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Per local Rule, This case is assigned to Judge Reyes, Benjamin T, II, for all purposes.

SUMMONS ISSUED

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF CONTRA COSTA

HODA ABDOLRAZEK, on behalf of herself and all others similarly situated, Plaintiff, v. HAPPIEST BABY, INC., Defendant.	Case No. C26-02505 **CLASS ACTION COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff Hoda Abdolrazek ("Plaintiff"), by and through counsel, brings this Class Action Complaint ("Complaint") against Defendant Happiest Baby, Inc. ("Defendant"), individually and on behalf of all others similarly situated, and allege, upon personal knowledge as to her own experiences and upon information and belief as to all other matters, as follows:

NATURE OF THE ACTION

1. Plaintiff brings this putative class action against Defendant arising from its unfair and deceptive bait-and-switch scheme of manufacturing, marketing, and selling a baby bassinet, the SNOO Smart Sleeper ("SNOO"), to consumers with the false promise that the device comes equipped with a suite of advanced, app-based features, then stripping consumers of access to those features without warning.

2. Reasonably understanding that *all* the device's features were included with their purchase of the device—and misled by Defendant's failure to inform them that certain features will be tied to subscription fees—Plaintiff and Class members purchased the SNOO believing that its functionality would remain intact irrespective of whether they opted to purchase additional products or services from Defendant.

3. But, through the unfair and deceptive practices alleged herein, Defendant upended that reasonable belief. Despite touting the SNOO as a cutting-edge "smart bassinet," Defendant's advertising and marketing fails to disclose to consumers at the point of sale that almost a dozen of the device's special features are, or will soon be, subject to a recurring subscription fee.

4. Defendant's stripping of the SNOO's features after the point of sale constitutes fundamentally unfair "software tethering." As the FTC has recognized, consumers generally expect that software features advertised as included with the products they buy will work and keep working.

5. On information and belief, Defendant knows that reasonable consumers expect to be fully and adequately informed about all aspects of the purchase price at the time they purchase a product. This reasonable expectation includes ongoing subscription fees. Nevertheless, Defendant obscures its intention to charge its customers for its device's features.

6. Plaintiff and Class members could not have anticipated that their devices' value and usefulness could be severely and abruptly reduced by Defendant—though that is exactly what happened.

7. As a result of Defendant's misconduct as alleged herein, Plaintiff and the Class seek actual

damages, restitution, disgorgement of profits, statutory damages, attorneys' fees and costs, public injunctive relief, and all other relief the Court deems proper.

JURISDICTION AND VENUE

8. This Court has jurisdiction over Defendant and the claims set forth below pursuant to Code of Civil Procedure § 410.10 and the California Constitution, Article VI § 10, because this case is a cause not given by statute to the other trial courts.

9. Plaintiff is informed and believes that the State of California has personal jurisdiction over Defendant because Defendant is headquartered in this State and does business throughout this State. Defendant intentionally avails itself of the California market, including in Contra Costa County, which has caused both obligations and liability of Defendant to arise here.

10. Venue is proper in this Court as relevant transaction(s) occurred in Contra Costa County.

PARTIES

11. Plaintiff Hoda Abdolrazek resides in Bay Point, California and has, at all relevant times alleged herein, been a resident and citizen of California. Plaintiff Abdolrazek purchased a new SNOO from a third-party retailer on December 29, 2021.

12. Defendant is a corporation formed and existing under the laws of Delaware with its headquarters located in Los Angeles, California.

FACTUAL ALLEGATIONS

I. Defendant Unlawfully Fails to Disclose that its Device's Premium Features are Tied to a Recurring Subscription Fee

13. Defendant began selling the SNOO in 2016. The SNOO is a Wi-Fi equipped, "smart" baby bassinet designed to improve infant sleep and respond automatically when a baby awakens.

14. The SNOO connects to Defendant's proprietary smartphone application (the "Happiest Baby app"), which allows the user to control the SNOO remotely while a baby is inside the device.

15. The SNOO is equipped with built-in motion sensors and microphones that can scan continuously for crying and movement when a baby is placed inside the SNOO. When the SNOO detects crying or movement, it can respond automatically to a baby's needs by rocking itself and playing soothing sounds. With the Happiest Baby app, the user can start, stop, or control the rhythm of the SNOO's rocking

and start, stop, or control the volume of its sounds.

16. Defendant also makes available to consumers a litany of other app-based features that add significant value to their usage and enjoyment of the SNOO at the point of sale (collectively, the "Premium Features"). The Premium Features include:

- A "Weaning Mode" in the Happiest Baby app through which the user can prepare a baby for transitioning to sleeping in a crib by programming the SNOO to play soothing sounds, but to only rock if it detects crying;
- A "Sleepytime Sounds" feature in the Happiest Baby app that, when activated, plays white noise for thirty minutes before and after a baby is placed in the SNOO to sleep;
- A "Car Ride Mode" in the Happiest Baby app that "adds some extra bounces here and there to mimic the lulling rhythms of a ride in the car";
- A "Level Lock" feature that steadies the SNOO's rocking at a specific frequency;
- "Responsiveness Settings" that allow the user to adjust the SNOO "to respond only to major crying or even to mild fussing";
- A "Motion Start Level" feature that allows the user to adjust the SNOO's "baseline" rocking level;
- "Daily Reports" and a "Sleep Log" that show the user "day-by-day changes and improvements in sleeping, feeding, and diapering patterns" and "share them with additional caregivers or your physician";
- The ability to add multiple SNOOs to a single user profile in the Happiest Baby app;
- Premium advice content concerning child rearing in the Happiest Baby app; and
- An artificial intelligence-powered "smart assistant" feature that provides "personalized advice" for the user.

17. Initially, Defendant did not charge any additional fee for access to the Premium Features. But, as of July 15, 2024, Defendant has engaged in an ongoing and deceptive practice of furtively charging an undisclosed, recurring subscription fee to access the Premium Features starting nine months after the date of purchase for consumers who purchase new or pre-owned SNOOs from Defendant's website or from the website of one of Defendant's authorized third-party retailers. Also as of July 15, 2024, consumers

who purchase their SNOO elsewhere (*i.e.*, secondhand buyers) receive no access to the Premium Features until they pay Defendant a subscription fee.

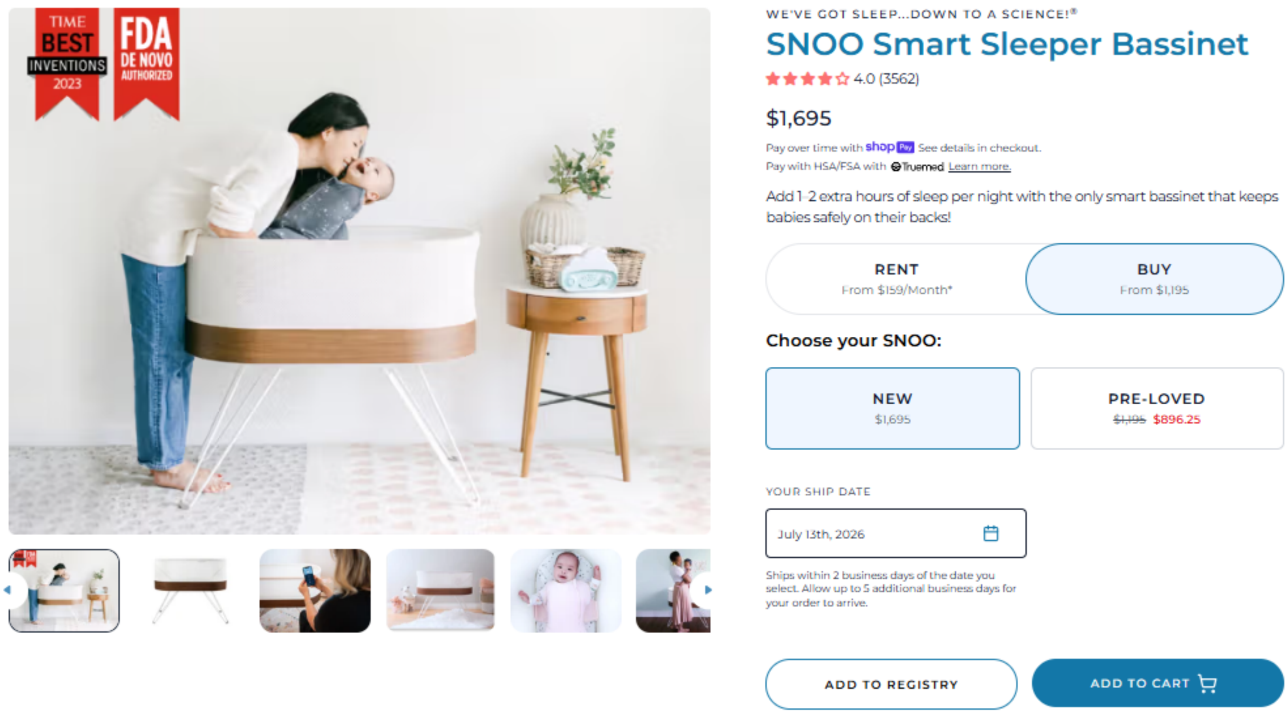
18. While Defendant's abrupt decision to charge consumers for features they previously enjoyed for free is troubling enough, the way Defendant does so is what renders its conduct unfair, deceptive, and otherwise unlawful.

19. Although Defendant states on its website that original purchasers of the SNOO who bought their device prior to July 15, 2024, have unlimited "free" access to the Premium Features, Plaintiff and scores of other original owners of the device have nevertheless been required by Defendant to pay a monthly fee for access to the Premium Features.

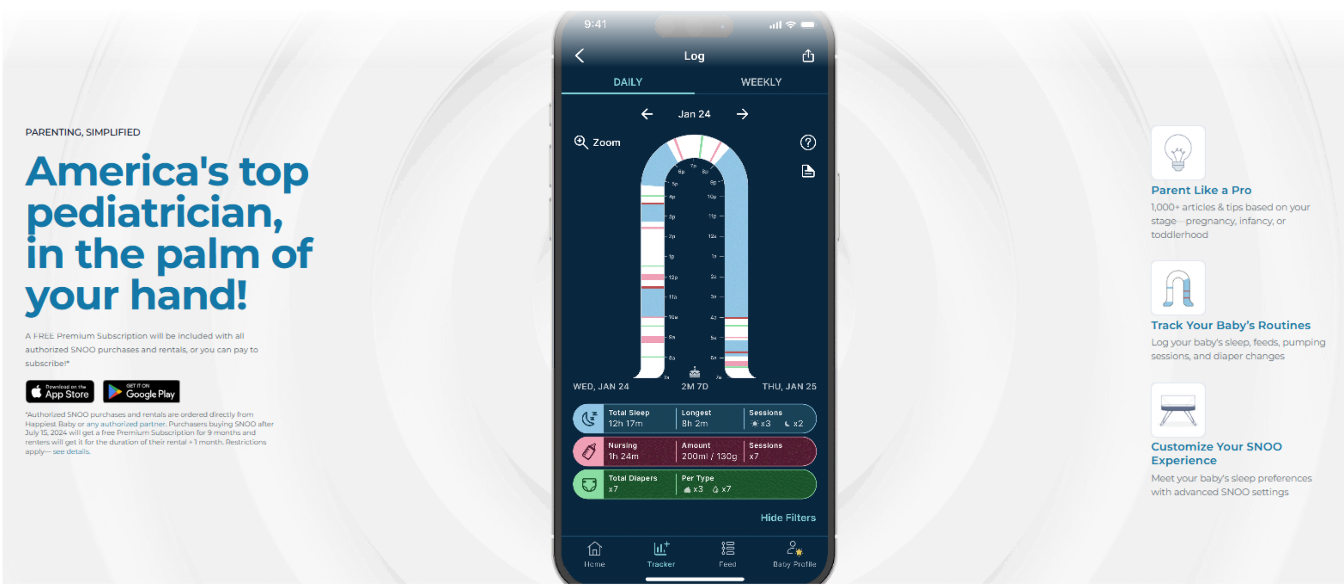
20. Additionally, since Defendant began selling the SNOO, Defendant's and third-party retailers' advertising and marketing for the SNOO has failed to adequately inform consumers at the point of sale that their access to the Premium Features will eventually be tied to a subscription fee and is merely free for a trial period, after which consumers who purchase new or pre-owned SNOOs from Defendant's website or from the website of one of Defendant's authorized third-party retailers are required to pay for the features on a monthly basis.

21. Consequently, Plaintiff and other reasonable consumers have been surprised to learn from Defendant, just months after they purchase the SNOO, that they are suddenly blocked from using the SNOO's Premium Features unless they acquiesce to paying a previously undisclosed subscription fee.

22. On Defendant's online product page for the SNOO, Defendant prominently advertises a flat price to rent or own the device:



23. While prominently displaying this price, Defendant also reveals near the bottom of the same web page—in small, inconspicuous font—the truth about its pricing: specifically, that access to the SNOO's Premium Features will eventually be tied to a recurring subscription fee:



24. As shown above, Defendant's small-print disclosure of this fact does more than obscure the fact that the SNOO's Premium Features are tied to a subscription fee—it also contradicts itself by alternatively referring to SNOO's subscription service as both "FREE" and, in much smaller font, "free…for 9 months."

25. Due to Defendant's failure to clearly and adequately disclose the subscription fees associated with the SNOO's Premium Features, Plaintiff and other consumers reasonably, but incorrectly, believe at the point of sale that these features are included with their purchase of a SNOO and that they will remain available in the Happiest Baby app irrespective of whether consumers opt to purchase additional products or services from Defendant.

26. Defendant's decision to abruptly terminate access to features its customers believed were included with the purchase of their devices has caused widespread consumer dissatisfaction—a fact of which Defendant is well aware.

27. As scores of online complaints make clear, these customers were not informed when they purchased the SNOO, and did not realize until they were blocked from accessing the Premium Features in the Happiest Baby app, that their access to the Premium Features would eventually be tied to a subscription fee or was restricted to a nine-month trial period. Below is just a small sampling of complaints against Defendant posted on the Better Business Bureau's website:

- My wife and I bought the Snoo Smart Sleeper Bassinet in 2023 from Happiest Baby for over $1200. Nearly a year into ownership they implemented a monthly subscription model for the device and locked features behind a paywall which were previously accessible as standard features. This seems like bad business and downright illegal.

- Bought the $1000+ Snoo, and the company switched the app to a paid subscription model where most of the features described as included with the purchase in app were blocked behind a paywall. This is fraudulent and shady.

- Bait and switch: Purchased Snoo bassinet 4/30/23 with access to all features. Company notified me 6/20/24 that features have been removed and can only be used with a paid monthly subscription.

- I am filing a complaint against Happiest Baby, Inc. regarding their recently introduced subscription model for the Snoo Smart Bassinet. As a customer who purchased the Snoo bassinet for $1,700, I feel misled and unfairly treated by the company's decision to charge an additional $20 per month for access to basic features that were previously included with the product.When I purchased the Snoo, there was no mention of a

> subscription fee for using the essential functions of the bassinet. The high upfront cost was justified by the inclusion of these features. However, Happiest Baby has now implemented a subscription model that requires payment for access to even the most basic functionality.I believe this constitutes a bait-and-switch tactic, as customers were not informed of the potential for additional fees when making their purchase decision. The subscription fee is excessive, especially considering the already substantial investment in the Snoo bassinet itself.

28. In addition to unfairly and deceptively failing to inform firsthand SNOO purchasers of its subscription fees, Defendant also takes advantage of the fact that, due to the robust resale market for the SNOO and other baby products, many SNOOs are passed down from their original purchasers to friends or relatives or posted for resale on online marketplaces. By failing to provide secondhand buyers with the same level of access to the Premium Features that Defendant provides to firsthand purchasers, Defendant engages in an unfair business practice designed to provide Defendant with a guaranteed stream of revenue for the useful lifespan of each SNOO.

29. On information and belief, Defendant advertises and markets the SNOO with the understanding that many SNOOs will eventually be resold or gifted to secondhand users.

30. On information and belief, Defendant's decision not to provide secondhand purchasers with the same initial period of free access to the SNOO's Premium Features that firsthand purchasers enjoy serves no legitimate business purpose and simply serves as an additional stream of profit to Defendant.

31. By its actions, Defendant has substantially reduced the usefulness and functionality of the SNOOs consumers purchased, which were sold at a high price point.

32. On information and belief, Plaintiff and Class members have not been reimbursed by Defendant for the Premium Features they are no longer able to access and/or have been required to pay a subscription fee to access.

33. Defendant has a duty to disclose the potential loss of features and functions in its product because Defendant had exclusive knowledge of and control over the software functionality of its product prior to, and after, selling it.

34. The SNOO's continuing software functionality also formed the fundamental basis of the bargain: consumers would pay a premium for an expensive, feature-rich "smart" bassinet, and in return, they would receive a product capable of a host of special features.

35. Consumers were not informed at or before the time of purchase that their product's software functionality could be severely reduced for any reason, at any time, without compensation to them, even when the physical functionality of the product remained unaffected.

36. Consumers thus reasonably understood that their SNOOs would continue to function as advertised throughout their useful physical lives.

II. Defendant's Actions Constitute Unfair, Deceptive, and Otherwise Unlawful "Software Tethering"

37. Product manufacturers like Defendant are often incentivized to erect "paywalls" for consumers to gain electronic access to product features to secure a continuing stream of profit from consumers. Often, these paywalls come in the form of monthly or yearly subscription fees for access to features that consumers initially enjoyed access to when they purchased the product.

38. Increasingly, by failing to support otherwise functional products, such as the SNOO, with software functionality included at the point of sale, companies like Defendant unilaterally and prematurely render physical products substantially less functional and valuable even though, as here, the actual hardware of the product has not run its useful life and functions perfectly.

39. Truth in Advertising ("TINA"), a non-profit organization that advocates on behalf of consumers, has warned consumers about an increasingly prevalent false advertising practice it calls "software tethering," "which is when a manufacturer uses software to control how a connected device functions after purchase, if it continues to function at all," and may range from "taking away features that were advertised at the time of purchase or completely 'bricking' a device through software updates[.]"[1]

40. *Consumer Reports* also highlights the concern behind companies' lack of transparency in disclosing the lifespan of a device before consumers commit to purchasing:

> The refusal to disclose how long a consumer can expect their connected appliances to stay secure and retain the exciting software-based functions that a consumer may have paid extra for is an example of how efforts to turn everyday devices into internet-connected computers have left a regulatory loophole that allows manufacturers to infringe on a consumers' [sic] ability to truly own a product. . . .

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[1] *2025 Deceptive Ad Trends,* Consumer News, Truth in Advertising.org, Jan. 6, 2025, available at https://truthinadvertising.org/articles/2025-deceptive-ad-trends/ [https://perma.cc/J2B2-TKAV].

> And consumers should know when this potential loss of features or functions will happen before they plunk down their hard-earned cash on a device or appliance. Only when consumers can see how long a manufacturer plans to stand by a connected product can they make an informed decision about what they are spending their money on. Absent this information, a consumer could spend thousands on a large appliance, only for the features they rely on to stop working in a few years.[2]

41. In response to this rapidly growing harm, *Consumer Reports* and several other groups have called on the FTC "to create clear guidance to address the issue of software tethering which leads to several consumer harms, including . . . companies selling connected devices only to render them nonfunctional later using software."[3]

42. The FTC Letter explains "how companies are using software tethers in their devices to infringe on a consumer's right to own the products they buy."[4] "This software-server connection tethers the device to the manufacturer, giving the manufacturer post-purchase control of the software and changing the nature of ownership."[5] As a result, "[c]onsumers increasingly face a death by a thousand cuts as connected products they purchase lose their software support or advertised features that may have prompted the original purchase."[6]

III. <u>Plaintiff's Experience</u>

43. Plaintiff purchased a new SNOO from a third-party retailer on December 29, 2021, while at her home in Bay Point, California.

44. After purchasing the SNOO, Plaintiff began using the Premium Features through the Happiest Baby app.

45. Plaintiff was not informed by Defendant at or before the time of purchase that her access to the Premium Features would eventually be tied to a subscription fee.

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[2] *When Will Your Smart Appliance Turn Dumb? A Lack of Transparency Leaves Consumers in the Dark,* Consumer Reports, Sept. 25, 2024, available at https://innovation.consumerreports.org/when-will-your-smart-appliance-turn-dumb/ [https://perma.cc/49A9-YQFF].

[3] FTC Letter, Sept. 5, 2024, available at https://advocacy.consumerreports.org/research/group-letter-ftc-software-tethering/ [https://perma.cc/GKS7-SSNQ].

[4] *Id.*

[5] *Id.* (citations omitted).

[6] *Id.*

46. Accordingly, she reasonably believed that the Premium Features were included with the purchase of the device and would remain available for the device's physical useful life.

47. In 2024, Defendant began requiring Plaintiff to pay a subscription fee to enjoy the full range of Premium Features that she had been promised at the point of sale.

48. Had Plaintiff known that Defendant would (1) impose additional fees after the point of sale for continued use of the Premium Features and (2) render her device substantially less useful long before the end of its physical useful life by removing free access to the Premium Features, she would not have purchased a SNOO or would have considered buying a comparable product from a different manufacturer.

CLASS ALLEGATIONS

49. Plaintiff brings this action individually and on behalf of all similarly situated persons. The proposed classes are defined as follows:

> **Nationwide Class**: During the fullest period allowed by law, all persons residing in the United States who purchased a SNOO and paid a fee to Defendant for access to the Premium Features.
>
> **California Subclass**: During the fullest period allowed by law, all persons residing in the State of California who purchased a SNOO and paid a fee to Defendant for access to the Premium Features.

50. Unless otherwise noted, the Nationwide Class and California Subclass are collectively referred to herein as the "Class."

51. Excluded from the Class are Defendant's current or former officers, directors, and employees; counsel for Plaintiff and Defendant; and the judicial officer(s) to whom this lawsuit is assigned.

52. Plaintiff reserves the right to modify or amend class definitions as this litigation proceeds.

53. ***Numerosity and Ascertainability***: The members of the Class are so numerous that joinder of all Class members is impracticable. The precise number of Class members is unknown to Plaintiff at this time, but she anticipates that determining the number and identities of Class members is administratively feasible and can be carried out through appropriate discovery in the possession of Defendant and/or third parties.

54. ***Existence and Predominance of Common Questions of Law and Fact***: This action involves common questions of law and fact which predominate over any questions affecting individual

Class members. These common questions include, but are not limited to, the following:

a. Whether Class members' SNOOs were rendered significantly less valuable and/or functional by Defendant;

b. Whether Defendant's alleged misconduct constitutes violations of the laws asserted herein;

c. Whether Defendant's alleged misconduct constitutes a breach of contract and/or the implied covenant of good faith and fair dealing;

d. Whether Defendant was unjustly enriched;

e. Whether Class members sustained monetary loss and the proper measure of that loss; and

f. Whether Class members are entitled to other appropriate remedies.

55. ***<u>Typicality</u>***: Plaintiff's claims are typical of those of other Class members because, *inter alia,* all Class members have been deceived (or were likely to be deceived) and have suffered similar injury by the same wrongful practices by Defendant. Plaintiff's and Class members' claims all arise from the same wrongful practices and course of conduct and are based on the same legal theories of liability.

56. ***<u>Adequacy</u>***: Plaintiff will fairly and adequately protect the interests of Class members. Plaintiff has retained counsel experienced in complex consumer class action litigation and intend to prosecute this action vigorously. Plaintiff has no antagonistic or adverse interests to those of the Class.

57. ***<u>Superiority</u>***: A class action is superior to other methods for resolving this controversy. Because the amount of restitution, damages, and/or penalties to which Class members may be entitled is low in comparison to the expense and burden of individual litigation, it would be impracticable for Class members to redress the wrongs done to them outside the class action device. Furthermore, on information and belief, many Class members do not know that their legal rights have been violated. Class treatment will also conserve judicial resources and negate the possibility of inconsistent judgments.

58. ***<u>Final Declaratory or Injunctive Relief</u>:*** Defendant has acted or refused to act on grounds generally applicable to each Class member, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

59. ***<u>Particular Issues</u>***: Plaintiff's claims consist of particular issues that are common to all members of the Class and capable of class-wide resolution that will significantly advance the litigation.

CAUSES OF ACTION

FIRST CAUSE OF ACTION
Violation of California's Unfair Competition Law (the "UCL"), Unfair Prong
Cal. Bus. & Prof. Code §§ 17200, *et seq.*
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively, on Behalf of Plaintiff and the California Subclass)

60. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

61. Defendant's unlawful conduct emanated from its headquarters in California and therefore it is appropriate to apply California law on behalf of the Nationwide Class. Additionally, without conceding any choice of law provision is valid and enforceable here, to the extent any choice of law provision is enforced, California law applies.

62. California Business & Professions Code § 17200 prohibits acts of "unfair competition," including any "unlawful, unfair, or fraudulent business act or practice."

63. A business act or practice is "unfair" under the UCL if it offends an established public policy or is immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers, and that unfairness is determined by weighing the reasons, justifications, and motives of the practice against the gravity of the harm to the alleged victims.

64. The UCL imposes strict liability. Plaintiff need not prove that Defendant intentionally or negligently engaged in unfair business practices—only that such practices occurred.

65. As alleged in greater detail herein, Defendant violates the UCL's "unfair" prong by: (1) failing to inform consumers when they purchase a SNOO that their access to the Premium Features is, or will eventually be, tied to a subscription fee and that the Premium Features are merely free for a trial period; (2) misrepresenting the Premium Features as free and included with the SNOO at the point of sale; (3) stripping consumers of access to the Premium Features after the point of sale and requiring a previously undisclosed subscription fee to continue to use those features; and (4) failing to provide secondhand purchasers of the SNOO the same period of free access to the Premium Features that Defendant provides to firsthand purchasers of the SNOO.

66. Defendant also commits unfair business acts and practices in violation of Cal. Bus. & Prof. Code §§ 17200, *et seq*., by severely limiting the functionality of consumers' SNOOs long before the

expiration of their useful lives, a practice known as "software tethering."

67. Software tethering has been specifically called out by the FTC as an unfair business practice because consumers have no choice in the matter.

68. As explained by the FTC, the "failure to provide software updates or the failure to disclose the duration of a product's software support" constitutes "unfair" conduct and "violates the FTC Act" because it results in unavoidable harm to consumers and causes them substantial injury.

69. Defendant's unfair conduct imposes a financial detriment on consumers while benefitting Defendant.

70. Defendant's acts and practices constitute immoral, unethical, oppressive, and unscrupulous activities that are substantially injurious to consumers and outweigh any countervailing benefit to Defendant.

71. The harm to Plaintiff and the Class outweighs the utility of Defendant's practices. There were reasonably available alternatives to further Defendant's legitimate business interests, other than the unfair conduct alleged herein.

72. Had Plaintiff and Class members known that Defendant would engage in the unfair conduct alleged herein, they would not have purchased a SNOO or would have considered buying a comparable product from a different manufacturer.

73. As a direct and proximate result of Defendant's unfair conduct, Plaintiff and Class members suffered damages.

74. Defendant has been unjustly enriched and should be required to disgorge its unjust profits and make restitution to Plaintiff and Class members pursuant to Cal. Bus. & Prof. Code §§ 17203 and 17204.

75. **Inadequate remedy at law.** Legal remedies available to Plaintiff and Class members are inadequate because they are not as equally prompt and certain and in other ways as efficient as equitable relief. Damages are not equally certain as restitution because the standard that governs restitution differs from the standard that governs damages. Hence, the Court may award restitution even if it determines that Plaintiff and Class members fail to sufficiently adduce evidence to support an award of damages. Damages and restitution are not necessarily the same amount. Unlike damages, restitution is not limited to the amount

of money Defendant wrongfully acquired plus the legal rate of interest. Equitable relief, including restitution, entitles a plaintiff to recover all profits from the wrongdoing, even where the original funds taken have grown far greater than the legal rate of interest would recognize. Legal claims for damages are not equally certain as restitution because claims under the statutes herein entail few elements. In short, significant differences in proof and certainty establish that any potential legal claim cannot serve as an adequate remedy at law. Due to these differences in proof and certainty, equitable relief is appropriate because Plaintiff may lack an adequate remedy at law for damages. Even if legal remedies may be available, Plaintiff seeks equitable remedies in the alternative to legal ones, which are yet uncertain.

76. Legal remedies available to Plaintiff and Class members are also inadequate because they do not address likely future harms. As of the date of this filing, Defendant has failed to restore Plaintiff's and Class members' free access to the Premium Features they paid for and reasonably expected at the point of sale. If Defendant is not ordered to take these or similar actions, it will continue to injure Plaintiff and Class members through the misconduct alleged herein.

SECOND CAUSE OF ACTION
Violation of California's Unfair Competition Law (the "UCL"), Fraudulent Prong
Cal. Bus. & Prof. Code §§ 17200, *et seq.*
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively, on Behalf of Plaintiff and the California Subclass)

77. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

78. California Business & Professions Code § 17200 prohibits acts of "unfair competition," including any "unlawful, unfair, or fraudulent business act or practice." A business practice is "fraudulent" under the UCL if it is likely to deceive members of the public.

79. The UCL imposes strict liability. Plaintiff need not prove that Defendant intentionally or negligently engaged in fraudulent business practices—only that such practices occurred.

80. As alleged in greater detail herein, Defendant violates the UCL's "fraudulent" prong by: (1) failing to inform consumers when they purchase a SNOO that their access to the Premium Features is, or will eventually be, tied to a subscription fee and that the Premium Features are merely free for a trial period and (2) misrepresenting the Premium Features as free and included with the SNOO at the point of sale.

81. Defendant also violates the statute's "fraudulent" prong by severely limiting the

functionality of consumers' SNOOs long before the expiration of their useful lives, a practice known as "software tethering."

82. Plaintiff and Class members acted reasonably when they relied on Defendant's misrepresentations and omissions in purchasing their devices.

83. Had Plaintiff and Class members known that Defendant would engage in the fraudulent conduct alleged herein, they would not have purchased a SNOO or would have considered buying a comparable product from a different manufacturer.

84. As a direct and proximate result of Defendant's fraudulent practices, Plaintiff and Class members have suffered damages.

85. Defendant has been unjustly enriched and should be required to disgorge its unjust profits and make restitution to Plaintiff and Class members pursuant to Cal. Bus. & Prof. Code §§ 17203 and 17204.

86. Plaintiff incorporates by reference the allegations above regarding the potential inadequacies of remedies at law and the application of California law to Plaintiff's and Class members' claims.

THIRD CAUSE OF ACTION
Violation of California's Unfair Competition Law (the "UCL"), Unlawful Prong
Cal. Bus. & Prof. Code §§ 17200, *et seq.*
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively,
on Behalf of Plaintiff and the California Subclass)

87. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

88. California Business & Professions Code § 17200 prohibits acts of "unfair competition," including any "unlawful, unfair, or fraudulent business act or practice."

89. A business practice is "unlawful" under the UCL if it violates any other law or regulation.

90. The UCL imposes strict liability. Plaintiff need not prove that Defendant intentionally or negligently engaged in unlawful business practices—only that such practices occurred.

91. Defendant's conduct constitutes an "unlawful" act under the UCL because it also constitutes violations of the other statutes asserted herein.

92. As a direct and proximate result of Defendant's unlawful practices, Plaintiff and Class

members have suffered damages.

93. Defendant has been unjustly enriched and should be required to disgorge its unjust profits and make restitution to Plaintiff and Class members pursuant to Cal. Bus. & Prof. Code §§ 17203 and 17204.

94. Plaintiff incorporates by reference the allegations above regarding the potential inadequacies of remedies at law and the application of California law to Plaintiff's and Class members' claims.

FOURTH CAUSE OF ACTION
Violation of California's False Advertising Law (the "FAL")
Cal. Bus. & Prof. Code §§ 17500, *et seq.*
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively, on Behalf of Plaintiff and the California Subclass)

95. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

96. California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code § 17500, states that "[i]t is unlawful for any . . . corporation . . . with intent . . . to dispose of . . . personal property . . . to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated . . . from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatsoever, including over the Internet, any statement . . . which is untrue or misleading and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading . . . ."

97. Defendant's material misrepresentations and omissions as alleged herein violate the FAL.

98. Defendant knew or should have known that its misrepresentations and omissions were false, deceptive, and misleading.

99. Plaintiff and Class members seek an order requiring Defendant to award them restitution of the money wrongfully acquired by Defendant as a means of said misrepresentations.

100. Additionally, Plaintiff and Class members seek an order requiring Defendant to pay attorneys' fees pursuant to California Code of Civil Procedure § 1021.5.

101. Plaintiff incorporates by reference the allegations above regarding the potential inadequacies of remedies at law and the application of California law to Plaintiff's and Class members'

claims.

FIFTH CAUSE OF ACTION
Violation of California's Consumers Legal Remedies Act (the "CLRA")
Cal. Civ. Code §§ 1770, *et seq.*
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively, on Behalf of Plaintiff and the California Subclass)
(injunctive relief only)

102. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

103. Plaintiff and each member of the proposed Class are "consumers" as defined by Cal. Civ. Code § 1761(d). The SNOO is a "good" within the meaning of Cal. Civ. Code § 1761(a). The sale of the SNOO is a "transaction" within the meaning of Cal. Civ. Code § 1761(e).

104. Defendant violates the CLRA by engaging in the following practices which were intended to result in, and did result in, the sale of goods:

a. "Representing that goods or services have . . . characteristics [and] uses . . . that they do not have" (a)(5);

b. "Advertising goods or services with intent not to sell them as advertised" (a)(9);

c. "Representing that a transaction confers or involves rights, remedies, or obligations that it does not have or involve" (a)(14);

d. "Representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not" (a)(16); and

e. "Advertising, displaying, or offering a price for a good or service that does not include all mandatory fees or charges [other than government taxes or fees and postage or carriage charges]" (a)(29).

105. Specifically, Defendant violates the CLRA by: (1) failing to inform consumers when they purchase a SNOO that their access to the Premium Features is, or will eventually be, tied to a subscription fee and that the Premium Features are merely free for a trial period; (2) misrepresenting the Premium Features as free and included with the SNOO at the point of sale; (3) stripping consumers of access to the Premium Features after the point of sale and requiring a previously undisclosed subscription fee to continue to use those features; and (4) failing to provide secondhand purchasers of the SNOO the same period of

free access to the Premium Features that Defendant provides to firsthand purchasers of the SNOO.

106. Defendant's material misrepresentations and omissions as alleged herein were material to and relied upon by reasonable consumers when deciding whether to purchase the SNOO.

107. Had Plaintiff and Class members known that Defendant would engage in the unlawful conduct alleged herein, they would not have purchased a SNOO or would have considered buying a comparable product from a different manufacturer.

108. Plaintiff and Class members have been damaged by Defendant's violations of the CLRA as alleged herein.

109. Pursuant to § 1782(a) of the CLRA, Plaintiff's counsel notified Defendant in writing by certified mail of its violations of the CLRA and demanded that it rectify the problems associated with the actions detailed herein and give notice to all affected consumers of its intent to act. If Defendant fails to comply, Plaintiff will seek all available remedies. For now, Plaintiff seeks only public injunctive relief with respect to this claim.

110. Plaintiff incorporates by reference the allegations above regarding the potential inadequacies of remedies at law and the application of California law to Plaintiff's and Class members' claims.

SIXTH CAUSE OF ACTION
Violation of the Song-Beverly Consumer Warranty Act
Cal. Civ. Code §§ 1790, *et seq.*
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively, on Behalf of Plaintiff and the California Subclass)

111. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

112. At all times relevant, Defendant was the manufacturer, distributor, warrantor, or seller of the SNOO. Defendant knew or should have known of the specific uses for which the SNOO was purchased.

113. Defendant provided Plaintiff and Class members with an implied warranty that the SNOO was merchantable and fit for the ordinary purposes for which it was sold, including free use of the Premium Features through the Happiest Baby app.

114. The devices, however, are not fit for their ordinary purpose because, *inter alia*, Defendant did not maintain continued functionality of the devices as Plaintiff and Class members reasonably expected

it to do.

115. Defendant's "smart" devices are not fit for their ordinary purpose of utilizing the range of Premium Features available through the Happiest Baby app because Defendant prevented the devices from doing so unless Plaintiff and Class members paid Defendant an additional, undisclosed, deceptive, and unfair fee after Plaintiff and Class members had already purchased their devices with the reasonable understanding that they would continue to operate irrespective of whether Plaintiff and Class members paid Defendant additional fees.

116. Defendant impliedly warranted that the SNOO was of merchantable quality and fit for its advertised uses. This implied warranty included, *inter alia*, a warranty that the SNOOs that were manufactured, supplied, distributed, or sold by Defendant were reliable for utilizing the range of Premium Features available through the Happiest Baby app and that they would not prematurely be rendered significantly less operable and valuable by Defendant.

117. Plaintiff incorporates by reference the allegations above regarding the application of California law to Plaintiff's and Class members' claims.

SEVENTH CAUSE OF ACTION
Breach of Implied Warranty Under California Law
Cal. Unif. Com. Code §§ 2314-15
(On Behalf of Plaintiff and the Nationwide Class, or, alternatively, on Behalf of Plaintiff and the California Subclass)

118. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

119. Defendant provided Plaintiff and Class members with an implied warranty that the SNOO was merchantable and fit for the ordinary purposes for which it was sold, including free use of the Premium Features through the Happiest Baby app.

120. The devices, however, are not fit for their ordinary purpose because, *inter alia*, Defendant did not maintain continued functionality of the devices as Plaintiff and Class members reasonably expected it to do.

121. Defendant's "smart" devices are not fit for their ordinary purpose of utilizing the range of Premium Features available through the Happiest Baby app because Defendant prevented the devices from doing so unless Plaintiff and Class members paid Defendant an additional, undisclosed, deceptive, and

unfair fee after Plaintiff and Class members had already purchased their devices with the reasonable understanding that they would continue to operate irrespective of whether Plaintiff and Class members paid Defendant additional fees.

122. Defendant's actions, as complained of herein, breached the implied warranty that the SNOO was of merchantable quality and fit for its advertised uses.

123. Plaintiff incorporates by reference the allegations above regarding the application of California law to Plaintiff's and Class members' claims.

EIGHTH CAUSE OF ACTION
Breach of Contract Including Breach of the Implied Covenant of Good Faith and Fair Dealing
(On Behalf of Plaintiff and the Class)

124. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

125. Plaintiff and Class members entered into a contract for their purchase of a SNOO.

126. Defendant breached the contract when it tethered the software functionality of Plaintiff's and Class members' devices to a previously undisclosed subscription fee after the point of sale, thus depriving Plaintiff and Class members of what they reasonably understood to be the full usefulness of their device when they purchased it.

127. In addition, a covenant of good faith and fair dealing is implied by law in all contracts and requires that Defendant exercise contractual discretion honestly and in good faith. The covenant of good faith and fair dealing requires that neither party shall do anything which will have the effect of destroying or injuring the right of the other party to receive the fruits of the contract. Good faith and fair dealing, in connection with executing contracts and discharging performance and other duties according to their terms, means preserving the spirit—not merely the letter—of the bargain.

128. Defendant breached the covenant of good faith when it exercised its discretion to unilaterally and intentionally dismantle the functionality of Plaintiff's and Class members' devices, as alleged herein, rendering them substantially less useful far before the end of their physical useful lives. In so doing, Defendant undermined Plaintiff's and Class members' right to receive the benefit of the bargain.

129. Plaintiff and Class members have performed or substantially performed all obligations imposed on them under the contract.

130. Plaintiff and Class members have sustained damages because of Defendant's breach of the contract and breach of the implied covenant of good faith and fair dealing.

NINTH CAUSE OF ACTION
Unjust Enrichment
(On Behalf of Plaintiff and the Class)

131. Plaintiff repeats and incorporates all of the preceding allegations as if fully set forth herein.

132. To the detriment of Plaintiff and Class members, Defendant has been, and continues to be, unjustly enriched as a result of the wrongful conduct alleged herein.

133. Plaintiff and Class members involuntarily conferred a benefit on Defendant when they were required by Defendant to pay an undisclosed subscription fee for access to the SNOO's Premium Features.

134. Defendant benefitted through its unjust conduct by failing to inform consumers at the point of sale that their access to the Premium Features will be tied to a subscription fee and then collecting fees in exchange for access to the Premium Features.

135. Defendant unfairly, deceptively, unjustly, and/or unlawfully accepted said benefits, which under the circumstances, would be unjust to allow Defendant to retain.

136. These unfair and fraudulent acts allowed Defendant to unlawfully receive monies that would not have been obtained but for Defendant's misconduct.

137. Defendant lacked any legal justification for having engaged in this course of conduct, as alleged herein, at Plaintiff's and Class members' expense.

138. Plaintiff and the Class, therefore, seek disgorgement of all wrongfully obtained monies received by Defendant because of its inequitable conduct as more fully alleged herein.

139. Plaintiff incorporates by reference the allegations above regarding the potential inadequacy of legal remedies.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the Class, respectfully request that the Court enter judgment in their favor and against Defendant as follows:

A. Certifying the Class as requested herein, appointing Plaintiff as Class Representative, and appointing her counsel as Class Counsel;

B. Awarding monetary damages, statutory damages, and/or punitive damages where appropriate;

C. Ordering Defendant to disgorge and make restitution of all monies Defendant acquired by means of the unlawful practices set forth herein;

D. Awarding declaratory and injunctive relief as permitted by law or equity, including enjoining Defendant from continuing the unlawful practices set forth herein;

E. Ordering Defendant to distribute a refund to each Class member;

F. Awarding Plaintiff and Class members their costs and expenses incurred in the action, including reasonable attorneys' fees and both pre- and post-judgment interest on any amounts awarded; and

G. Providing such further relief as may be just and proper.

JURY TRIAL DEMAND

Plaintiff demands a trial by jury on all issues so triable.

Dated: June 23, 2026

KALIELGOLD PLLC

By: */s/ Sophia Goren Gold*
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