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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Sylvia Koh and David Green, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

Case No. <u>20-4425</u>

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

THE KRAFT HEINZ COMPANY,

Defendant.

Plaintiffs David Green, a resident of Los Angeles County, California, and Sylvia Koh, a resident of San Mateo County, California ("Plaintiffs") individually and on behalf of other similarly situated individuals, by and through their counsel, hereby bring this action against Defendant The Kraft Heinz Company ("Kraft" or "Defendant") regarding the deceptive labeling, marketing, and sale of Defendant's "Kraft Natural Cheese" products ("the Products") as "natural" when they were made from milk produced with artificial growth hormones, and allege the following based upon information, belief, and the investigation of their counsel:

INTRODUCTION

- Due to concerns about health, animal welfare, and sustainability, consumers are increasingly concerned with how their food is produced.
- 2. Consumers are concerned that the use of artificial growth hormones in animals raised for food is inhumane and contributes to health problems both for the animals and for the humans who consume the food. One such artificial hormone is recombinant bovine somatotropin

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(rbST), which is also known as recombinant bovine growth hormone (rbGH).

- 3. Kraft knows that consumers seek out and wish to buy dairy products made from cows raised without the use of rbST. Kraft also knows that consumers will pay more for such products than they will for products made with artificial hormones.
- 4. To capture this growing market, Kraft announced on January 9, 2019, that "KRAFT Natural Cheese is Now Made from Milk without the Artificial Hormone rbST." Prior to that announcement, Kraft labeled and marketed the Products² as "natural," even though they were

¹ Kraft Heinz, *KRAFT Natural Cheese is Now Made from Milk without the Artificial Hormone rbST – and is as Delicious as Ever*, The Kraft Heinz Company (Jan. 9, 2019, 10:00 AM), https://web.archive.org/web/20190920054942/https://news.kraftheinzcompany.com/press-release/brand/kraft-natural-cheese-now-made-milk-without-artificial-hormone-rbst-%E2%80%93-and-delicio.

² 2% Milk Cheddar & Monterey Jack Natural Cheese Cubes, 2% Milk Colby Jack Shredded Natural Cheese, 2% Milk Mexican Style Four Cheese, 2% Milk Sharp Cheddar Shredded Cheese, Big Slice Aged Swiss Natural Cheese Slices, Big Slice American Cheese Slices, Big Slice Chipotle Natural Cheese Slices, Big Slice Colby Jack Natural Cheese Slices, Big Slice Hot Habanero Natural Cheese Slices, Big Slice Jalapeno White Cheddar Natural Cheese Slices, Big Slice Mild Cheddar Natural Cheese Slices, Big Slice Pepper Jack Natural Cheese Slices, Big Slice Sharp Cheddar Natural Cheese Slices, Big Slice Swiss Natural Cheese Slices 10 slices, Cheddar & Monterey Jack Natural Cheese Cubes, Chipotle Natural Cheese Block, Colby & Monterey Jack Big Cheese Snack, Colby & Monterey Jack Finely Shredded Natural Cheese, Colby & Monterey Jack Natural Cheese Cubes, Colby Jack & Mild Cheddar Natural Cheese Slices, Colby Jack Finely Shredded Natural Cheese, Colby Jack Natural Cheese, Colby Natural Cheese, Extra Sharp Cheddar Cheese, Extra Sharp Cheddar Natural Cheese, Extra Sharp Natural Cheddar Cheese Block, Extra Sharp White Cheddar Natural Cheese Slices, Extra Thin Swiss Natural Cheese Slices, Fat Free Natural Cheddar Cheese, Fat Free Shredded Mozzarella Natural Cheese, Fat-Free Cheddar Shredded Natural Cheese, Finely Shredded Triple Cheddar Natural Cheese, Havarti Natural Cheese Slices, Hot Habanero Shredded Natural Cheese, Italian Five Cheese Shredded Natural Cheese, Jalapeno Cheddar Shredded Natural Cheese, Jalapeno Low-Moisture Part-Skim String Cheese, Low-Moisture Part-Skim Mozzarella String Cheese, Medium Cheddar Natural Cheese, Medium Natural Cheddar Cheese Block, Mexican Style 2% Milk Shredded Natural Four Cheese, Mexican Style Cheddar Jack Finely Shredded Natural Cheese, Mexican Style Four Cheese Shredded Natural Cheese, Mexican Style Four Finely Shredded Natural Cheese, Mexican Style Taco Finely Shredded Natural Cheese, Mild Cheddar 2% Milk Finely Shredded Natural Cheese, Mild Cheddar Big Cheese Snack, Mild Cheddar Finely Shredded Natural Cheese, Mild Cheddar Natural Cheese, Mild Cheddar Natural Cheese Cubes, Mild Cheddar Shredded Natural Cheese, Mild Natural Cheddar Cheese Block, Monterey Jack Cheese Cracker Cuts, Monterey Jack Shredded Natural Cheese, Mozzarella & Cheddar Twists, Mozzarella 2% Milk Shredded Natural Cheese, Mozzarella Finely Shredded Natural Cheese, Mozzarella Low-Moisture Part-Skim Cheese, Mozzarella Shredded Natural Cheese, Mozzarella String Cheese, Muenster Natural Cheese Slices, Natural Cheddar & Monterey Jack Marbled Cheese Block, Natural Cheese Snacks Mozzarella Low-Moisture Part-Skim String Cheese, Natural Colby Cheese Block, Natural Colby Jack 2% Milk Cheese Block, Natural Colby Jack Cheese Block, Natural Hot Habanero Cheese Block, Natural Jalapeno Cheese Block, Natural Monterey Jack Cheese Block, Parmesan Finely Shredded Natural Cheese, Pepper Jack & Sharp Cheddar Natural Cheese Slices, Pepper Jack Monterey Jack Cheese with Jalapeno Peppers, Pepper Jack Shredded Natural Cheese, Pizza Style Mozzarella & Cheddar Shredded Natural Cheese, Provolone Natural Cheese Slices, Reduced Fat 2% Milk Mozzarella String Cheese, Reduced Fat Mozzarella String Cheese with 2% Milk, Sharp Cheddar Finely Shredded Cheese, Sharp Cheddar Finely Shredded Natural Cheese, Sharp Cheddar Natural Cheese, Sharp Cheddar Natural Cheese Cubes. Sharp Natural Cheddar 2% Milk Cheese Block, Sharp Natural Cheddar Cheese Block, Sharp White Cheddar Shredded CLASS ACTION COMPLAINT

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made with milk from cows administered rbST.

- 5. Kraft's claim that its Products were "natural" was false, deceptive, and misleading in that they were made with milk from cows who were given rbST, which is an artificial hormone, and which unnaturally increased the cows' milk production.
- 6. While many of the Products are now made from milk produced without the artificial hormone rbST (collectively, the "Type A Products"), certain Kraft Natural Cheese products (e.g., varieties containing parmesan, asiago, and Romano cheese) continue to be made with milk from cows who were administered rbST (collectively, the "Type B Products").
- 7. Reasonable consumers, seeing Kraft's "natural" representations, would expect that the Products were made without the use of an "artificial hormone" such as rbST.
- 8. In sum, for years, Kraft deceived consumers into believing the Type A Products were made without the use of added synthetic hormones, when in fact, until recently, they were produced with milk from cows who were given such hormones. Kraft continues to deceive consumers with regard to the Type B Products, which are currently made with milk from cows who were administered rbST.
- By deceiving consumers about the nature and quality of the Products, Kraft has sold a greater volume of the Products, charged higher prices for the Products, and taken away market

Discovery may reveal that additional Kraft Natural Cheese products should be included within the scope of the allegations in this Complaint, and Plaintiff reserves the right to add such products.

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Natural Cheese, Shredded Colby & Monterey Jack Natural Cheese Blend, Shredded Mexican Style Four Cheese, Shredded Mild Cheddar Natural Cheese, Shredded Mozzarella 2% Milk Natural Cheese, Shredded Mozzarella Natural Cheese, Shredded Parmesan Cheese Shaker, Shredded Parmesan, Romano & Asiago Shredded Natural Cheeses, Shredded Sharp Cheddar Natural Cheese, Shredded Smoky Bacon Cheddar Cheese, Slim Cut Extra Sharp White Cheddar 2% Milk Natural Cheese Slices, Slim Cut Mozzarella Natural Cheese Slices, Slim Cut Sharp Cheddar 2% Milk Natural Cheese Slices, Slim Cut Swiss 2% Milk Natural Cheese Slices, Smoky Bacon Cheddar Cheese Big Slices String Jalapeno Low-Moisture Part-Skim Cheese, String Low-Moisture Part-Skim Mozzarella Cheese, Swiss Shredded Natural Cheese, Triple Cheddar Finely Shredded Natural Cheese, Twists 2% Mozzarella & Cheddar Natural Cheese, and Twists Mozzarella & Cheddar Natural Cheese Snacks.

share from competing products, thereby increasing its own sales and profits.

10. Because Kraft's labeling and advertising of the Products has been materially deceptive about the true nature and quality of the Products, Plaintiffs bring this deceptive advertising case on behalf of a class of consumers who purchased the Products in the United States while the Products contained rbST, including: (1) a subclass of all persons who purchased the Type B Products in the United States; (2) a subclass of all persons who purchased the Products in California; and (3) a subclass of all persons who purchased the Type B Products (as defined herein) in California. Plaintiffs seek relief including actual damages, interest, costs, reasonable attorneys' fees, and an order enjoining Kraft's unlawful and deceptive acts. Even today, proposed class members are purchasing the misrepresented Products, and they will continue to do so in the future unless Kraft's conduct is stopped.

JURISDICTION AND VENUE

- 11. This Court has original subject-matter jurisdiction over this proposed class action pursuant to 28 U.S.C. § 1332(d), the Class Action Fairness Act ("CAFA"). There are at least 100 members in the proposed classes. Plaintiffs are citizens of California. On information and belief, Defendant Kraft is a citizen of Delaware, Illinois, and Pennsylvania. The amount in controversy exceeds the sum of \$5,000,000, exclusive of interest and costs.
- 12. This Court has personal jurisdiction over the Defendant in that it regularly conducts and transacts business in California, purposefully avails itself of the laws of California, markets its Products to consumers in California, and distributes its Products to numerous retailers in California.
- 13. Venue is proper in this District under 28 U.S.C. § 1391(a). Substantial acts in furtherance of the alleged improper conduct, including the dissemination of false and misleading

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labeling and advertising regarding the nature and quality of the Products and sales of the Products at issue, occurred within this District.

PARTIES

- 14. The Kraft Heinz Company is a Delaware business corporation that maintains its principal places of business in Chicago, Illinois and Pittsburgh, Pennsylvania.
- 15. The Kraft Heinz Company was formed in July 2015 as a result of the merger of the H.J. Heinz Company with Kraft Foods Group, Inc. Defendant is the successor-in-interest to Kraft Foods Group, Inc.
- 16. Kraft manufactures and/or causes the manufacture of the Products. Kraft also advertises, markets, and distributes the Products in California. Kraft created and/or authorized the false and deceptive labeling and advertising of the Products.
- 17. Plaintiff Green is a citizen of the State of California, and a resident of Los Angeles County.
- 18. Plaintiff Koh is a citizen of the State of California, and a resident of San Mateo County.
- 19. At all times mentioned herein, Plaintiffs were and are individual consumers over the age of 18.
- 20. During the time period in which the following products were made with the artificial hormone rbST, Plaintiff Green purchased Kraft's Shredded Sharp Cheddar, Shredded Mild Cheddar, and Shredded Mexican Style Four Cheese Products labeled "Natural Cheese." From 2012-2020, Plaintiff Green purchased the above Products at least five times a year at Ralphs and Gelson's Market stores in the Los Angeles area.

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