UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK MANHATTAN COURTHOUSE

Alex Morales, individually and on behalf of all others similarly situated,

1:22-cv-10872

Plaintiff,

- against -

Class Action Complaint

Apple, Inc.,

Jury Trial Demanded

Defendant

Plaintiff alleges upon information and belief, except for allegations about Plaintiff, which are based on personal knowledge:

- 1. Apple, Inc. ("Defendant") manufactures, markets, and sells the Apple Watch, purporting to measure the oxygen level of a wearer's blood directly from their wrist ("Product").
- 2. The interest in blood oxygen levels extends began at least two hundred years ago hot air balloon flyers and mountain climbers needed to ensure survival.
 - 3. Later, these groups included astronauts, pilots and divers.
- 4. The early devices, were used in a person's ear, used light-based technology or spectrophotometry to measure oxygen levels.
- 5. In the 1970s, a fingertip oximeter was invented that was easier to use than its predecessors.
- 6. For decades, there have been reports that such devices were significantly less accurate in measuring blood oxygen levels based on skin color.
- 7. The "real world significance" of this bias lay unaddressed until the middle of the Coronavirus pandemic, which converged with a greater awareness of structural racism which exists in many aspects of society.



- 8. Researchers confirmed the clinical significance of racial bias of pulse oximetry using records of patients taken during and before the pandemic.
- 9. The conclusion was that "reliance on pulse oximetry to triage patients and adjust supplemental oxygen levels may place Black patients at increased risk for hypoxemia."
- 10. Since health care recommendations are based on readings of their blood oxygen levels, white patients are more able to obtain care than those with darker skin when faced with equally low blood oxygenation.
- 11. While traditional fingertip pulse oximeters are capable of measuring blood oxygen levels and heart rate, wrist-worn devices like the Product determine heart rate, as blood oxygen measurements from the wrist are believed inaccurate.
- 12. Algorithms designed for fingertip sensing are inappropriate when based on wrist measurements, and can lead to over 90% of readings being unusable.
- 13. Though one recent study concluded the Product was able to detect reduced blood oxygen saturation in comparison to medical-grade pulse oximeters this fails to recognize the failings of pulse oximetry in general with respect to persons of color.
- 14. As a result of the false and misleading representations, the Product is sold at a premium price, approximately no less than \$400, excluding tax and sales.

Jurisdiction and Venue

- 15. Jurisdiction is based on the Class Action Fairness Act of 2005 ("CAFA"). 28 U.S.C.§ 1332(d)(2).
- 16. The aggregate amount in controversy exceeds \$5 million, including any statutory and punitive damages, exclusive of interest and costs.
 - 17. Plaintiff is a citizen of New York.



- 18. Defendant is a California corporation with a principal place of business in California.
- 19. The class of persons Plaintiff seeks to represent includes persons who are citizens of different states from which Defendant is a citizen.
- 20. The members of the class Plaintiff seeks to represent are more than 100, because the Product has been sold with the representations described here from thousands of stores and over the internet, in the States Plaintiff seeks to represent.
- 21. Venue is in this District with assignment to the Manhattan Courthouse because Plaintiff resides in New York County and substantial part of the events or omissions giving rise to these claims occurred here, including the purchase and/or awareness of the issues identified.

Parties

- 22. Plaintiff Alex Morales is a citizen of New York, New York County, New York.
- 23. Defendant Apple, Inc. is a California corporation with a principal place of business in Cupertino, Santa Clara County, California.
 - 24. Plaintiff purchased the Product between 2020 and 2021.
- 25. Plaintiff was aware the Product purported to measure blood oxygen levels and he believed it did this without regard to skin tone, which was relevant to him based on his skin tone.
- 26. Plaintiff expected the Product would not incorporate biases and defects of pulse oximetry with respect to persons of darker skin tone.
 - 27. Plaintiff bought the Product at or exceeding the above-referenced price.
- 28. Plaintiff paid more for the Product than he would have had he known the representations and omissions were false and misleading, or would not have purchased it.
- 29. The value of the Product that Plaintiff purchased was materially less than its value as represented by Defendant.



Class Allegations

30. Plaintiff seeks certification under Fed. R. Civ. P. 23 of the following classes:

New York Class: All persons in the State of New York who purchased the Product during the statutes of limitations for each cause of action alleged; and

Consumer Fraud Multi-State Class: All persons in the States of North Dakota, Wyoming, Idaho, Alaska, Iowa, Mississippi, Arkansas, North Carolina and Utah who purchased the Product during the statutes of limitations for each cause of action alleged.

- 31. Common questions of issues, law, and fact predominate and include whether Defendant's representations were and are misleading and if Plaintiff and class members are entitled to damages.
- 32. Plaintiff's claims and basis for relief are typical to other members because all were subjected to the same unfair, misleading, and deceptive representations, omissions, and actions.
- 33. Plaintiff is an adequate representative because his interests do not conflict with other members.
- 34. No individual inquiry is necessary since the focus is only on Defendant's practices and the class is definable and ascertainable.
- 35. Individual actions would risk inconsistent results, be repetitive and are impractical to justify, as the claims are modest relative to the scope of the harm.
- 36. Plaintiff's counsel is competent and experienced in complex class action litigation and intends to protect class members' interests adequately and fairly.

New York General Business Law ("GBL") §§ 349 and 350

- 37. Plaintiff incorporates by reference all preceding paragraphs.
- 38. Plaintiff saw and relied on the label and expected the Product did not incorporate



biases and defects of pulse oximetry with respect to persons of darker skin tone.

39. Plaintiff would not have purchased the Product or paid as much if the true facts had been known, suffering damages.

<u>Violation of State Consumer Fraud Acts</u> (Consumer Fraud Multi-State Class)

- 40. The Consumer Fraud Acts of the States in the Consumer Fraud Multi-State Class are similar to the consumer protection statute invoked by Plaintiff and prohibit the use of unfair or deceptive business practices in the conduct of commerce.
- 41. The members of the Consumer Fraud Multi-State Class reserve their rights to assert their consumer protection claims under the Consumer Fraud Acts of the States they represent and/or the consumer protection statute invoked by Plaintiff.
- 42. Defendant intended that members of the Consumer Fraud Multi-State Class would rely upon its deceptive conduct, which they did, suffering damages.

Breaches of Express Warranty, Implied Warranty of Merchantability/Fitness for a Particular Purpose and Magnuson Moss Warranty Act, 15 U.S.C. §§ 2301, et seq.

- 43. The Product was manufactured, identified, marketed, and sold by Defendant and expressly and impliedly warranted to Plaintiff that it did not incorporate biases and defects of pulse oximetry with respect to persons of darker skin tone.
- 44. Defendant directly marketed the Product to Plaintiff through its advertisements and marketing, through various forms of media, on the packaging, in print circulars, direct mail, product descriptions, and targeted digital advertising.
- 45. Defendant knew the product attributes that potential customers like Plaintiff were seeking and developed its marketing and labeling to directly meet their needs and desires, which was a device that did not consider a person's ethnicity and skin color for adequate functioning.



DOCKET A L A R M

Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.

