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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

MARTIN E. GROSSMAN, and
RICHARD DAVID CLASSICK, JR.,
individually and on behalf of
all others similarly situated,

Plaintiffs,

v.

SCHELL & KAMPETER, INC. d/b/a
DIAMOND PET FOODS, and DIAMOND
PET FOODS INC.,

Defendants.

No. 2:18-cv-02344-JAM-AC

**ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANTS'
MOTION TO DISMISS**

Plaintiffs Martin E. Grossman and Richard David Classick, Jr. ("Plaintiffs") bring this putative class action against Schell & Kampeter, Inc. d/b/a Diamond Pet Foods and Diamond Pet Foods Inc. (collectively "Diamond" or "Defendants") for damages sustained from the purchase of dog food allegedly containing undisclosed levels of heavy metals, BPA, pesticides, and/or acrylamides. Second Amended Compl. ("SAC"), ECF No. 9. Defendants move to dismiss. Mot., ECF No. 13.

For the reasons set forth below, the Court GRANTS IN PART and DENIES IN PART Defendants' motion.¹

¹ This motion was determined to be suitable for decision without oral argument. E.D. Cal. L.R. 230(g). The hearing was scheduled for February 5, 2019.

1 I. FACTUAL ALLEGATIONS AND PROCEDURAL BACKGROUND

2 The following facts are taken as true for purposes of this
3 motion. Plaintiff Martin E. Grossman ("Mr. Grossman") has two
4 Golden Retrievers, named Lilly and Clara. SAC ¶ 18. Mr.
5 Grossman, a citizen of Pennsylvania, bought Taste of the Wild®
6 Grain Free Pacific Stream Canine Formula Smoked Salmon Dry Dog
7 Food for Lilly and Clara from Chewy.com and Pennsylvania-based
8 Braxton's Dog Works between 2012 and 2015. Id.

9 Plaintiff Richard David Classick, Jr. ("Mr. Classick") has a
10 Blue Nose American Pitbull named Otis. SAC ¶ 20. Mr. Classick,
11 a citizen of California, bought Taste of the Wild® Grain Free
12 High Prairie Canine Formula Roasted Bison and Roasted Venison Dry
13 Dog Food for Otis from Amazon.com between 2017 and 2018. Id.

14 Defendant Schell & Kampeter, Inc., d/b/a Diamond Pet Foods
15 ("Diamond") is incorporated and headquartered in Missouri, and
16 manufactures, markets, and sells dog food under the brand name
17 Taste of the Wild® throughout the United States. SAC ¶¶ 22, 25.
18 Diamond produces dog food at four facilities, including at
19 facilities in Lathrop, California and Ripon, California. Id. ¶
20 24. (Plaintiffs also named "Diamond Pet Foods Inc.," as a
21 defendant, which they allege is a wholly owned subsidiary of
22 Schell & Kampeter. See SAC. According to Diamond, Diamond Pet
23 Foods Inc. does not exist. Mot. at 2.)

24 Diamond markets the Taste of the Wild® brand as being
25 "premium" dog food made of "the highest quality ingredients and
26 products" for "nutrition-conscious pet owners." SAC ¶ 29.
27 Diamond explains its products are akin to what "nature intended"
28 the animal to eat in the wild and formulated "based on your pet's

1 ancestral diet.” Id. ¶ 33. Similarly, the packaging of the
2 Taste of the Wild® products displays images of wild animals in
3 natural settings. Id. ¶ 34. Additionally, the packaging
4 describes the ingredients of the products as “processed under
5 strict human-grade standards to ensure purity,” providing
6 “optimal health and vitality,” supporting “optimal cellular
7 health” and “overall good health,” and helpful in maintaining
8 “the sleek condition of good health.” Id. ¶ 35.

9 Diamond’s packaging and advertising do not disclose that the
10 products contain any level of heavy metals (including arsenic,
11 lead, mercury, and cadmium), bisphenol A (“BPA”), pesticides, or
12 acrylamide. SAC ¶ 39. Diamond’s marketing also emphasizes the
13 company’s high standards and the rigorous testing of its products
14 to ensure quality, safety, and purity. Id. ¶¶ 40-44. According
15 to Plaintiffs, this marketing, advertising, and packaging is
16 deceptive because, per tests conducted on the products, the three
17 Taste of the Wild® products purchased by Plaintiffs contained
18 undisclosed levels of heavy metals, pesticides, acrylamide,
19 and/or BPA. Id. ¶¶ 45-50, 52-56. The presence of these
20 contaminants carries health risks to pets and would be material
21 to an owner’s purchasing decision. Id. ¶¶ 68-79. Plaintiffs
22 contend that Diamond knew or should have known of the presence of
23 these alleged contaminations because of its stringent quality
24 controls, knowledge of the production process, and from notice by
25 the Clean Label Project. Id. ¶¶ 51, 102. Plaintiffs further
26 claim that Diamond’s wrongful marketing allowed it to capitalize
27 on, and profit from, consumers who paid the purchase price or a
28 premium for the products that were not as advertised. Id. ¶ 91.

1 Plaintiffs saw “the nutritional claims and labels on the
2 packaging” and on the websites from which they purchased the
3 products and relied on these claims and labels in deciding to
4 purchase the products. Id. ¶¶ 18–21. Plaintiffs were unaware
5 the food contained any level of the alleged contaminants, and had
6 they known Plaintiffs would not have purchased the products or
7 paid the price premium for the Products. Id. Plaintiffs do not
8 allege any physical injuries.

9 Grossman filed the Complaint on August 28, 2018, alleging
10 class claims and jurisdiction under CAFA. Compl., ECF No. 1.
11 The First Amended Complaint was filed on September 5, 2018,
12 adding Classick as a plaintiff. First Amended Compl., ECF No. 4.
13 On October 18, 2018, Plaintiffs filed the operative Second
14 Amended Complaint, bringing six causes of action against Diamond:
15 (1) negligent misrepresentation; (2) violations of the California
16 Consumer Legal Remedies Act (“CLRA”); (3) violations of the
17 California False Advertising Law (“FAL”); (4) violations of the
18 California Unfair Competition Law (“UCL”); (5) breach of express
19 warranty; and (6) breach of implied warranty. Second Amended
20 Compl., ECF No. 9. Plaintiffs bring the complaint on behalf of a
21 putative class consisting of “All persons who are citizens of the
22 United States who, from May 1, 2013 to the present, purchased the
23 Contaminated Dog Foods for household or business use, and not for
24 resale.” SAC ¶ 107.

25 Defendants move to dismiss the Second Amended Complaint in
26 its entirety. Mot., ECF Nos. 13, 18 and 19. Plaintiffs oppose
27 the motion. Opp’n, ECF Nos. 14, 21 and 22.

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1 II. OPINION

2 A. Personal Jurisdiction

3 Diamond moves to dismiss pursuant to Federal Rule of Civil
4 Procedure 12(b)(2), arguing this Court lacks personal
5 jurisdiction over Diamond with respect to Mr. Grossman's claims.
6 Mot. at 6-7. Diamond does not argue a lack of personal
7 jurisdiction with respect to Mr. Classick's claims. Id. at 7.

8 1. General Jurisdiction

9 A court may assert general (or "all-purpose") jurisdiction
10 over a defendant in a forum where the defendant is "fairly
11 regarded as at home." Daimler AG v. Bauman, 571 U.S. 117, 137
12 (2014) (quoting on Goodyear Dunlop Tires Operations, S.A. v.
13 Brown, 564 U.S. 915, 924 (2011)). The "paradigm" forums in which
14 a corporate defendant is "at home" are the corporation's place of
15 incorporation and its principal place of business. Daimler, 571
16 U.S., at 137. In an "exceptional case," a corporate defendant's
17 operations in another forum "may be so substantial and of such a
18 nature as to render the corporation at home in that State."
19 Daimler, 571 U.S., at 138-139, n.19.

20 Here, Diamond is incorporated and headquartered in Missouri.
21 SAC ¶¶ 22-23. Diamond is therefore not "at home" in California.
22 And while Plaintiffs allege that Diamond operates two of its four
23 manufacturing plants in California (id. at ¶ 24), those
24 operations are not substantial enough to make Diamond "fairly
25 regarded as at home" in California. Thus, this Court does not
26 have general jurisdiction over Diamond.

27 2. Specific Jurisdiction

28 In the absence of general jurisdiction, a nonresident may

1 only be subject to suit in the forum state if specific
2 jurisdiction exists. For a court to exercise specific
3 jurisdiction over a defendant, "the *suit* must arise out of or
4 relate to the defendant's contacts with the *forum*." Bristol-
5 Myers Squibb Co. v. Superior Court of California, San Francisco
6 Cty., 137 S. Ct. 1773, 1780 (2017) (internal citation and
7 quotation marks omitted) (emphasis original); see also
8 Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 802
9 (9th Cir. 2004) (requiring the same). "Where a defendant moves
10 to dismiss a complaint for lack of personal jurisdiction, the
11 plaintiff bears the burden of demonstrating that jurisdiction is
12 appropriate." Schwarzenegger, 374 F.3d at 800, 802.

13 Mr. Grossman has failed to carry his burden. Plaintiffs'
14 opposition brief states that "(1) [Diamond] purposefully availed
15 itself of this forum, (2) the claims arise out of [Diamond's]
16 forum-related activities, and (3) the exercise of jurisdiction is
17 reasonable." Opp'n at 4. But this conclusory recitation of the
18 Ninth Circuit's specific jurisdiction standard is insufficient.
19 Mr. Grossman fails to make the required prima facie showing that
20 his claims "arise[] out of or relate to [Diamond's] forum-related
21 activities." Schwarzenegger, 374 F.3d at 800. Mr. Grossman
22 viewed the packaging and advertising in Pennsylvania, purchased
23 the products while in Pennsylvania, and used the products in
24 Pennsylvania. SAC ¶¶ 18-19. The alleged injury, if any, would
25 have occurred in Pennsylvania. And while Diamond maintains two
26 of its four production facilities in California, Mr. Grossman
27 never specifically alleges a connection between *his* suit or
28 claims and Diamond's manufacturing presence in California. See

1 Menken v. Emm, 503 F.3d 1050, 1058 (9th Cir. 2007) (explaining
2 that a plaintiff "must show that he would not have suffered an
3 injury 'but for' [defendant's] forum-related conduct.>").

4 Therefore, this Court cannot exercise specific personal
5 jurisdiction over Diamond with respect to Mr. Grossman's claims.

6 3. Pendant Personal Jurisdiction

7 Given the existence of personal jurisdiction over Diamond
8 for Mr. Classick's claims, Plaintiffs' request this Court
9 exercise pendent personal jurisdiction over Diamond with respect
10 to Mr. Grossman's claims and thereby adjudicate the claims
11 together to avoid piecemeal litigation. Mot. at 5. "[A] court
12 may assert pendent personal jurisdiction over a defendant with
13 respect to a claim for which there is no independent basis of
14 personal jurisdiction so long as it arises out of a common
15 nucleus of operative facts with a claim in the same suit over
16 which the court does have personal jurisdiction." Action
17 Embroidery Corp. v. Atl. Embroidery, Inc., 368 F.3d 1174, 1180
18 (9th Cir. 2004) (adopting the doctrine of pendent personal
19 jurisdiction). But "[p]endent personal jurisdiction is typically
20 found where one or more federal claims for which there is
21 nationwide personal jurisdiction are combined in the same suit
22 with one or more state or federal claims for which there is not
23 nationwide personal jurisdiction." Id. at 1180-81. Plaintiffs
24 assert no federal claims here. Nor is this Court convinced the
25 interests of judicial economy would be served by asserting
26 pendent personal jurisdiction over Mr. Grossman's claims. See
27 infra Section II.B.

28 This Court declines to exercise pendent personal

1 jurisdiction over Diamond with respect to Mr. Grossman's claims.
2 Action Embroidery, 368 F.3d at 1181 (holding "the actual exercise
3 of personal pendent jurisdiction in a particular case is within
4 the discretion of the district court.") This Court further finds
5 that any attempt to amend is futile and dismisses Mr. Grossman's
6 claims with prejudice.

7 B. Nationwide Class Claims

8 Diamond argues that any claims by purchasers based outside
9 of California should be dismissed under Mazza v. Am. Honda Motor
10 Co., 666 F.3d 581 (9th Cir. 2012). Mot. at 3-6. In Mazza, the
11 Ninth Circuit held "[u]nder the facts and circumstances of [the]
12 case," certain choice-of-law rules dictated that "each class
13 member's consumer protection claim should be governed by the
14 consumer protection laws of the jurisdiction in which the
15 transaction took place." Mazza, 666 F.3d at 594.

16 However, because this Court dismissed Mr. Grossman's claims
17 against Diamond for lack of personal jurisdiction, and because
18 Mr. Classick is a California resident, this Court need not
19 formally rule on the suitability of nationwide class claims. See
20 Speyer v. Avis Rent a Car Sys., Inc., 415 F. Supp. 2d 1090, 1094
21 (S.D. Cal. 2005), aff'd, 242 F. App'x 474 (9th Cir. 2007)
22 (addressing only issues applicable to named plaintiffs because
23 courts "generally consider only the claims of a named plaintiff
24 in ruling on a motion to dismiss a class action complaint prior
25 to class certification.") (quoting Barth v. Firestone Tire &
26 Rubber Co., 661 F. Supp. 193, 203 (N.D. Cal. 1987)).

27 Nevertheless, given Diamond's compelling arguments, Plaintiffs
28 may wish to reconsider nationwide class claims. See Forcellati

1 v. Hyland's, Inc., 876 F. Supp. 2d 1155, 1160 (C.D. Cal. 2012)
2 (cautioning named plaintiff, given Mazza, to "seriously consider
3 whether he can maintain a nationwide class on all of his claims
4 throughout this litigation" with respect to future plaintiffs).

5 C. Claims Sounding in Fraud

6 1. Pleading of Claims

7 Diamond argues Plaintiffs' fraud and consumer-protection
8 claims (under the CLRA, FAL, UCL, and the common-law claim for
9 negligent misrepresentation) are not pleaded with particularity
10 as required by Rule 9(b). Mot. at 7-10 (citing Kearns v. Ford
11 Motor Co., 567 F.3d 1120, 1125-26 (9th Cir. 2009)). Plaintiffs
12 agree the heightened pleading standard of Rule 9(b) applies to
13 claims like these, which sound in fraud. Opp'n at 6-11. This
14 Court concurs. See Vess v. Ciba-Geigy Corp. USA, 317 F.3d 1097,
15 1103-04 (9th Cir. 2003).

16 "Averments of fraud must be accompanied by 'the who, what,
17 when, where, and how' of the misconduct charged." Kearns, 567
18 F.3d at 1124 (9th Cir. 2009) (quoting Vess, 317 F.3d at 1106).
19 Diamond argues that the SAC provides the "who," but not the
20 "what, where, when, and how." Mot. at 8. This Court disagrees.
21 The SAC names each plaintiff and defendant (the "who"); alleges
22 when each plaintiff began purchasing the products and when they
23 stopped (the "when"); specifies the websites from which each
24 plaintiff purchased the product and the presence of the claims
25 and packaging information (the "where"); includes, through text
26 and photographs, the claims on the specific products they allege
27 are false or misleading (the "what"); and alleges the claims are
28 false or misleading due to the presence of alleged undisclosed

1 contaminants and that Plaintiffs would not have purchased the
2 products had they known of the presence of those contaminants
3 (the "how"). SAC ¶¶ 18, 20, 24-26, 34-36, 39. These allegations
4 sufficiently comply with the pleading standard of Rule 9(b). See
5 Zeiger v. WellPet LLC, 304 F. Supp. 3d 837, 849 (N.D. Cal. 2018).

6 2. Affirmative Misrepresentations

7 Diamond further argues the alleged misstatements upon which
8 Plaintiffs supposedly relied are mere puffery, which cannot
9 support Plaintiffs causes of action. Mot. at 9 (citing Vitt v.
10 Apple Computer, Inc., 469 Fed. App'x. 605, 607 (9th Cir. 2012)).
11 "Generalized, vague, and unspecified assertions constitute 'mere
12 puffery' upon which a reasonable consumer could not rely, and
13 hence are not actionable" under the UCL, FAL, or CLRA. Anunziato
14 v. eMachines, Inc., 402 F. Supp. 2d 1133, 1139 (C.D. Cal. 2005).
15 However, "[w]hile product superiority claims that are vague or
16 highly subjective often amount to nonactionable puffery,
17 misdescriptions of specific or absolute characteristics of a
18 product are actionable." Southland Sod Farms v. Stover Seed Co.,
19 108 F.3d 1134, 1145 (9th Cir. 1997) (internal citations and
20 quotations omitted). The alleged misrepresentations from the
21 packaging—those upon which Plaintiffs allegedly relied—include
22 that the food provides the "balanced diet that nature intended"
23 and "the best nutrition available today"; contains probiotics
24 "developed specifically for dogs and processed under strict
25 human-grade standards to ensure purity"; and helps support
26 "optimal cellular health" and maintain "overall good health."
27 SAC ¶¶ 34-35. While some of these are closer calls than others,
28 these statements go beyond mere puffery, into assertions of fact.

1 See WellPet, 304 F. Supp. 3d at 851. The statements convey that
2 the products are nutritious and safe, and Plaintiffs specifically
3 allege the products do not conform to these facts because they
4 contain heavy metals, pesticides, acrylamide, and/or BPA, which
5 are associated with a variety of health risks. These alleged
6 misstatements support Plaintiffs' claims sounding in fraud.

7 Nevertheless, Plaintiffs only allege they relied upon the
8 nutritional claims and labels they saw on the packaging and on
9 Amazon.com and Chewy.com (the "websites of purchase"). SAC
10 ¶¶ 18, 20, 26, 34-36, 39. There are no allegations that
11 Plaintiffs relied on any statements beyond those, including those
12 on Diamond's website or in other advertising or marketing
13 materials. SAC ¶¶ 29-33, 37, 40-44. Misstatements upon which
14 Plaintiffs could not or did not rely cannot support a claim
15 sounding in fraud. See e.g., Durell v. Sharp Healthcare, 183
16 Cal. App. 4th 1350, 1363 (Cal. Ct. App. 2010); see also In re
17 Hydroxycut Mktg. & Sales Practices Litig., 801 F. Supp. 2d 993,
18 1006-07 (S.D. Cal. 2011). Thus, claims relying on affirmative
19 misrepresentations are limited to alleged misstatements on the
20 products' packaging or on the websites of purchase.

21 Thus, Defendants' motion to dismiss Plaintiffs' fraud and
22 consumer-protection claims is denied with respect to alleged
23 affirmative misstatements appearing on the products' packaging or
24 websites of purchase, and is granted with respect to any other
25 alleged misstatements.

26 3. Omissions

27 Omissions may be the basis of fraud-based claims, but "to be
28 actionable the omission must be contrary to a representation

1 actually made by the defendant, or an omission of a fact the
2 defendant was obliged to disclose." Hodsdon v. Mars, Inc., 891
3 F.3d 857, 861 (9th Cir. 2018) (quoting Daugherty v. Am. Honda
4 Motor Co., 144 Cal. App. 4th 824, 835 (Cal. Ct. App. 2006))
5 (emphasis in original). There are four circumstances where a
6 duty to disclose a fact arises: "(1) when the defendant is the
7 plaintiff's fiduciary; (2) when the defendant has exclusive
8 knowledge of material facts not known or reasonably accessible to
9 the plaintiff; (3) when the defendant actively conceals a
10 material fact from the plaintiff; and (4) when the defendant
11 makes partial representations that are misleading because some
12 other material fact has not been disclosed." Collins v.
13 eMachines, Inc., 202 Cal. App. 4th 249, 255 (Cal. Ct. App. 2011).

14 Plaintiffs argue that Diamond had a duty to disclose the
15 presence of the contaminants in its products because it had
16 exclusive knowledge of material facts (the presence of
17 contaminants in its products) not known to the Plaintiffs, either
18 given its stringent quality controls and assurances or by being
19 put on notice by the Clean Label Project. SAC ¶¶ 51, 102.
20 Plaintiffs adequately allege, and Diamond does not seem to
21 refute, that the presence of the alleged contaminants in the
22 products would be material. And while the allegation that
23 Diamond was put on notice by the Clean Label Project is too vague
24 because it does not explain what the Clean Label Project is or
25 why its existence is sufficient to put Diamond on notice, the
26 other allegations in the SAC—including Diamond's knowledge of its
27 production and stringent standards—are nonetheless pleaded with
28 reasonable particularity and can sustain an omission-based claim.

1 WellPet, 304 F. Supp. 3d at 852.

2 Defendants' motion to dismiss Plaintiffs' fraud and
3 consumer-protection claims with respect to alleged omissions is
4 therefore denied.

5 4. Economic Loss Rule

6 Diamond also contends Plaintiffs' claim for negligent
7 misrepresentation, at least to the extent based on omissions, is
8 barred by the economic loss rule. Mot. at 11, fn. 3. "The
9 economic loss rule requires a purchaser to recover in contract
10 for purely economic loss due to disappointed expectations, unless
11 he can demonstrate harm above and beyond a broken contractual
12 promise." Robinson Helicopter Co. v. Dana Corp., 34 Cal. 4th
13 979, 988 (Cal. 2004). A tort claim may proceed where a defendant
14 breaches a duty "either completely independent of the contract or
15 arises from conduct which is both intentional and intended to
16 harm" including "where the contract was fraudulently induced."
17 Id. at 989-90. The exceptions described in Robinson leaves open
18 whether the economic loss rule applies to claims for negligent
19 misrepresentation, and district courts in the Ninth Circuit are
20 divided on this question. See Crystal Springs Upland Sch. v.
21 Fieldturf USA, Inc., 219 F. Supp. 3d 962, 969 (N.D. Cal. 2016)
22 (collecting cases).

23 Here, Plaintiffs do not allege any property damage or any
24 actual physical injury to themselves or their pets, and instead
25 allege they were "injured when [they] paid the purchase price
26 and/or a price premium for the Contaminated Dog Foods that did
27 not deliver what Defendants promised." SAC ¶¶ 19, 21. However,
28 Plaintiffs negligent misrepresentation claim sounds far more in

1 fraud than breach of contract or negligence. See Kalitta Air,
2 L.L.C. v. Cent. Texas Airborne Sys., Inc., 315 F. App'x 603, 607
3 (9th Cir. 2008) ("We hold that California law classifies
4 negligent misrepresentation as a species of fraud for which
5 economic loss is recoverable.") (internal citations and
6 quotations omitted). As such, this Court is not persuaded that
7 the economic loss rule requires Plaintiffs' negligent
8 misrepresentation be dismissed as pled. See Bret Harte Union
9 High Sch. Dist. v. FieldTurf, USA, Inc., No. 1:16-cv-00371-DAD-
10 SMS, 2016 WL 3519294, at *4-5 (E.D. Cal. June 27, 2016).

11 D. Express Warranty Claim

12 To state a claim for breach of express warranty under
13 California law, a plaintiff "must allege the exact terms of the
14 warranty, plaintiff's reasonable reliance thereon, and a breach
15 of that warranty which proximately causes plaintiff injury."
16 Williams v. Beechnut Nutrition Corp., 185 Cal. App. 3d 135, 142
17 (Cal. Ct. App. 1986). Any "affirmation of fact or promise made
18 by the seller to the buyer which relates to the goods" or any
19 "description of the goods" which becomes "the basis of the
20 bargain" creates an express warranty. Cal. Com. Code § 2313(1).
21 Plaintiffs have alleged specific representations made by Diamond
22 on the packaging of the products—which can be tested and
23 disproved in discovery—and reliance on those representations.
24 See supra Section II.C.2.; WellPet, 304 F. Supp. 3d at 853 (N.D.
25 Cal. 2018). However, Plaintiff only alleges reliance on the
26 statements on the products' packaging and on the websites of
27 purchase.

28 Thus, Defendants' motion to dismiss Plaintiffs' express

1 warranty claim is denied with respect to any affirmation of fact,
2 promise, or description of the goods appearing on the products'
3 packaging or websites of purchase, and is granted with respect to
4 any other alleged representations.

5 E. Implied Warranty Claim

6 To bring a claim for breach of implied warranty, a plaintiff
7 "must stand in vertical contractual privity with the defendant."
8 Clemens v. DaimlerChrysler Corp., 534 F.3d 1017, 1023 (9th Cir.
9 2008) (citing Anunziato v. eMachines, Inc., 402 F. Supp. 2d 1133,
10 1141 (C.D. Cal. 2005)). "A buyer and seller stand in privity if
11 they are in adjoining links of the distribution chain. Thus, an
12 end consumer ... who buys from a retailer is not in privity with
13 a manufacturer." Clemens, 534 F.3d at 1023 (citing Osborne v.
14 Subaru of Am., Inc., 198 Cal. App. 3d 646, 656 n.6, (Cal. Ct.
15 App. 1988)).

16 Here, Plaintiffs bought the products from retailers, not
17 directly from Diamond. SAC ¶¶ 18, 20. The exceptions to the
18 privity rule for cases involving food for human consumption and
19 for reliance on labels or advertising materials for alleged
20 violations of express warranties do not apply here. Burr v.
21 Sherwin Williams Co., 42 Cal. 2d 682, 696 (Cal. 1954).

22 Acknowledging this hurdle, Plaintiffs request that this Court
23 recognize the "third-party beneficiary exception" to the privity
24 requirement. See WellPet, 304 F. Supp. 3d at 854-55 (N.D. Cal.
25 2018) (discussing the split in California district courts in
26 recognizing this exception). But the Ninth Circuit has not
27 recognized this exception, and has clearly stated that
28 "California courts have painstakingly established the scope of

1 the privity requirement under California Commercial Code section
2 2314, and a federal court sitting in diversity is not free to
3 create new exceptions to it.” Clemens, 534 F.3d, at 1024.
4 Accordingly, this Court declines to adopt a third-party
5 beneficiary exception to the privity requirement.

6 This Court finds that Plaintiffs cannot sustain a breach of
7 implied warranty claim because they lack vertical privity with
8 Diamond. Because any attempt to amend is futile, Plaintiffs’
9 sixth cause of action for breach of implied warranty is dismissed
10 with prejudice.

11 F. Equitable Relief

12 Diamond argues that if any of Plaintiffs’ claims for
13 monetary damages survive, Plaintiffs claims for equitable relief,
14 which they seek under the CLRA, FAL, UCL, and as a general demand
15 in the prayer for relief, must be dismissed. Mot. at 13 (citing
16 Munning v. Gap, Inc., 238 F. Supp. 3d 1195, 1203-04 (N.D. Cal.
17 2017)). “It is a basic doctrine of equity jurisprudence that
18 courts of equity should not act . . . when the moving party has
19 an adequate remedy at law and will not suffer irreparable injury
20 if denied equitable relief.” Morales v. Trans World Airlines,
21 Inc., 504 U.S. 374, 381 (1992) (internal citations and quotations
22 omitted). However, in a pleading, a plaintiff may seek both
23 monetary relief and, in the alternative, equitable relief.
24 Fed. R. Civ. P. 8(d). California district courts are divided on
25 whether claims for equitable relief should be dismissed at the
26 pleading stage if a plaintiff properly states a claim for relief
27 that carries a remedy at law. See Luong v. Subaru of Am., Inc.,
28 No. 17-CV-03160-YGR, 2018 WL 2047646, at n.7 (N.D. Cal. May 2,

1 2018) (collecting cases). This Court sees no reason to dismiss
2 Plaintiffs' theories for equitable remedies at this stage simply
3 because Plaintiffs have sufficiently pled theories supporting
4 monetary relief. However, Plaintiffs appear to have pled these
5 theories jointly, rather than clearly as alternatives.

6 Additionally, to state a claim for injunctive relief, a
7 plaintiff must allege "she will be unable to rely on the
8 product's advertising or labeling in the future, and so will not
9 purchase the product although she would like to." Davidson v.
10 Kimberly-Clark Corp., 889 F.3d 956, 970-971 (9th Cir. 2018),
11 cert. denied, No. 18-304, 2018 WL 4350853 (U.S. Dec. 10, 2018).
12 Here, Plaintiffs have failed to sufficiently state a claim for
13 injunctive relief because the allegations do not include that
14 they want to purchase the product in the future. SAC ¶¶ 19, 21.

15 Accordingly, Plaintiffs' claims for equitable relief are
16 dismissed without prejudice. Nevertheless, this Court grants
17 Plaintiffs leave to amend the complaint to cure these pleading
18 defects. Fed. R. Civ. P. 15(a) ("[T]he court should freely give
19 leave [to amend] when justice so requires.").

20
21 III. ORDER

22 For the reasons set forth above, this Court GRANTS IN PART
23 and DENIES IN PART Defendants' Motion to Dismiss (ECF No. 13) as
24 follows:

25 1. GRANTED as to this Court's lack of personal
26 jurisdiction over Mr. Grossman's claim, which are dismissed with
27 prejudice;

28 2. DENIED as to Plaintiffs' First, Second, Third, Fourth,

1 and Fifth Causes of Action with respect to alleged omissions or
2 affirmative misstatements appearing on the products' packaging or
3 websites of purchase;

4 3. GRANTED as to Plaintiffs' First, Second, Third, Fourth,
5 and Fifth Causes of Action with respect to alleged affirmative
6 misstatements other than those appearing on the products'
7 packaging or websites of purchase;


8 4. GRANTED as to Plaintiffs Sixth Cause of Action for
9 breach of implied warranty, which is dismissed with prejudice;
10 and

11 5. GRANTED as to Plaintiffs claims for equitable remedies,
12 which are dismissed without prejudice.

13 If Plaintiff elects to amend his complaint with respect to
14 the equitable remedy claims, Plaintiffs shall file a Third
15 Amended Complaint within twenty days of this Order. Defendants'
16 responsive pleading is due twenty days thereafter.

17 IT IS SO ORDERED.

18 Dated: March 20, 2019

19 
20 JOHN A. MENDEZ,
21 UNITED STATES DISTRICT JUDGE
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