# SUPERIOR COURT OF THE DISTRICT OF COLUMBIA CIVIL DIVISION

ORGANIC CONSUMERS ASSOCIATION,
a nonprofit corporation, 6771 South Silver Hill
Drive, Finland, MN 55603,

Plaintiff,

v.

THE KRAFT HEINZ COMPANY, 200 E Randolph St. Suite 7600, Chicago, IL 60601,

Defendant.

Case No.
Case No.

**COMPLAINT** 

**DEMAND FOR JURY TRIAL** 

# **COMPLAINT**

Plaintiff Organic Consumers Association ("OCA") brings this action against Defendant The Kraft Heinz Company ("Kraft" or "Defendant") regarding the deceptive marketing and sale of Kraft's cheese products as "Natural" when they are made with the artificial growth hormone rbST, and alleges the following based upon personal knowledge, information, and belief. This Complaint is on behalf of the general public of the District of Columbia, in the interests of consumers.

# **INTRODUCTION**

1. This is a consumer protection case concerning the deceptive marketing of dairy cheese products. The case is brought by OCA, a nonprofit, public interest organization dedicated to consumer protection. OCA seeks no monetary damages, only an end to the deceptive marketing and advertising at issue.

- 2. Due to concerns about health, animal welfare, and sustainability, consumers are increasingly concerned with how their food is produced.
- 3. In particular, consumers are concerned that the use of artificial growth hormones in animals raised for food contributes to health problems both for the animals themselves and for the humans who consume the final food product.
- 4. One such artificial hormone is recombinant bovine somatotropin (rbST), also known as recombinant bovine growth hormone (rbGH), which is injected in dairy cows to artificially increase milk production.
- 5. Studies have demonstrated that the use of rbST puts cows at significantly higher risk for serious health problems, which in turn necessitates increased antibiotic use.
- 6. Studies have also suggested that rbST use may increase the risk of certain cancers in humans who consume the milk products.
- 7. Milk produced with rbST can result in lower quality milk, as the milk may have increased fat content, decreased levels of proteins, and higher somatic cell counts, which makes the milk turn sour more quickly.
- 8. Kraft knows that consumers seek out and wish to buy dairy products made from milk produced 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.
  - 9. To capture this growing market, Kraft markets its cheese products as "natural."
- 10. Knowing that consumers wish to avoid products made with artificial hormones, on January 9, 2019, Kraft announced that "KRAFT Natural Cheese is Now Made from Milk without the Artificial Hormone rbST."<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> 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),

- 11. This is not entirely true. While many of Kraft's Natural Cheese Products are now made from milk produced without the artificial hormone rbST, 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 (the "Products").
- 12. Reasonable consumers, seeing Kraft's "natural" representations, would expect that the Products are made without the use of an artificial hormone such as rbST.
- 13. Thus, Kraft's "natural" representations deceive D.C. consumers about the nature and quality of its Products, which are made with milk from cows who were administered rbST.

# **STATUTORY FRAMEWORK**

- 14. This action is brought under the District of Columbia Consumer Protection Procedures Act ("CPPA"), D.C. Code § 28-3901, et seq.
  - 15. The CPPA makes it a violation for "any person" to, *inter alia*:

Represent that goods or services have a source, sponsorship, approval, certification, accessories, characteristics, ingredients, uses, benefits, or quantities that they do not have;

Represent that goods or services are of a particular standard, quality, grade, style, or model, if in fact they are of another;

Misrepresent as to a material fact which has a tendency to mislead;

Fail to state a material fact if such failure tends to mislead;

Use innuendo or ambiguity as to a material fact, which has a tendency to mislead; or

Advertise or offer goods or services without the intent to sell them or without the intent to sell them as advertised or offered.

D.C. Code § 28-3904(a), (d), (e), (f), (f-1), (h).

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 [hereinafter *Kraft rbST Update*].

- 16. A violation of the CPPA may occur regardless of "whether or not any consumer is in fact misled, deceived or damaged thereby." *Id.* § 28-3904.
- 17. The CPPA "establishes an enforceable right to truthful information from merchants about consumer goods and services that are or would be purchased, leased, or received in the District of Columbia." *Id.* § 28-3901(c). The statute "shall be construed and applied liberally to promote its purpose." *Id.*
- 18. Because OCA is a public interest organization, it may act on behalf of the general public and bring any action that an individual consumer would be entitled to bring:
  - [A] public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District if the consumer or class could bring an action under subparagraph (A) of this paragraph for relief from such use by such person of such trade practice.
- *Id.* § 28-3905(k)(1)(D)(i). Subparagraph (A) provides: "A consumer may bring an action seeking relief from the use of a trade practice in violation of a law of the District."
- 19. A public interest organization may act on behalf of consumers, *i.e.*, the general public of the District of Columbia, so long as the organization has "sufficient nexus to the interests involved of the consumer or class to adequately represent those interests." *Id.* § 28-3905(k)(1)(D)(ii). As set forth in this Complaint, *see infra* ¶¶ 44-46, Plaintiff OCA's mission is to advocate for and educate consumers, which it has long done within the District of Columbia, and OCA has previously represented D.C. consumers in similar actions under the CPPA. OCA thus has a sufficient nexus to D.C. consumers to adequately represent their interests.
- 20. This is not a class action, or an action brought on behalf of a specific consumer or consumers, but an action brought by OCA on behalf of the general public, *i.e.*, D.C. consumers generally. No class certification will be requested.

21. This action does not seek damages. Instead, OCA seeks to end the unlawful conduct directed at D.C. consumers. Remedies available under the CPPA include "[a]n injunction against the use of the unlawful trade practice" and "[a]ny other relief which the court determines proper." *Id.* § 28-3905(k)(2)(D), (F).

# FACT ALLEGATIONS

- I. Kraft Falsely and Deceptively Represents That Its Products Are "Natural" When They Are Made with the Artificial Growth Hormone rbST.
- 22. Kraft markets and advertises the Products in the District of Columbia. It seeks to reach the District's consumers online through its company websites, social media, and other media.<sup>2</sup>
- 23. Kraft's packaging and advertising for the Products, including Products sold in the District of Columbia, feature the claim "Natural Cheese." Examples of the Product packaging are shown below:

<sup>&</sup>lt;sup>2</sup> E.g., Kraft Cheese, https://www.myfoodandfamily.com/brands/kraftcheese (last visited Dec. 14, 2020); Kraft Natural Cheese (@KraftNaturalCheese), Facebook, https://www.facebook.com/KraftNaturalCheese/?ref=page\_internal (last visited Dec. 15, 2020); Kraft Natural Cheese (@kraftcheese), Twitter, https://twitter.com/kraftcheese?lang=en (last visited Dec. 15, 2020); Kraft Natural Cheese (@kraft.naturalcheese), Instagram, https://www.instagram.com/kraft.naturalcheese/?hl=en (last visited Dec. 15, 2020).

<sup>&</sup>lt;sup>3</sup> See, e.g., Kraft Parmesan Finely Shredded Natural Cheese 6 oz Pouch, Kraft Cheese, https://www.myfoodandfamily.com/brands/kraftcheese/product/00021000054930/kraft-parmesan-finely-shredded-natural-cheese-6-oz-pouch (last visited Dec. 15, 2020).





- 24. Reasonable consumers interpret Kraft's "natural" claim as meaning that its Products are made with milk produced without the use of artificial hormones.
- 25. A 2015 nationally representative consumer survey conducted by Consumer Reports Survey Group found that 64% of consumers believe the claim "natural" on food means that no artificial growth hormones were used.<sup>4</sup>
- 26. A 2019 survey commissioned by the Corn Refiners Association found that more than half of consumers believe the claim "natural" for food means "no hormones and antibiotics."<sup>5</sup>

<sup>4</sup> Natural and Antibiotics Labels Survey: 2015 Nationally Representative Phone Survey, Consumer Reports Survey Group, https://foodpolitics.com/wp-content/uploads/Consumer-Reports-Natural-Food-Labels-Survey-Report.pdf.

<sup>&</sup>lt;sup>5</sup> Jayson Lusk, Consumer Perceptions of Healthy and Natural Food Labels, (Jan. 15, 2019), https://static1.squarespace.com/static/502c267524aca01df475f9ec/t/5c4df49440ec9a53af435ab4/1548612761167/report\_revised.pdf.

- 27. There is nothing natural about the use of rbST in dairy production. rbST is synthetically produced using genetic technology. It is administered to dairy cows to artificially increase milk production and thereby reduce the cost of milk production.
  - 28. Kraft itself refers to rbST as an "artificial" hormone.<sup>6</sup>
- 29. Kraft has acknowledged that the Products are produced with milk from cows that are treated with rbST, but this fact is not disclosed on the packaging of the products that are labeled as "natural."
- 30. Thus, Kraft's marketing of the Products as "natural"—which suggests to consumers that the Products are made without the use of artificial hormones—is false and misleading to D.C. consumers.

#### II. Kraft's Representations Are Material to D.C. Consumers.

- 31. Kraft's "natural" representations are not only false and deceptive, they are material to D.C. consumers.
- 32. Although rbST is legally allowed for use in dairy cows in the United States, it has been banned in the European Union, Canada, and other countries.
- 33. The use of rbST puts cows at significantly higher risk for serious health problems. Studies have found that cows treated with rbST suffer a 55% increased risk of lameness, 40% increased risk of reproductive problems, and 25% increased risk of clinical mastitis.<sup>8</sup>
- 34. The greater incidence of mastitis leads to increased use of antibiotics in dairy production, which in turn contributes to the growing threat of antibiotic resistance. According to

<sup>&</sup>lt;sup>6</sup> Kraft rbST Update, supra note 1.

<sup>&</sup>lt;sup>7</sup> *Id.* (noting that "Parmesan, Romano, Asiago, Touch of Philadelphia and KRAFT processed cheese" are made with rbST).

<sup>&</sup>lt;sup>8</sup> I. R. Dohoo et al., *A meta-analysis review of the effects of recombinant bovine somatotropin: Effects on animal health, reproductive performance, and culling*, 67 Can. J. Veterinary Res. 252 (Oct. 2003), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC280709/.

the Centers for Disease Control, "Antibiotic resistance—the ability of germs to defeat the drugs designed to kill them—is one of the greatest global public health challenges of our time." 9

- 35. Because of their poorer overall welfare, rbST-treated cows are culled at a higher rate than nontreated cows.<sup>10</sup>
- 36. Furthermore, studies have suggested that rbST use may elevate levels of insulinlike growth factor 1 (IGF–1), increasing the risk of certain cancers in humans who consume milk products.<sup>11</sup>
- 37. Milk produced with rbST also can be inferior to milk produced without artificial hormones. Compared to milk produced without rbST, milk from cows treated with rbST can have increased fat content and decreased levels of proteins, as well as higher counts of somatic cells (*i.e.*, pus), which makes the milk turn sour more quickly.<sup>12</sup>
- 38. Concerned about the risks associated with artificial hormones in dairy production, consumers want to avoid buying products made with rbST and will pay more for products made without artificial hormones.
- 39. Kraft knows this. Indeed, Kraft cited the fact that "[o]ver half of all consumers try to avoid added hormones in their food" as a reason why it purportedly stopped using milk from cows treated with rbST in its "Natural Cheese" products.<sup>13</sup>

<sup>&</sup>lt;sup>9</sup>Antibiotic Resistance Threats in the United States, Ctr.s for Disease Control (Dec. 2019), https://www.cdc.gov/drugresistance/pdf/threats-report/2019-ar-threats-report-508.pdf, at 3. More than 2.8 million antibiotic-resistant infections occur in the United States each year, and more than 35,000 people die as a result. *Id.* at vii

<sup>&</sup>lt;sup>10</sup> An HSUS Report: The Welfare of Cows in the Dairy Industry, Humane Soc'y of the United States, https://www.humanesociety.org/sites/default/files/docs/hsus-report-animal-welfare-cow-dairy-industry.pdf, at 8 (last visited Dec. 15, 2020).

<sup>&</sup>lt;sup>11</sup> Federal Court Strikes Down Ohio Ban on RBGH-Free Labels on Dairy Products, Ctr. for Food Safety (Sept. 30, 2010), https://www.centerforfoodsafety.org/press-releases/810/federal-court-strikes-down-ohio-ban-on-rbgh-free-labels-on-dairy-products.

<sup>&</sup>lt;sup>12</sup> Int'l Dairy Foods Ass'n v. Boggs, 622 F.3d 628, 636–37 (6th Cir. 2010).

<sup>&</sup>lt;sup>13</sup> Kraft rbST Update, supra note 1.

40. Kraft labels and advertises its Products as "Natural Cheese" to capture consumers who wish to avoid foods made with artificial hormones.

# **PARTIES**

- 41. The Kraft Heinz Company is a Delaware business corporation that maintains its principal places of business in Chicago, Illinois and Pittsburgh, Pennsylvania.
- 42. Kraft manufactures and/or causes the manufacture of the Products. Kraft also advertises, markets, and distributes the Products in the District of Columbia. Kraft created and/or authorized the false and deceptive labeling and advertising of the Products.
- 43. Kraft's Products are available in a wide variety of national supermarket chains, regional stores, and other retail outlets, including stores in the District.
- 44. Plaintiff OCA is a 501(c)(3) nonprofit public interest organization that deals with crucial issues of truth in advertising, accurate food labeling, food safety, children's health, corporate accountability, and environmental sustainability.
- 45. OCA performs work throughout the United States, including in the District. Some of OCA's staff, including its political director, reside and work in or near the District. OCA has members who reside in the District, and it has represented District consumers in a variety of actions.
- 46. OCA formed in 1998 in the wake of backlash by consumers against the U.S. Department of Agriculture's proposed national regulations for organic food. In its public education, network-building, and mobilization activities, OCA works with a broad range of public interest organizations to challenge industrial agriculture and corporate globalization, and to inspire consumers to "Buy Local, Organic, and Fair Made." OCA focuses on promoting the views and interests of consumers, including the United States' estimated 50 million organic and socially

responsible consumers. OCA's media team provides background information, interviews, and story ideas to media producers and journalists on a regular basis. OCA represents and advances the rights and interests of consumers by educating consumers on food safety, industrial agriculture, genetic engineering, corporate accountability, and environmental sustainability issues. OCA uses funds it raises to protect the environment by promoting regenerative, organic, and/or sustainable agriculture. As part of this work, OCA has engaged in efforts to educate consumers about the realities of industrial dairy production. OCA also uses its funds and member base to pressure food companies to adopt honest labeling practices to benefit consumers. OCA's website, publications, public education, research, network building, and mobilization activities provide an important service to consumers and community activists every month.

#### **JURISDICTION**

- 47. This Court has personal jurisdiction over the parties in this case. OCA has a presence in the District and consents to this Court having personal jurisdiction over the organization.
- 48. This Court has personal jurisdiction over Kraft because Kraft has purposefully directed its conduct to the District and has availed itself of the benefits and protections of District of Columbia law. The Products can be, and are, purchased in the District by District consumers.
- 49. This Court has subject-matter jurisdiction over this action under the CPPA, D.C. Code § 28-3901, *et seq*.

# **CAUSE OF ACTION**

# Violations of the District of Columbia Consumer Protection Procedures Act

50. OCA incorporates by reference all the allegations of the preceding paragraphs of this Complaint.

- 51. OCA is a nonprofit, public interest organization that brings these claims on behalf of the general public of D.C. consumers. *See* D.C. Code § 28-3905(k)(1)(D)(i).
- 52. Through § 28-3905(k)(1)(D)(i), the CPPA explicitly allows a public interest organization to stand in the shoes of a consumer to seek relief from any violation of the CPPA.
- 53. Kraft is a "person" and a merchant that provides "goods" within the meaning of the CPPA. *See id.* § 28-3901(a)(1), (3), (7).
- 54. Kraft has falsely and deceptively labeled and marketed the Products as "natural" when, in fact, the Products are made with milk from cows treated with artificial hormones.
- 55. Thus, Kraft has violated, and continues to violate, the CPPA by "represent[ing] that goods . . . have a source . . . [or] characteristics . . . that they do not have"; "represent[ing] that goods . . . are of a particular standard, quality, grade, style, or model, if in fact they are of another"; "misrepresent[ing] as to a material fact which has a tendency to mislead"; "fail[ing] to state a material fact if such failure tends to mislead"; "us[ing] innuendo or ambiguity as to a material fact, which has a tendency to mislead"; and "advertis[ing] . . . goods . . . without the intent to sell them as advertised." *See id.* § 28-3904(a), (d), (e), (f), (f-1), (h).

# **JURY TRIAL DEMAND**

56. Plaintiff OCA hereby demands a trial by jury.

# PRAYER FOR RELIEF

*Wherefore*, Plaintiff OCA prays for judgment against Kraft and requests the following relief:

- a. A declaration that Kraft's conduct is in violation of the CPPA;
- b. An order enjoining Kraft's conduct found to be in violation of the CPPA; and

c. An order granting Plaintiff costs and disbursements, including reasonable attorneys' fees and expert fees, and prejudgment interest at the maximum rate allowable by law.

# RICHMAN LAW AND POLICY

M. E. Mi

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Counsel for Plaintiff

# **Superior Court of the District of Columbia**

# CIVIL DIVISION- CIVIL ACTIONS BRANCH

# INFORMATION SHEET

Organic Consumers Association	Case Number:			
vs	Date:December 16, 2020			
The Kraft Heinz Company	One of the defendants is being sued in their official capacity.			
Name: (Please Print) Kim E. Richman	Relationship to Lawsuit			
Firm Name: Richman Law and Policy				
Telephone No.: Six digit Unified Bar No.: (718) 705-4579	1022978	_		
TYPE OF CASE: Non-Jury 6 Pers Demand: \$	on Jury Other:			
PENDING CASE(S) RELATED TO THE ACTION BE Case No.: Judge:	EING FILED Calendar #:			
Case No.: Judge:	Calendar#:			
NATURE OF SUIT: (Check One Box Only)				
A. CONTRACTS COLLECTION CASES				
□ 01 Breach of Contract □ 14 Under \$25,000 Pltf. Grants Consent □ 16 Under \$25,000 Consent Denied □ 02 Breach of Warranty □ 17 OVER \$25,000 Pltf. Grants Consent □ 18 OVER \$25,000 Consent Denied □ 18 OVER \$25,000 Consent Denied □ 18 Engloyment Discrimination □ 18 Employment Disc				
B. PROPERTY TORTS				
☐ 01 Automobile ☐ 03 Destruction of Private Property ☐ 05 Trespass ☐ 02 Conversion ☐ 04 Property Damage ☐ 07 Shoplifting, D.C. Code § 27-102 (a)				
C. PERSONAL TORTS				
	nder Not Malpractice) erference 18Wrongful Death (Not Malprosecution 19 Wrongful Eviction 20 Friendly Suit 21 Asbestos Not Automobile, 22 Toxic/Mass Torts			

SEE REVERSE SIDE AND CHECK HERE

IF USED

# Information Sheet, Continued

C. OTHERS  O1 Accounting O2 Att. Before Judgment O5 Ejectment O9 Special Writ/Warrants (DC Code § 11-941) I0 Traffic Adjudication I1 Writ of Replevin I2 Enforce Mechanics Lien I6 Declaratory Judgment	☐ 17 Merit Personnel Act (OEA) (D.C. Code Title 1, Chapter 6) ☐ 18 Product Liability ☐ 24 Application to Confirm, Modify, Vacate Arbitration Award (DC Code ☐ 29 Merit Personnel Act (OHR) ☐ 31 Housing Code Regulations ☐ 32 Qui Tam ☐ 33 Whistleblower	e § 16-4401)
II.  03 Change of Name 06 Foreign Judgment/Domestic 08 Foreign Judgment/Internation 13 Correction of Birth Certificate 14 Correction of Marriage Certificate 26 Petition for Civil Asset Forfe 27 Petition for Civil Asset Forfe 28 Petition for Civil Asset Forfe	2-1802.03 (h) or 32-151 9 (a)] 20 Master Meter (D.C. Code § 42-3301, et seq.) iture (Vehicle) iture (Currency)	☐ 21 Petition for Subpoena  [Rule 28-I (b)] ☐ 22 Release Mechanics Lien ☐ 23 Rule 27(a)(1)  (Perpetuate Testimony) ☐ 24 Petition for Structured Settlement ☐ 25 Petition for Liquidation
D. REAL PROPERTY	l Sale 31 Tax Lien Bid Off Certifica	t Denied
μ. ε./C	7 	December 16, 2020
Attorney's Signatur	re	Date