant placed no such required disclosure on its 100% Juices.

9           56. Because of these improper nutrient content claims, Plaintiffs purchased these  
10 products and paid a premium for them.

11           57. Plaintiff and class members were thus misled into purchasing Defendant's products  
12 with No Sugar Added Claims because they believed them to be lower caloric and healthier choices  
13 than other beverages.

14           58. Separately, Plaintiff and class members were misled into purchasing Defendant's  
15 100% Juices because Defendant represented the products as being lawful to purchase.

16           **Defendant Makes Unlawful All Natural Claims**

17           59. Federal law provides that a food may be deemed to be misbranded if its labeling is  
18 false or misleading in any particular. 21 U.S.C. §§ 343(a)(1).

19           60. California law has an identical provision (California Health & Safety Code §  
20 110660).

21           61. Defendant's Misbranded Food Products purchased by plaintiffs as well as violate  
22 these provisions by bearing labels that claim that the products are free from artificial flavors, colors  
23 or preservatives despite containing artificial flavors, colors or preservatives. The label of  
24 Defendant's "Natural" Strawberry Spread (and identically its Concord Grape and Raspberry  
25 Spreads) state the product is free from artificial flavors, colors or preservatives despite containing  
26 artificial flavors and/or preservatives such as citric acid and sodium citrate.

27           62. Citric acid and sodium citrate are chemicals used to preserve food and/or impart tart  
28 flavor to Defendant's Natural Spreads.

1           63. The FDA has repeatedly targeted products that made claims that they were natural  
2 despite containing artificial ingredients such as citric acid and other chemical preservatives.

3           64. Section 403(a) of the FDCA and California's Sherman Law prohibit food  
4 manufacturers from using labels that claim to be natural or non-artificial when they contain  
5 artificial ingredients and flavorings, added coloring and chemical preservatives.

6           65. The term "natural" on a food label is considered truthful and non-misleading only  
7 when "nothing artificial or synthetic...has been included in, or has been added to, a food that would  
8 not normally be expected to be in the food." *See* 58 FR 2302, 2407, January 6, 1993.

9           66. Defendant knew or should have known that, as early as 2001, the FDA has sent food  
10 manufactures publically available letters warning them that the representation of a product being  
11 "all natural" or without preservatives or flavorings was a serious violation of law. *See e.g.*,  
12 <http://www.fda.gov/ICECI/EnforcementActions/WarningLetters/2001/ucm178712.htm>;  
13 <http://www.fda.gov/ICECI/EnforcementActions/WarningLetters/ucm281118.htm>.

14           67. Despite FDA's numerous warnings to industry, Defendant has continued to sell  
15 products represented as being natural or non-artificial which contain artificial and synthetic  
16 ingredients and added coloring. Seeking to profit from consumers' desire for natural food products,  
17 Defendant has falsely misrepresented "Natural" Spreads purchased by Plaintiffs and similar  
18 products in its product line as being all natural or non-artificial.

19           68. A reasonable consumer would expect that when Defendant labels its products as  
20 being all natural, free from artificial colors, flavors or preservatives, the products are all actually  
21 100% natural or free from artificial colors, flavors or preservatives according to the common use of  
22 that word.

23           69. Plaintiffs did not know, and had no reason to know, that Defendant's Misbranded  
24 Food Products were misbranded, and bore claims of being, all natural, free from artificial colors,  
25 flavors or preservatives despite their failure to meet the requirements necessary to make these  
26 claims.

27           70. Plaintiff and class members were thus misled into purchasing Defendant's products  
28 with synthetic and artificial ingredients that falsely represented on their labeling to be natural.

1           71. Separately, Plaintiff and class members were misled into purchasing Defendant's  
2 Natural Spreads because Defendant represented the products as being lawful to purchase.

3           72. Defendant's products are in this respect misbranded under federal and California law.  
4 Misbranded products cannot be legally sold and have no economic value and are legally worthless.  
5 Plaintiffs and members of the Class who purchased these products paid an unwarranted premium  
6 for these products.

7           **Defendant's 100% Juice and Natural Spread Lines are Unlawful**

8           73. Defendant has manufactured, advertised, distributed, and sold products that are  
9 misbranded under California law. Misbranded products cannot be legally manufactured,  
10 advertised, distributed, sold or held, and have no economic value and are legally worthless as a  
11 matter of law.

12           74. For both the 100% Juice and Natural Spread lines, Defendant has violated California  
13 Health & Safety Code §§ 109885 and 110390 which make it unlawful to disseminate false or  
14 misleading food advertisements that include statements on products and product packaging or  
15 labeling or any other medium used to directly or indirectly induce the purchase of a food product.

16           75. For both the 100% Juice and Natural Spread lines, Defendant has violated California  
17 Health & Safety Code § 110395 which makes it unlawful to manufacture, sell, deliver, hold, or  
18 offer to sell any falsely advertised food.

19           76. For both the 100% Juice and Natural Spread lines, Defendant has violated California  
20 Health & Safety Code §§ 110398 and 110400 which make it unlawful to advertise misbranded food  
21 or to deliver or proffer for delivery any food that has been falsely advertised.

22           77. For both the 100% Juice and Natural Spread lines, Defendant's food products are  
23 misbranded under California Health & Safety Code § 110660 because the labeling is false and  
24 misleading in one or more ways as described herein.

25           78. For the Natural Spread lines, Defendant's Misbranded Food Products are misbranded  
26 under California Health & Safety Code § 110670 because their labeling fails to conform with the  
27 requirements for nutrient content claims set forth in 21 U.S.C. § 343(k) and the regulations adopted  
28 thereto because the labels do not bear statements of the food containing artificial flavoring and

1 preservatives.

2 79. For both the 100% Juice and Natural Spread lines, Defendant's Misbranded Food  
3 Products are misbranded under California Health & Safety Code § 110705 and 21 U.S.C 343(f)  
4 because words, statements, and other information required by the Sherman Law to appear on their  
5 labeling either are missing or not sufficiently conspicuous. For the 100% Juice lines, the labels lack  
6 the required reference to the ingredients panel next to the NSA claim and lack the required  
7 disclosure that the foods are not low calorie or calorie reduced. For the Natural Spreads line, the  
8 ingredient list is insufficiently conspicuous as compared to the all natural, no preservatives and no  
9 artificial flavors claims.

10 80. For the Natural Spread line, Defendant's Misbranded Food Products are misbranded  
11 under California Health & Safety Code § 110740 because they contain artificial flavoring, artificial  
12 coloring, and chemical preservatives but fail to adequately disclose that fact on its labeling.

13 81. Defendant has violated California Health & Safety Code § 110760 which makes it  
14 unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any food that is  
15 misbranded.

16 82. For both the 100% Juice and Natural Spread lines, Defendant has violated California  
17 Health & Safety Code § 110765 that makes it unlawful for any person to misbrand any food.  
18 Defendant is a person for application of the Sherman Law.

19 83. Defendant has violated California Health & Safety Code § 110770 which makes it  
20 unlawful for any person to receive in commerce any food that is misbranded or to deliver or proffer  
21 for delivery any such food.

22 84. Defendant has violated the standards set by 21 CFR §§ 101.13(b)(2), 101.54, 101.60,  
23 101.65, and 104.20 which have been adopted by reference in the Sherman Law, by including  
24 unauthorized nutrient content claims on its products.

25 85. Defendant's labeling as alleged herein is false and misleading and designed to  
26 increase sales of the products at issue.

27 86. A reasonable person would and Plaintiffs did attach importance to whether  
28 Defendant's products were legally salable and capable of legal possession and to Defendant's

1 representations about these issues in determining whether to purchase the products at issue.  
2 Plaintiffs would not have purchased Defendant's Misbranded Food Products had they known they  
3 were not capable of being legally sold or held.

4 87. Further, the purchase or possession of Defendant's 100% Juice line with illegal NSA  
5 claims and illegal Natural claims subjected Plaintiffs and the class to criminal prosecution under  
6 Cal. Health and Safety Code § 111825.

7 **Plaintiffs' Purchase of Defendant's Products and Reliance Upon Defendant's**  
8 **Misleading and Unlawful Statements**

9 88. Plaintiffs read and reasonably relied on the labels on Defendant's products labels  
10 stating "No Sugar Added," and representations of being natural or non-artificial before purchasing  
11 them.

12 89. Plaintiff Elizabeth Park during the class period purchased Welch's 100% Juices listed  
13 in Paragraph 13 containing the unlawful and misleading NSA claim almost weekly. She purchased  
14 Defendant's 100% Juices either at the Nob Hill Foods in Mt. Herman and Los Gatos, California as  
15 well as at Safeway in Los Gatos, California.

16 90. Plaintiff Elizabeth Park and her family actively seek to reduce overall sugar in their  
17 diets and purchase foods accordingly. Plaintiff Park specifically read, believed and relied on  
18 Welch's NSA claim to mean it had less sugar and calories than other drink choices and purchased  
19 Defendant 100% Juices because of the claims.

20 91. Plaintiff Elizabeth Park relied upon Defendant's implied representation that the 100%  
21 Juices products were legal to purchase.

22 92. Plaintiff Elizabeth Park frequently saw and believed Defendant's NSA claims on its  
23 100% Juices even when she was not purchasing drinks.

24 93. Plaintiff Carolyn Otto during the class period purchased 1-2 bottles a month of  
25 Defendant's 100% Grape Juice with the unlawful and misleading NSA claim during the warmer  
26 months from late spring to early autumn. She made most of her purchases at Lunardi's Market on  
27 Meridian Avenue in San Jose, and at Safeway stores in San Jose, California.

28 94. Plaintiff Carolyn Otto during the class period purchased Welch's Natural Strawberry



1 Spread 3-4 times a year at Lunardi's Market on Meridian Avenue in San Jose, and at Safeway  
2 stores in San Jose, California.

3 95. Plaintiff Carolyn Otto and her family actively seek to reduce overall sugar in their  
4 diets and purchase foods accordingly. Plaintiff Park specifically read, believed and relied on  
5 Welch's NSA claim to mean it had less sugar and calories than other drink choices.

6 96. Plaintiff Carolyn Otto relied upon Defendant's implied representation that the 100%  
7 Juices products and its Natural Spreads were legal to purchase.

8 97. Plaintiff Carolyn Otto frequently saw and believed Defendant NSA and All Natural  
9 claims even when she was not purchasing the 100% Juices or Natural Spreads.

10 98. Defendant's labeling claims of "No Sugar Added" for its 100% Juices and its All  
11 Natural, No Preservative and No Artificial Flavors on its Natural Spreads were a substantial factor  
12 in Plaintiffs' decisions to purchase Defendant's products. Based on Defendant's claims, Plaintiffs  
13 believed that the products were a better and healthier choice than other available products and  
14 purchased Defendant's unlawful products because the subject claims.

15 99. A reasonable purchaser would believe that Defendant's NSA claims meant that  
16 Defendant's products were a healthier, lower caloric choice of beverages.

17 100. A reasonable purchaser would believe that Defendant's statement of All Natural, No  
18 Preservatives and No Artificial flavors meant that nothing artificial would be in the food.

19 101. A reasonable purchaser would believe that if a food product was labeled and sold by  
20 a manufacturer at a grocery store or other retail outlet, the product would be legal to sell, purchase  
21 or hold.

22 102. A reasonable purchaser would not purchase a food item that is illegal to sell, purchase  
23 or hold.

24 103. Plaintiffs reasonably relied on Defendant's package labeling.

25 104. At point of sale, Plaintiffs did not know, and had no reason to know, that Defendant's  
26 products were misbranded as set forth herein, and would not have bought the products had they  
27 known the truth about the truth about the sugar content, the artificial flavors and preservatives, and  
28 the fact that each was illegal to purchase, own or hold.

1 105. At point of sale, Plaintiffs did not know, and had no reason to know, that Defendant's  
2 no sugar added, and representations of being wholly natural on the products' labels describe on the  
3 products herein discussed were unlawful as set forth herein, and would not have bought the  
4 products had they known the truth about them.

5 106. As a result of Defendant's misrepresentations of content and legality of purchase,  
6 Plaintiffs and thousands of others in California purchased the products at issue.

7 107. Defendant's labeling as alleged herein is false and misleading and designed to  
8 increase sales of the products at issue.

9 **CLASS ACTION ALLEGATIONS**

10 108. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil  
11 Procedure 23(b)(2) and 23(b)(3) on behalf of the following classes:

12 **California Class**: All persons in the state of California who, within the  
13 last four years, purchased any of Defendant's:

14 (1) 100% Juice products labeled "No Sugar Added" but which (a)  
15 contained concentrated fruit juice and/or (b) provided more than 40  
16 calories per reference amount customarily consumed but which failed  
17 to bear a statement (i) disclosing that the product was not "low calorie"  
18 or "calorie reduced" and (ii) directing consumers' attention to the  
19 nutrition panel for further information on sugar and calorie content;

20 (2) Natural Spreads represented to contain no artificial colors, flavors  
21 or preservatives but which contained artificial colors, flavors or  
22 preservatives; or

23 (3) Natural Spreads represented to be "All Natural" but containing artificial  
24 colors, flavors or preservatives.

25 109. The following persons are expressly excluded from the Class: (1) Defendant and its  
26 subsidiaries and affiliates; (2) all persons who make a timely election to be excluded from the  
27 proposed Class; (3) governmental entities; and (4) the Court to which this case is assigned and its  
28 staff.

109. This action can be maintained as a class action because there is a well-defined  
community of interest in the litigation and the proposed Class is easily ascertainable.

1           111.     Numerosity: Based upon Defendant’s publicly available sales data with respect to  
2 the misbranded products at issue, it is estimated that the Class numbers in the thousands, and that  
3 joinder of all Class members is impracticable.

4           112.     Common Questions Predominate: This action involves common questions of law  
5 and fact applicable to each Class member that predominate over questions that affect only  
6 individual Class members. Thus, proof of a common set of facts will establish the right of each  
7 Class member to recover. Questions of law and fact common to each Class member include, for  
8 example:

9           a. Whether Defendant engaged in unlawful, unfair or deceptive business practices by  
10 failing to properly package and label its 100% Juices and Natural Spreads sold to  
consumers;

11           b. Whether the food products at issue were misbranded or unlawfully packaged and  
12 labeled as a matter of law;

13           c. Whether Defendant made unlawful and/or misleading “no sugar added” claims  
with respect to its 100% Juice products sold to consumers;

14           d. Whether Defendant made unlawful and misleading representations that its Natural  
15 Spread products in Grape, Strawberry or Raspberry flavors were free from artificial colors,  
flavors or preservatives

16           e. Whether Defendant failed to adequately disclose the calorie or sugar content of  
17 its 100% Juice food products sold to consumers;

18           f. Whether Defendant violated California Bus. & Prof. Code § 17200 *et seq.*,  
19 California Bus. & Prof. Code § 17500 *et seq.*, the California Consumers Legal Remedies  
Act, Cal. Civ. Code. § 1750 *et seq.*, and the Sherman Law;

20           g. Whether Plaintiffs and the Class are entitled to equitable and/or injunctive relief;

21           h. Whether Defendant’s unlawful, unfair and/or deceptive practices harmed Plaintiffs  
and the Class; and

22           i. Whether Defendant was unjustly enriched by its deceptive practices.

23           113.     Typicality: Plaintiffs’ claims are typical of the claims of the Class because Plaintiffs  
24 bought Defendant’s Misbranded Food Products during the Class Period. Defendant’s unlawful,  
25 unfair, and/or fraudulent actions concern the same business practices described herein irrespective  
26 of where they occurred or were experienced. Plaintiffs and the Class sustained similar injuries  
27 arising out of Defendant’s conduct in violation of California law. The injuries of each member of  
28

1 the Class were caused directly by Defendant's wrongful conduct. In addition, the factual  
2 underpinning of Defendant's misconduct is common to all Class members and represents a  
3 common thread of misconduct resulting in injury to all members of the Class. Plaintiffs' claims  
4 arise from the same practices and course of conduct that give rise to the claims of the Class  
5 members and are based on the same legal theories.

6 114. Adequacy: Plaintiffs will fairly and adequately protect the interests of the Class.  
7 Neither Plaintiffs nor Plaintiffs' counsel have any interests that conflict with or are antagonistic to  
8 the interests of the Class members. Plaintiffs have retained highly competent and experienced class  
9 action attorneys to represent their interests and those of the members of the Class. Plaintiffs and  
10 Plaintiffs' counsel have the necessary financial resources to adequately and vigorously litigate this  
11 class action, and Plaintiffs and counsel are aware of their fiduciary responsibilities to the Class  
12 members and will diligently discharge those duties by vigorously seeking the maximum possible  
13 recovery for the Class.

14 115. Superiority: There is no plain, speedy, or adequate remedy other than by  
15 maintenance of this class action. The prosecution of individual remedies by members of the Class  
16 will tend to establish inconsistent standards of conduct for Defendant and result in the impairment  
17 of Class members' rights and the disposition of their interests through actions to which they were  
18 not parties. Class action treatment will permit a large number of similarly situated persons to  
19 prosecute their common claims in a single forum simultaneously, efficiently, and without the  
20 unnecessary duplication of effort and expense that numerous individual actions would engender.  
21 Further, as the damages suffered by individual members of the Class may be relatively small, the  
22 expense and burden of individual litigation would make it difficult or impossible for individual  
23 members of the Class to redress the wrongs done to them, while an important public interest will be  
24 served by addressing the matter as a class action. Class treatment of common questions of law and  
25 fact would also be superior to multiple individual actions or piecemeal litigation in that class  
26 treatment will conserve the resources of the Court and the litigants, and will promote consistency  
27 and efficiency of adjudication.  
28

1 116. The prerequisites to maintaining a class action for injunctive or equitable relief  
2 pursuant to FED. R. CIV. P. 23(b)(2) are met as Defendant has acted or refused to act on grounds  
3 generally applicable to the Class, thereby making appropriate final injunctive or equitable relief  
4 with respect to the Class as a whole.

5 117. The prerequisites to maintaining a class action pursuant to FED. R. CIV. P. 23(b)(3)  
6 are met as questions of law or fact common to class members predominate over any questions  
7 affecting only individual members, and a class action is superior to other available methods for  
8 fairly and efficiently adjudicating the controversy.

9 118. Plaintiffs and Plaintiffs counsel are unaware of any difficulties that are likely to be  
10 encountered in the management of this action that would preclude its maintenance as a class action.

11 119. For each of the seven cause of actions herein alleged *infra*, Plaintiffs hereby reallege  
12 and incorporate the foregoing paragraphs.

13 **FIRST CAUSE OF ACTION**  
14 **Business and Professions Code § 17200, *et seq.***  
15 **Unlawful Business Acts and Practices**

16 120. Defendant's conduct constitutes unlawful business acts and practices.

17 121. Defendant sold 100% Juices with a NSA claim in California during the Class  
18 Period.

19 122. Defendant sold "Natural" Spreads with an All Natural, No Preservatives, No  
20 Artificial Flavors or Colors claim.

21 123. Defendant is a corporation and, therefore, is a "person" within the meaning of the  
22 Sherman Law.

23 124. Defendant's business practices as described herein are unlawful under § 17200, *et*  
24 *seq.* by virtue of Defendant's violations of the advertising provisions of Article 3 of the Sherman  
25 Law and the misbranded food provisions of Article 6 of the Sherman Law.  
26  
27  
28



1           134. Defendant sold to Plaintiffs and the Class products that were not capable of being  
2 legally sold and that have no economic value.

3           135. Plaintiffs and the Class paid a premium price for 100% Juice and Natural Spreads.

4           136. Plaintiffs and the Class who purchased 100% Juice and Natural Spreads had no  
5 way of reasonably knowing that the products were misbranded and were not properly labeled,  
6 and thus could not have reasonably avoided injury.

7           137. A reasonable consumer would have relied on Defendant's representations.

8           138. The consequences of Defendant's conduct outweigh any justification, motive or  
9 reason therefor.

10           139. As a result of Defendant's conduct, Plaintiffs and the Class, pursuant to Business  
11 and Professions Code § 17203, are entitled to an order enjoining such future conduct by  
12 Defendant, and such other orders and judgments which may be necessary to disgorge  
13 Defendant's ill-gotten gains and restore any money paid for 100% Juice products and Natural  
14 Spreads by Plaintiffs and the Class.

15  
16  
17                                   **THIRD CAUSE OF ACTION**  
18                                   **Business and Professions Code § 17200, *et seq.***  
19                                   **Fraudulent Business Acts and Practices**

20           140. Defendant's conduct as set forth herein constitutes fraudulent business practices  
21 under California Business and Professions Code § 17200, *et seq.*

22           141. Defendant's misleading packaging and labeling of 100% Juices and Natural  
23 Spreads were likely to deceive reasonable consumers.

24           142. As described herein *supra* Plaintiffs and members of the Class were deceived.

25           143. As described herein *supra* Defendant engaged in fraudulent business acts and  
26 practices.

27           144. Plaintiffs and the Class were injured by Defendant's fraudulent acts and practices.  
28





1 152. Defendant prepared and distributed within California via product labeling  
2 statements that misleadingly and deceptively represented the composition and nature of 100%  
3 Juice products and Natural Spreads.

4 153. Plaintiffs and the Class were the intended targets of such representations.

5 154. Plaintiffs and the Class reasonably relied on Defendant's representations.

6 155. Defendant's conduct in disseminating misleading and deceptive statements in  
7 California Plaintiffs and the Class was and is likely to deceive reasonable consumers by  
8 obscuring the true composition and nature of 100% Juice and Natural Spreads in violation of the  
9 "misleading prong" of California Business and Professions Code § 17500, *et seq.*

10 156. Plaintiffs and the Class were injured as a result of Defendant's acts and practices.

11 157. As a result of Defendant's violations of the "misleading prong" of California  
12 Business and Professions Code § 17500, *et seq.*, Defendant have been unjustly enriched at the  
13 expense of Plaintiffs and the Class.

14 158. Plaintiffs and the Class, pursuant to Business and Professions Code § 17535, are  
15 entitled to an order enjoining such future conduct by Defendant, and such other orders and  
16 judgments which may be necessary to disgorge Defendant's ill-gotten gains and restore any  
17 money paid for 100% Juice and Natural Spreads by Plaintiffs and the Class.

18  
19  
20  
21 **FIFTH CAUSE OF ACTION**  
22 **Business and Professions Code § 17500, *et seq.***  
23 **Untrue Advertising**

24 159. Plaintiffs assert this cause of action against Defendant for violations of California  
25 Business and Professions Code § 17500, *et seq.*, regarding untrue advertising.

26 160. Defendant offered 100% Juice products and Natural Spreads for sale to Plaintiffs  
27 and the Class by way of labeling.

1           161. As described herein *supra*, these materials misrepresented or omitted the true  
2 contents and nature of 100% Juice and Natural Spreads.

3           162. Defendant’s labeling inducements were made in California and come within the  
4 definition of advertising contained in Business and Professions Code §17500, *et seq.* where the  
5 product labels are intended as inducements to purchase 100% Juice and Natural Spreads, and are  
6 statements disseminated by Defendant to Plaintiffs and the Class.  
7

8           163. Defendant knew, or in the exercise of reasonable care, should have known, that  
9 these statements were untrue and/or misleading.

10           164. As described herein *supra*, Defendant prepared and distributed in California via  
11 product packaging and labeling, statements that falsely advertise the composition of 100% Juice  
12 products and Natural Spreads, and falsely misrepresented the nature of 100% Juice products and  
13 Natural Spreads.  
14

15           165. Plaintiffs and the Class were the intended targets of such representations.

16           166. As described herein *supra*, Defendant’s conduct in disseminating untrue label  
17 advertising throughout California deceived Plaintiffs and members of the Class by obfuscating  
18 the contents, nature and quality of 100% Juice products and Natural Spreads in violation of the  
19 “untrue prong” of California Business and Professions Code § 17500.  
20

21           167. Plaintiffs and the Class reasonably relied on Defendant’s representations.

22           168. As set forth herein, a reasonable consumer would have relied on Defendant’s  
23 representations.

24           169. Plaintiffs and the Class were injured as a result of Defendant’s acts and practices.

25           170. As a result of Defendant’s violations of the “untrue prong” of California Business  
26 and Professions Code § 17500, *et seq.*, Defendant has been unjustly enriched at the expense of  
27 Plaintiffs and the Class.  
28

1 171. Plaintiffs and the Class, pursuant to Business and Professions Code § 17535, are  
2 entitled to an order enjoining such future conduct by Defendant, and such other orders and  
3 judgments which may be necessary to disgorge Defendant's ill-gotten gains and restore any  
4 money paid for 100% Juice and Natural Spreads by Plaintiffs and the Class.  
5

6 **SIXTH CAUSE OF ACTION**  
7 **Consumer Legal Remedies Act, Cal. Civ. Code §1750, et seq.**

8 172. On December 21, 2012, Plaintiffs' counsel served Defendant with notice of  
9 Defendant's violations of the CLRA.

10 173. Defendant failed to provide appropriate relief for its violations of the CLRA  
11 within 30 days of its receipt of the CLRA demand notice.

12 174. The violations of the CLRA by Defendant were and are willful, oppressive and  
13 fraudulent, thus supporting an award of punitive damages.

14 175. Consequently, Plaintiffs and the Class are entitled to actual and punitive damages  
15 against Defendant for its violations of the CLRA.

16 176. In addition, pursuant to Cal. Civ. Code § 1782(a)(2), Plaintiffs and the Class are  
17 entitled to an order enjoining the above-described acts and practices, providing restitution to  
18 Plaintiffs and the Class, ordering payment of costs and attorneys' fees, and any other relief  
19 deemed appropriate and proper by the Court pursuant to Cal. Civ. Code § 1780.  
20

21 177. Defendant's actions, representations, and conduct have violated, and continue to  
22 violate the CLRA, because they extend to transactions that are intended to result, or which have  
23 resulted, in the sale of goods or services to consumers.

24 178. Defendant sold 100% Juice and Natural Spreads in California during the Class  
25 Period.  
26

27 179. Plaintiffs and members of the Class are "consumers" as that term is defined by the  
28 CLRA in Cal. Civ. Code §1761(d).

1 180. 100% Juice products and Natural Spreads products are “goods” within the  
2 meaning of Cal. Civ. Code §1761(a).

3 181. By engaging in the conduct set forth herein, Defendant violated and continues to  
4 violate Section 1770(a)(5), of the CLRA, because Defendant’s conduct constitutes unfair  
5 methods of competition and unfair or fraudulent acts or practices in that they misrepresent the  
6 particular ingredients, characteristics, uses, benefits and quantities of the goods.  
7

8 182. By engaging in the conduct set forth herein, Defendant violated and continues to  
9 violate Section 1770(a)(7) of the CLRA, because Defendant’s conduct constitutes unfair  
10 methods of competition and unfair or fraudulent acts or practices in that it misrepresents the  
11 particular standard, quality or grade of the goods.

12 183. By engaging in the conduct set forth herein, Defendant violated and continues to  
13 violate Section 1770(a)(9) of the CLRA, because Defendant’s conduct constitutes unfair  
14 methods of competition and unfair or fraudulent acts or practices in that it advertises goods with  
15 the intent not to sell the goods as advertised.  
16

17 184. By engaging in the conduct set forth herein, Defendant have violated and  
18 continue to violate Section 1770(a)(16) of the CLRA, because Defendant’s conduct constitutes  
19 unfair methods of competition and unfair or fraudulent acts or practices in that it represents that a  
20 subject of a transaction has been supplied in accordance with a previous representation when  
21 they have not.  
22

23 185. Plaintiffs and the Class were injured as a result of Defendant’s acts and practices.

24 186. Plaintiffs request that the Court enjoin Defendant from continuing to employ the  
25 unlawful methods, acts and practices alleged herein pursuant to Cal. Civ. Code § 1780(a)(2).  
26

27 187. If Defendant are not restrained from engaging in these practices in the future,  
28 Plaintiffs and the Class will continue to suffer harm.



**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, and on behalf of the general public, pray for judgment against Defendant as follows:

A. For an order certifying this case as a class action and appointing Plaintiffs and their counsel to represent the Class;

B. For an order awarding, as appropriate, damages, restitution or disgorgement to Plaintiffs and the Class for all causes of action;

C. For an order requiring Defendant to immediately cease and desist from selling its Misbranded Food Products in violation of law; enjoining Defendant from continuing to manufacture, label, market, advertise, distribute, and sell these products in the unlawful manner described herein; and ordering Defendant to engage in corrective action;

D. For all equitable remedies available pursuant to Cal. Civ. Code § 1780;

E. For an order awarding attorneys' fees and costs;

F. For an order awarding punitive damages;

G. For an order awarding pre-and post-judgment interest; and

H. For an order providing such further relief as this Court deems proper.

Dated: October 30, 2013

Respectfully submitted,

By: /s/ Pierce Gore  
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