CLARKSON LAW FIRM, P.C.

CLARKSON LAW FIRM, P.C
Ryan J. Clarkson (SBN 257074)
rclarkson@clarksonlawfirm.com
Yana Hart (SBN 306499)
yhart@clarksonlawfirm.com
Zach Chrzan (SBN 329159)
zchrzan@clarksonlawfirm.com
22525 Pacific Coast Highway
Malibu, CA 90265
Tel: (213) 788-4050
Fax: (213) 788-4070
` '

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

MOCHA GUNARATNA and RENEE CAMENFORTE, individually and on behalf of all others similarly situated,

Plaintiffs,

VS.

DR. DENNIS GROSS SKINCARE, LLC, a New York Limited Liability Company,

Defendant.

Case No. 2:20-cv-02311-MWF-GJS

SECOND AMENDED COMPLAINT

- 1. VIOLATION OF CALIFORNIA CONSUMERS LEGAL REMEDIES ACT, CIVIL CODE § 1750, et. seq.
- 2. VIOLATION OF CALIFORNIA FALSE ADVERTISING LAW, BUSINESS AND PROFESSIONS CODE § 17500, et. seq.
- 3. VIOLATION OF CALIFORNIA UNFAIR COMPETITION LAW, BUSINESS AND PROFESSIONS CODE § 17200, et. seq.
- 4. BREACH OF EXPRESS WARRANTY
- 5. BREACH OF IMPLIED WARRANTY
- 6. VIOLATION OF MMWA, 15 USC SECTION 2301, et seq., WRITTEN WARRANTY
- 7. VIOLATION OF MMWA 15 USC SECTION 2301, et seq., IMPLIED WARRANTY OF MERCHANTABILITY
- 8. RESTITUTION BASED ON QUASI-CONTRACT/UNJUST ENRICHMENT

DEMAND FOR JURY TRIAL

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Plaintiffs Mocha Gunaratna and Renee Camenforte ("Plaintiffs"), individually and on behalf of all others similarly situated, by and through their attorneys, bring this class action against Defendant Dr. Dennis Gross Skincare, LLC ("Defendant") and allege as follows:

SUMMARY OF THE ACTION

- Defendant sells a line of fake collagen cosmetic products that do not 1. contain any collagen whatsoever.
- This is a class action lawsuit brought on behalf of all purchasers of the 2. Dr. Dennis Gross C + Collagen product line, including C + Collagen Deep Cream, C + Collagen Serum, C + Collagen Mist, C + Collagen Eye Cream, and C + Collagen Biocellulose Brightening Treatment Mask (collectively, the "Products"), sold online and at retail outlets throughout California. True and accurate representations of some of the Products' front labels are depicted below.









2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- Defendant's claims are false, misleading, deceptive, unfair, fraudulent, 3. and unlawful under California's Consumers Legal Remedies Act ("CLRA"), Civil Code Section 1750 et seq., Unfair Competition Law ("UCL"), Business and Professions Code Sections 17200, et seq., the False Advertising Law ("FAL") 17500 et seq.; in breach of Defendant's express warranty; and resulting in Defendant's unjust enrichment.
- Defendant's false and deceptive claims are uniformly advertised through 4. its front label, packaging, website, and other media, in violation of California advertising laws.
- Through its false, misleading, and deceptive advertising, Defendant has 5. duped thousands or more consumers into buying the Products at stores across California based on its material claims that the Products contain collagen.
- Plaintiffs and members of the Plaintiffs' Class purchased the Products in reliance on Defendant's material misrepresentations. They would not have purchased the Products had they known the claims as described herein were false, deceptive, and misleading.

PARTIES

- Plaintiffs are, and at all times relevant hereto were, citizens of California 7. residing in the County of Los Angeles.
- Plaintiff Mocha Gunaratna purchased the C + Collagen Deep Cream 8. and C + Collagen Serum Products at a Sephora store located at The Grove in Los Angeles, California in 2018 for approximately \$75 each.
- 9. Plaintiff Renee Camenforte purchased the C + Collagen Mist on the Dr. Dennis Gross Skincare website in 2020 for approximately \$30.
- In making their purchase decisions, Plaintiffs relied upon Defendant's 10. labeling, packaging, and advertising claims, including the bold typeface front label "Collagen" claim under the mistaken belief that the Products contained collagen.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Plaintiffs lost money in the form of the price premium they paid for Products which falsely claim to contain collagen.

- Defendant and its agents prepared, approved, and disseminated the Products' labeling and advertising statewide. Defendant designed the Products' labels to entice consumers who sought to purchase products containing collagen. If Plaintiffs had known that the Products did not contain collagen, they would not have purchased the Products, let alone paid a "premium" for such a valued benefit.
- 12. Defendant Dr. Dennis Gross Skincare, LLC is a limited liability company headquartered in New York. Dr. Dennis Gross Skincare, LLC maintains its principal business office at 444 Madison Ave. Suite 500, New York, NY 10022. Dr. Dennis Gross Skincare, LLC, directly and through its agents, has substantial contacts with and receives substantial benefits and income from and through the State of California. Dr. Dennis Gross Skincare, LLC is an owner, manufacturer, and/or distributor of the Dennis Gross C + Collagen product line, and is a company that created and/or authorized the false, misleading, and deceptive labeling and packaging for the Products.
- Defendant, upon becoming involved with the manufacture, advertising, and sale of the Products, knew or should have known that the claims about the Products and, in particular, the claims suggesting and/or outright stating that the Products contain collagen are false, deceptive, and misleading. Defendant affirmatively misrepresented the contents and benefits of the Products in order to convince the public and the Products' users to purchase and use the Products, resulting in profits of millions of dollars or more to Defendant, all to the damage and detriment of the consuming public.

JURISDICTION AND VENUE

This Court has subject matter jurisdiction of this action pursuant to 28 14. U.S.C. Section 1332 and the Class Action Fairness Act of 2005 because: (i) there are 100 or more class members, (ii) there is an aggregate amount in controversy

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

exceeding \$5,000,000, exclusive of interest and costs, and (iii) there is minimal diversity because at least one plaintiff and defendant are citizens of different states. This Court has supplemental jurisdiction over any state law claims pursuant to 28 U.S.C. Section 1367.

- Pursuant to 28 U.S.C. Section 1391, this Court is the proper venue for 15. this action because a substantial part of the events, omissions, and acts giving rise to the claims herein occurred in this District. Plaintiffs are citizens of California, reside in this District, and purchased the Products within this District. Moreover, Defendant receives substantial compensation from sales in this District, and Defendant made numerous misrepresentations which had a substantial effect in this District, including, but not limited to, label, packaging, and Internet advertisements, among other advertising.
- Defendant is subject to personal jurisdiction in California based upon sufficient minimum contacts which exist between Defendant and California. Defendant is authorized to do and doing business in California.

FACTUAL ALLEGATIONS

- Collagen is the single most abundant protein found in the cartilage, 17. bone, and tissues of animals, fish, and humans. It is a major insoluble fibrous protein in the extracellular matrix and connective tissue. It is found in tendons and ligaments, as well as the cornea, cartilage, bones, gut, blood vessels and intervertebral discs. Collagen is not found in plants.
- Collagen has been linked to youthful skin, hair, and nails. As a result, 18. sales of collagen anti-aging products in the United States are booming as consumers look to improve their skin, hair, and nails. In fact, the United States collagen market is expected to double in size over the next decade with much of that growth coming from cosmetics.
- 19. Honest collagen cosmetic manufacturers sell products that actually contain collagen, while honest amino acid cosmetic manufacturers are careful not to

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

deceptively label their products as containing collagen. The latter otherwise label and advertise their products as containing peptides or "boosters." Truth in advertising and labeling of collagen cosmetics is critical to ensuring fair competition and a properly functioning marketplace.

- Defendant uniformly and consistently labels and advertises the Products as containing "C + Collagen" – meaning they contain Vitamin C and Collagen. While the Products do in fact contain Vitamin C, the Products contain zero collagen.
- Defendant lists purported "Collagen Amino Acids" as an ingredient in 21. the Products. However, amino acids are just the building blocks of proteins in the human body, of which collagen is but one example. Amino acids are as different from collagen as auto parts are from an automobile.
- Defendant's false labeling and advertising leads consumers to believe they are purchasing a product which contains collagen.
- 23. Defendant has made, and continues to make these false, deceptive, misleading, unfair, fraudulent, and unlawful claims and promises to consumers about the presence of collagen in the Products.
- Plaintiffs and the Class purchased the Products in reliance upon the 24. challenged "Collagen" label and advertising claims.
- Plaintiffs and the Class would not have purchased the Products had they 25. known the Products did not contain collagen.
- Defendant's conduct threatens California consumers by disseminating 26. deceptive and misleading advertising of the Products. Defendant's conduct also threatens other companies, large and small, who "play by the rules." Defendant's conduct stifles competition, has a negative impact on the marketplace, and reduces consumer choice.
- Upon information and belief, Plaintiffs allege that during the course of 27. the deception Defendant has sold thousands of units of the Products based upon the false and deceptive labels.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- Plaintiffs and the Class have suffered injury in fact and have lost money 28. as a result of Defendant's false representations. Plaintiffs and the Class would not have purchased the Products if they had known that the labeling as described herein was false.
- 29. Plaintiffs make the allegations herein upon personal knowledge as to herself and her own acts and experiences, and as to all other matters, upon information and belief, including investigation conducted by her attorneys.
- 30. Defendant's false and misleading statements should be enjoined due to the false, misleading, and/or deceptive nature of Defendant's false, deceptive, misleading, unfair, fraudulent, and unlawful claims that the Products contain collagen. In addition, Defendant should be compelled to provide restitutionary damages to consumers in an amount to be determined at trial.

CLASS ALLEGATIONS

Plaintiffs bring this action on their own behalf and on behalf of all other 31. persons similarly situated. The Class which Plaintiffs seek to represent comprises:

All persons who purchased the Products in the State of California, for personal use and not for resale during the time period of four years prior to the filing of the complaint through the date of court order approving or granting class certification (the "Class").

Said definition may be further defined or amended by additional pleadings, evidentiary hearings, a class certification hearing, and orders of this Court.

The Class is so numerous that their individual joinder herein is 32. impracticable. On information and belief, members of the Class number in the thousands throughout California and the United States. The precise number of Class members and their identities are unknown to Plaintiffs at this time but may be determined through discovery. Class members may be notified of the pendency of this action by mail and/or publication through the distribution records of Defendant and third-party retailers and vendors.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- Common questions of fact and law predominate over questions which 33. may affect individual class members, including the following:
- Whether Defendant's conduct constitutes an unfair method of a. competition or unfair or deceptive act or practice in violation of California Civil Code Section 1750, et seq.;
- Whether Defendant used deceptive representations in connection b. with the sale of the Products in violation of California Civil Code Section 1750, et seq.;
- Whether Defendant represented the Products have characteristics c. that they do not have in violation of California Civil Code Section 1750, et seq.;
- Whether Defendant advertised the Products with the intent not to d. sell them as advertised in violation of California Civil Code Section 1750, et seq.;
- Whether Defendant's advertising is untrue or misleading within the meaning of Business and Professions Code Section 17500, et seq.;
- f. Whether Defendant knew or by the exercise of reasonable care should have known its advertising was and is untrue or misleading in violation of Business and Professions Code Section 17500, et seq.;
- Whether Defendant made false and misleading representations in its advertising and labeling of the Products in violation of Business and Professions Code Section 17500, et seq.;
- Whether Defendant's conduct is an unfair business act or practice h. within the meaning of Business and Professions Code Section 17200, et seq.;
- Whether Defendant's conduct is a fraudulent business act or i. practice within the meaning of Business and Professions Code Section 17200, et seq.;
- j. Whether Defendant's conduct is an unlawful business act or practice within the meaning of Business and Professions Code Section 17200, et seq.;

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- Whether Defendant's conduct constitutes a breach of express k. warranty;
- 1. Whether Defendant's conduct constitutes a breach of implied warranty;
- Whether Defendant's conduct constitutes a violation of the m. Magnuson-Moss Warranty Act written warranty provision within the meaning of 15 USC Section 2301, et seq.;
- Whether Defendant's conduct constitutes a violation of the n. Magnuson-Moss Warranty Act implied warranty of merchantability provision within the meaning of 15 USC Section 2301, et seq.;
- Whether Defendant was unjustly enriched by its deceptive 0. conduct;
- Whether Plaintiffs and the Class paid more money or a premium p. amount for the Products than they actually received; and
- How much more money or premium amount Plaintiffs and the q. Class paid for the Products than they actually received.
- Plaintiffs' claims are typical of the claims of the Class, and Plaintiffs 34. will fairly and adequately represent and protect the interests of the Class. Plaintiffs have retained competent and experienced counsel in class action and other complex litigation.
- Plaintiffs and the Class have suffered injury in fact and have lost money 35. as a result of Defendant's false representations and material omissions. Plaintiffs and the Class purchased the Products under the false belief that the Products contained collagen. Plaintiffs and the Class relied upon Defendant's labeling, packaging, and advertising claims and would not have purchased the Products if they had known that the Products did not contain collagen.
- A class action is superior to other available methods for fair and 36. efficient adjudication of this controversy. The expense and burden of individual

2

3

4

5

6

7

8

9

12

15 16 17

> 18 19

21 22

20

23 24

25 26 27

28

litigation would make it impracticable or impossible for the Class to prosecute their claims individually.

- The trial and litigation of Plaintiffs' claims are manageable. Individual 37. litigation of the legal and factual issues raised by Defendant's conduct would increase delay and expense to all parties and the court system. The class action device presents far fewer management difficulties and provides the benefits of a single, uniform adjudication, economics of scale, and comprehensive supervision by a single court.
- 38. Defendant has acted on grounds generally applicable to the entire Class, thereby making final injunctive relief and/or corresponding declaratory relief appropriate with respect to the Class as a whole. The prosecution of separate actions by individual Class members would create the risk of inconsistent or varying adjudications with respect to individual Class members that would establish incompatible standards of conduct for Defendant.
- Absent a class action, Defendant will likely retain the benefits of its 39. wrongdoing. Because of the small size of the individual Class members' claims, few, if any, Class members could afford to seek legal redress for the wrongs complained of herein. Absent a representative action, the Class will continue to suffer losses and Defendant will be allowed to continue these violations of law and to retain the proceeds of its ill-gotten gains.
- On May 23, 2019 written notice was sent to Defendant via certified U.S. 40. mail and on July 27, 2020 written notice was sent to Defendant via electronic mail pursuant to Civil Code Section 1750, et seq., which set forth the claims of the Class concerning the Products' false, misleading, deceptive, unlawful, unfair, and fraudulent claims.
- Defendant is aware of Plaintiffs' and the Class's claims. Previously 41. named defendants Dennis Gross Cosmetology, LLC ("Cosmetology") and Dennis Gross Dermatology, LLC ("Dermatology") acknowledged that Defendant is the

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Malibu, CA 90265

proper defendant in this matter. On reply to their motion to dismiss pursuant to Rule 12(b)(1) and (b)(2), Defendants stated the complaint should be amended to name Defendant, as Defendant is the "proper party Defendant who actually owns and sells the product Plaintiffs complain of." (Dkt. 20). Additionally, Dermatology and Defendant share the same principal business office in New York.

COUNT ONE

Violation of California Consumers Legal Remedies Act, California Civil Code 1750, et seq.

(brought on behalf of the Class)

- Plaintiffs repeat and reallege the allegations of the previous paragraphs, 42. and incorporates the same as if set forth herein at length.
- Plaintiffs bring this cause of action pursuant to Civil Code Section 1750, 43. et seg., the Consumers Legal Remedies Act ("CLRA"), on her own behalf and on behalf of all other persons similarly situated. Plaintiffs seek to represent a Class consisting of "All persons who purchased the Products in the State of California, for personal use and not for resale during the time period of four years prior to the filing of the complaint through the date of court order approving or granting class certification." Excluded from the Class are Defendant's officers, directors, and employees, and any individual who received remunerations from Defendant in connection with that individual's use or endorsement of the Products.
- The Class consists of thousands of persons, the joinder of whom is 44. impracticable.
- There are questions of law and fact common to the Class, which 45. questions are substantially similar and predominate over questions affecting the individual Class members, as set forth hereinabove.
- The CLRA prohibits certain "unfair methods of competition and unfair 46. or deceptive acts or practices" in connection with the sale of goods.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- Defendant fraudulently deceived Plaintiffs and the Class by 48. misrepresenting the Products as having characteristics which they do not have, e.g., labeling and advertising the Products as containing collagen. In doing so, Defendant misrepresented and concealed material facts from Plaintiffs and the Class. Said misrepresentations and concealment were done with the intention of deceiving Plaintiffs and the Class and depriving them of their legal rights and money.
- Defendant fraudulently deceived Plaintiffs and the Class by labeling and 49. advertising the Products with intent not to sell them as advertised. Specifically, Defendant labeled and misrepresented the Products as containing collagen. In doing so, Defendant misrepresented and concealed material facts from Plaintiffs and the Class. Said misrepresentations and concealment were done with the intention of deceiving Plaintiffs and the Class and depriving them of their legal rights and money.
- 50. Defendant knew or should have known, through the exercise of reasonable care, that the Products' labeling and advertising were misleading.
- 51. Defendant's actions as described herein were done with conscious disregard of Plaintiffs' rights, and Defendant was wanton and malicious in its concealment of the same.
- 52. Defendant's labeling and advertising of the Products were material factors in Plaintiffs' and the Class's decisions to purchase the Products. Based on Defendant's labeling and advertising of the Products, Plaintiffs and the Class reasonably believed that they were purchasing Products that contained collagen.

Had they known the truth of the matter, that the Products did not actually contain collagen, Plaintiffs and the Class would not have purchased the Products.

- 53. Plaintiffs and the Class have suffered injury in fact and have lost money as a result of Defendant's unfair, unlawful, and fraudulent conduct. Specifically, Plaintiffs paid for Products that she believed contained collagen. In reality, the Products did not contain collagen. Plaintiffs and the Class would not have purchased the Products had they known the claims were false.
- 54. Defendant's false and misleading labeling and advertising should be enjoined due to its false, misleading and/or deceptive nature.
- 55. By letter dated May 23, 2019 and July 27, 2020, Plaintiffs advised Defendant of its false and misleading claims pursuant to California Civil Code Section 1782(a).
- 56. Pursuant to Section 1780(a) of the Act, Plaintiffs seek injunctive relief in the form of an order enjoining the above-described wrongful acts and practices of Defendant, including, but not limited to, an order enjoining Defendant from continuing to make the label and advertising claims challenged herein.
- 57. Plaintiffs shall be irreparably harmed if such an order is not granted. Plaintiffs also seeks restitutionary relief.

COUNT TWO

Violation of California False Advertising Law, Business & Professions Code 17500, et seq. (brought on behalf of the Class)

- 58. Plaintiffs repeat and reallege the allegations set forth in the preceding paragraphs, and incorporates the same as if set forth herein at length.
- 59. Plaintiffs bring this cause of action pursuant to Business and Professions Code Section 17500, *et seq.*, on their own behalf and on behalf of all other persons similarly situated. Plaintiffs seek to represent a Class consisting of "All persons who purchased the Products in the State of California, for personal use and not for resale

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

during the time period of four years through the date of court order approving or granting class certification." Excluded from the Class are Defendant's officers, directors, and employees, and any individual who received remuneration from Defendant in connection with that individual's use or endorsement of the Products.

- California's False Advertising Law, California Business and Profession Code Section 17500, et seq., makes it "unlawful for any person to make or disseminate or cause to be made or disseminated before the public in this state, in any advertising device or in any other manner or means whatever, including over the Internet, any statement, concerning personal property or services, professional or otherwise, or performance or disposition thereof, 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."
- Defendant knowingly spread misleading claims regarding the Products as a means to mislead the public about the actual ingredients in the Products.
- Defendant controlled the labeling, packaging, production, and 62. advertising of the Products. Defendant knew or should have known, through the exercise of reasonable care, that its representations and omissions about the ingredients of the Products were untrue, deceptive, and misleading.
- Defendant's actions of advertising and displaying misleading claims and falsely labeling the Products "C + Collagen" in prominent type face on each Product label are likely to deceive consumers into believing the Products contain collagen.
- 64. Defendant's actions in violation of Section 17500 were false and misleading such that the general public is and was likely to be deceived.
- 65. Pursuant to Business & Professions Code Section 17535, Plaintiffs and the Class seek an order of this Court enjoining Defendant from continuing to engage, use, or employ its practice of falsely advertising that the Products contain collagen. Likewise, Plaintiffs and the Class seek an order requiring Defendant to disclose such misrepresentations, and additionally request an order awarding

Plaintiffs and the Class restitution of the money wrongfully acquired by Defendant in amount to be determined by trial.

66. Plaintiffs and the Class have suffered injury in fact and have lost money as a result of Defendant's false representations. Plaintiffs and the Class purchased the Products in reliance upon the claims by Defendant that the Products contained collagen. Plaintiffs would not have purchased the Products if she had known that the claims and advertising as described herein were false.

COUNT THREE

Violation of California Unfair Competition Law, Business & Professions Code Section 17200, et seq. (brought on behalf of the Class)

- 67. Plaintiffs repeat and reallege the allegations set forth above, and incorporate the same as if set forth herein at length.
- 68. Plaintiffs bring this cause of action pursuant to Business and Professions Code Section 17200, *et seq.*, on their own behalf and on behalf of all other persons similarly situated. Plaintiffs seek to represent a Class consisting of "All persons who purchased the Products in the State of California, for personal use and not for resale during the time period of four years prior to the filing of the complaint through the date of court order approving or granting class certification." Excluded from the Class are Defendant's officers, directors, and employees, and any individual who received remuneration from Defendant in connection with that individual's use or endorsement of the Products.
- 69. In its labeling and advertising of the Products, Defendant misleads consumers into believing the Products contain collagen.
- 70. Defendant's advertising claims and omissions about the Products are false, deceptive, misleading, and unreasonable.
- 71. The UCL prohibits "any unlawful, unfair... or fraudulent business act or practice." Cal. Bus & Prof. Code § 17200.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

72.

A. "Unfair" Prong

- Under California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et. seq., a challenged activity is "unfair" when "any injury it causes outweighs any benefits provided to consumers and the injury is one that the consumers themselves could not reasonably avoid." Camacho v. Auto Club of Southern California, 142 Cal. App. 4th 1394, 1403 (2006).
- Defendant's action of advertising and labeling the Products as 73. containing collagen is false.
- 74. Defendant's action of false advertising of its Products' status causes injuries to consumers, who do not receive what they were promised.
- Defendant's false and deceptive claims that the Products contain 75. collagen stifles competition in the marketplace.
- Consumers cannot avoid any of the injuries caused by Defendant's false and misleading advertising of the Products.
- 77. Some courts conduct a balancing test to decide if a challenged activity amounts to unfair conduct under California Business and Professions Code Section 17200. In doing so, the courts "weigh the utility of the Defendant's conduct against the gravity of the harm alleged to the victim." Davis v. HSBC Bank Nevada, N.A., 691 F. 3d 1152, 1169 (9th Cir. 2012).
- Here, Defendant's conduct of advertising its Products as containing 78. collagen when they do not results in financial harm to consumers. Thus, the utility of Defendant's conduct is vastly outweighed by the gravity of its harm.
- Some courts hold that the "unfairness must be tethered to some 79. legislative declared policy or proof of some actual or threatened impact on competition." Lozano v. AT&T Wireless Servs. Inc., 504 F. 3d 718, 735 (9th Cir. 2007).

- 80. Defendant's labeling and advertising of the Products as containing collagen is false, deceptive, misleading, and unreasonable, and constitutes unfair conduct.
 - 81. Defendant knew or should have known of its unfair conduct.
- 82. As alleged in the preceding paragraphs, the material misrepresentations by Defendant detailed above constitute an unfair business practice within the meaning of California Business & Professions Code § 17200.
- 83. There were reasonably available alternatives to further Defendant's legitimate business interests other than the conduct described herein. Defendant could have marketed the Products without making any false statements about the presence of collagen in the Products.
- 84. All of the conduct alleged herein occurs and continues to occur in Defendant's business. Defendant's wrongful conduct is part of a pattern or generalized course of conduct repeated on thousands of occasions daily.
- 85. Pursuant to Business & Professions Code Section 17203, Plaintiffs and the Class seek an order of this Court enjoining Defendant from continuing to engage, use, or employ its practice of false and deceptive advertising and labeling of the Products. Likewise, Plaintiffs and the Class seek an order requiring Defendant to disclose such misrepresentations, and additionally request an order awarding Plaintiffs and the Class restitution of the money wrongfully acquired by Defendant in an amount to be determined at trial.
- 86. Plaintiffs and the Class have suffered injury in fact and have lost money as a result of Defendant's unfair conduct. Plaintiffs and the Class paid an unwarranted premium for the Products. Plaintiffs and the Class would not have purchased the Products had they known that the Products lacked actual collagen.

B. "Fraudulent" Prong

87. California Business and Profession Code Section 17200, *et seq*. considers conduct fraudulent and prohibits said conduct if it is likely deceive

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- members of the public. Bank of the West v. Superior Court, 2 Cal. 4th 1254, 553 (1992).
- Defendant's conduct of advertising false claims about the presence of 88. collagen in the Products is likely to deceive members of the public.
- Defendant's advertising and labeling of the Products as containing 89. collagen is false, deceptive, misleading, and unreasonable and constitutes fraudulent conduct.
 - 90. Defendant knew or should have known of its fraudulent conduct.
- 91. As alleged in the preceding paragraphs, the material misrepresentations by Defendant detailed above constitute a fraudulent business practice in violation of California Business & Professions Code Section 17200.
- There were reasonably available alternatives to further Defendant's 92. legitimate business interests, other than the conduct described herein. Defendant could have marketed the Products without making any false statements about the presence of collagen in the Products.
- 93. All of the conduct alleged herein occurs and continues to occur in Defendant's business. Defendant's wrongful conduct is part of a pattern or generalized course of conduct repeated on thousands of occasions daily.
- Pursuant to Business & Professions Code Section 17203, Plaintiffs and 94. the Class seek an order of this Court enjoining Defendant from continuing to engage, use, or employ its practice of false and deceptive advertising of the Products. Likewise, Plaintiffs and the Class seek an order requiring Defendant to disclose such misrepresentations, and additionally request an order awarding Plaintiffs restitution of the money wrongfully acquired by Defendant in an amount to be determined at trial.
- Plaintiffs and the Class have suffered injury in fact and have lost money 95. as a result of Defendant's fraudulent conduct. Plaintiffs and the Class paid an

Malibu, CA 90265

unwarranted	premium	for the l	Products.	Plaintiffs	and the C	lass wou	ıld not h	ave
purchased th	e Product	s if they	had know	vn that the	Products	did not	contain	collagen

C. "Unlawful" Prong

- 96. California Business and Professions Code Section 17200, *et seq.*, identifies violations of other laws as "unlawful practices that the unfair competition law makes independently actionable." *Velazquez v. GMAC Mortg. Corp.*, 605 F. Supp. 2d 1049, 1068 (C.D. Cal. 2008).
- 97. Defendant's advertising of the Products, as alleged in the preceding paragraphs, violates California Civil Code Section 1750, *et seq.*, California Business and Professions Code Section 17500, *et seq.*.
- 98. Defendant's packaging, labeling, and advertising of the Products as containing collagen are false, deceptive, misleading, and unreasonable, and constitute unlawful conduct.
 - 99. Defendant knew or should have known of its unlawful conduct.
- 100. As alleged in the preceding paragraphs, the misrepresentations by Defendant detailed above constitute an unlawful business practice within the meaning of California Business and Professions Code Section 17200.
- 101. There were reasonably available alternatives to further Defendant's legitimate business interests other than the conduct described herein. Defendant could have truthfully labeled and advertised the Products.
- 102. All of the conduct alleged herein occurred and continues to occur in Defendant's business. Defendant's wrongful conduct is part of a pattern or generalized course of conduct repeated on thousands of occasions daily.
- 103. Pursuant to Business and Professions Code Section 17203, Plaintiffs and the Class seek an order of this Court enjoining Defendant from continuing to engage, use, or employ its practice of false and deceptive advertising of the Products. Likewise, Plaintiffs and the Class seek an order requiring Defendant to disclose such misrepresentations, and additionally request an order awarding

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Plaintiffs restitution of the money wrongfully acquired by Defendant in an amount to be determined at trial.

104. Plaintiffs and the Class have suffered injury in fact and have lost money as a result of Defendant's unlawful conduct. Plaintiffs and the Class paid an unwarranted premium for the Products. Plaintiffs and the Class would not have purchased the Products if they had known that Defendant deceived consumers into believing the Products contained collagen.

COUNT FOUR

Breach of Express Warranty

(brought on behalf of the Class)

- 105. Plaintiffs repeat and reallege the allegations of the previous paragraphs and incorporate the same as if set forth herein at length.
- 106. Defendant expressly warrants that the Products contain collagen, as set forth above. Defendant's claims constitute an affirmation of fact, promise, and/or description of the goods that became part of the basis of the bargain and created an express warranty that the goods would conform to the stated promise. Plaintiffs placed importance on Defendant's claims.
- 107. All conditions precedent to Defendant's liability under this contract have been performed by Plaintiffs and the Class.
- 108. Defendant breached the terms of the contract, including the express warranties, with Plaintiffs and the Class by not providing Products that conform to the advertising and label claims.
- 109. As a result of Defendant's breach of contract, Plaintiffs and the Class have been damaged in the amount to be determined at trial.

25 ||

///

///

26 | ///

27 || ///

28

COUNT FIVE

Breach of Implied Warranty

(brought on behalf of the Class)

- 110. Plaintiffs repeat and reallege the allegations set forth above, and incorporates the same as if set forth herein at length.
- 111. Unless excluded or modified, a warranty that a good shall be merchantable is implied in a contract for their sale, if the seller is a merchant with respect to goods of that kind.
- 112. Defendant is a merchant with respect to the Products, as it manufactures, distributes, and sells the Products nationwide.
- 113. In order to be merchantable, goods must conform to the promises or affirmations of fact made on the container or labeling.
- 114. Defendant breached the implied warranty of merchantability to Plaintiffs and the Class in that the labels of the Products promised and affirmed that the Products contain collagen. Contrary to the promise and affirmation of fact, the Products do not contain collagen.
- 115. As a result of Defendant's conduct, Plaintiffs and the Class did not receive merchantable goods as impliedly warranted by Defendant.
- 116. Defendant did not exclude or modify the Products' implied warranty of merchantability.
- 117. As a proximate result of Defendant's breach of its implied warranty, Plaintiffs and members of the Class incurred damages. Plaintiffs and members of the Class were damaged as a result of Defendant's failure to comply with its obligations under the implied warranty, since Plaintiffs and members of the Class paid for Products that did not have the promised quality and nature, did not receive the collagen that they bargained for, paid a premium for the Products when they could have instead purchased other less expensive alternative products, and lost the opportunity to purchase other, true collagen products.

2

3

4

5

6

7

8

	9
	10
	11
	12
)	13
	14
) (ia)	15
	16

17

18

19

20

21

22

23

24

25

26

27

28

118.	Plaintiffs and the Class are t	herefore entitled to r	ecover all available
remedies fo	For said breach.		

COUNT SIX

Magnuson Moss Warranty Act ("MMWA"), 15 U.S.C. §§ 2301, et seq. Violation of Written Warranty (brought on behalf of the Class)

- 119. Plaintiffs repeat and reallege the allegations set forth above, and incorporate the same as if set forth herein at length.
- 120. The MMWA, 15 U.S.C. §§ 2301, et seq., creates a private cause of action for breach of "written warranty" as defined by that Act. 15 U.S.C. § 2301(6) and § 23 10(d)(l).
- 121. The Products are "consumer products" as defined in 15 U.S.C. § 2301(1), as they constitute tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes.
- 122. Plaintiffs and Class members are "consumers" as defined in 15 U.S.C. § 2301(3), since they are buyers of the Products for purposes other than resale.
- 123. Defendant is an entity engaged in the business of making the Products available, either directly or indirectly, to consumers such as Plaintiffs and the Class. As such, Defendant is a "supplier" as defined in 15 U.S.C. § 2301(4).
- 124. Through its labeling, Defendant gave and offered a written warranty to consumers relating to the nature and quality of the ingredients in the Products. As a result, Defendant is a "warrantor" within the meaning of 15 U.S.C. § 2301(5).
- 125. Defendant provided a "written warranty" within the meaning of 15 U.S.C. § 2301(6) for the Products by prominently affirming and promising in writing on the labeling of the Products that they contain collagen. This affirmation of fact regarding the nature and quality of the Products constituted, and was intended to convey to purchasers, a written promise that the Products contain collagen as labeled. As such, this written promise and affirmation was part of the

basis of Plaintiffs' and Class members' bargains with Defendant in purchasing the Products.

- 126. Defendant breached the written warranty to Plaintiffs and the Class by failing to provide and supply Products that contain collagen. Since the Products do not have the requisite qualities and character promised by Defendant's written warranty, the Products did not comply with Defendant's obligations under the written warranty to supply "Collagen" labeled Products to Plaintiffs and the Class.
- 127. Plaintiffs provided Defendant notice of, and a reasonable opportunity to cure, the defects in the Products and remedy the harm to Plaintiffs and the Class. Defendant failed to take corrective action.
- 128. Plaintiffs and Class members were injured by Defendant's failure to comply with its obligations under the written warranty, since Plaintiffs and Class members paid for Products that did not have the promised qualities and nature, did not receive Products that contained collagen. They accordingly paid a premium for the Products when they could have instead purchased other less expensive alternatives, and lost the opportunity to purchase other products that truly contain collagen.
- 129. Plaintiffs and the Class therefore seek and are entitled to recover "damages and other legal and equitable relief" and "costs and expenses (including attorneys' fees based upon actual time expended)" as provided in 15 U.S.C. § 2310(d).

COUNT SEVEN

Magnuson Moss Warranty Act ("MMWA"), 15 U.S.C. §§ 2301, et seq. Violation of Implied Warranty of Merchantability Under State Law (brought on behalf of the Class)

- 130. Plaintiffs repeat and reallege the allegations set forth above, and incorporate the same as if set forth herein at length.
 - 131. The MMWA creates a federal cause of action for breach of an implied

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

warranty of merchantability. 15 U.S.C. § 2310(d)(1). Unlike a "written warranty," the term "implied warranty" under the MMWA is defined by reference to state law. 15 U.S.C. § 2301(7) ("The term 'implied warranty' means an implied warranty arising under State law (as modified by sections 2308 and 2304(a) of this title) in connection with the sale by a supplier of a consumer product.") Thus, the MMWA creates a federal cause of action for breach of an implied warranty of merchantability arising under state law.

- 132. The elements of the breach of implied warranty of merchantability claim are met as described fully in Plaintiffs' Fifth Cause of Action, ¶¶ 108-116. Supra.
 - 133. Additionally, the remaining requirements of the MMWA are met.
- 134. The Products each are a "consumer product" as defined in 15 U.S.C. § 2301(1), as they constitute tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes.
- 135. Plaintiffs and the members of the Class are "consumers" as defined in 15 U.S.C. § 2301(3), since they are buyers of the Products for purposes other than resale.
- 136. Defendant is an entity engaged in the business of making the Products available, either directly or indirectly, to consumers such as Plaintiffs and the Class. As such, Defendant is a "supplier" as defined in 15 U.S.C. § 2301(4).
- Defendant knew of, and caused, the Products to state "Collagen" on their labels. This statement created an implied warranty of merchantability under state law in connection with the sales of the Products to Plaintiffs and the Class. As such, Defendant was obligated under an implied warranty of merchantability, and, accordingly, Defendant is a "warrantor" as that term is defined at 15 U.S.C. § 2301(5).
- 138. Defendant was provided notice and a reasonable opportunity to cure the defects in the Products and remedy the harm to Plaintiffs and the Class, but failed to do so, as set forth above.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

139. Plaintiffs and the Class therefore seek and are entitled to recover "damages and other legal and equitable relief" and "costs and expenses (including attorneys' fees based upon actual time as provided in 15 U.S.C. § 2310(d) and as available under state law.

COUNT EIGHT

Restitution Based on Quasi-Contract/Unjust Enrichment (brought on behalf of the Class)

- 140. Plaintiffs repeat and reallege the allegations set forth above, and incorporate the same as if set forth herein at length.
- Defendant's conduct in enticing Plaintiffs and the Class to purchase the Products through the use of falsely and misleading labeling the Products "Collagen" as described herein is unlawful because the "Collagen" statements contained on the Products' labels are untrue. Defendant took monies from Plaintiffs and the Class for Products that did not contain collagen. Defendant has been unjustly enriched at the expense of Plaintiffs and the Class as result of its unlawful conduct alleged herein, thereby creating a quasi-contractual obligation on Defendant to restore these illgotten gains to Plaintiffs and the Class.
- 142. As a direct and proximate result of Defendant's unjust enrichment, Plaintiffs and the Class are entitled to restitution in an amount to be proved at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, pray for judgment and relief on all Causes of Action as follows:

- An order enjoining Defendant's unlawful behavior to ensure statutory A. compliance as set forth herein;
- Restitutionary, actual, statutory, compensatory, and punitive damages; В. and
- Reasonable attorneys' fees and costs. C.

SECOND AMENDED COMPLAINT