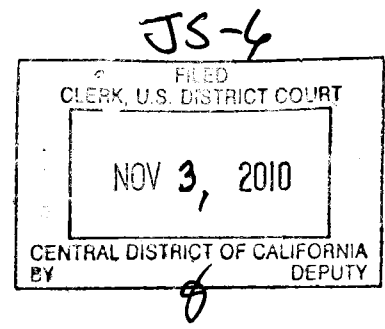


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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EILEEN PEVIANI ET AL.,
Plaintiffs,
v.
HOSTESS BRANDS, INC. ET AL.,
Defendants.

No. CV 10-2303 CBM (VBKx)

ORDER:
(1) GRANTING DEFENDANTS' MOTION TO DISMISS PLAINTIFFS' FIRST AMENDED COMPLAINT; AND
(2) GRANTING IN PART DEFENDANTS' REQUEST FOR JUDICIAL NOTICE

The matters before the Court are (1) Defendants Hostess Brands, Inc.'s, Interstate Brands Corporation's, and IBC Sales Corporation's (collectively, "Defendants") "Motion to Dismiss Plaintiffs' First Amended Complaint for Lack of Personal Jurisdiction and Failure to State a Claim for Relief" ("Motion to Dismiss"); and (2) "Request for Judicial Notice in Support of Defendants' Notice of Motion and Motion to Dismiss First Amended Complaint and Each Claim Thereof" ("Request for Judicial Notice"). [Doc. Nos. 19, 21].

JURISDICTION

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1332, 1367 and 15 U.S.C. § 1121.

FACTUAL AND PROCEDURAL BACKGROUND

1
2 In this putative class action, Plaintiff Victor Guttman (“Plaintiff”) alleges
3 that Defendants use misleading, deceptive, and fraudulent misstatements and
4 omissions to market six (6) varieties of baked-goods products under the label
5 “Hostess 100 Calorie Packs.”¹ (First Amended Complaint (“First. Am. Compl.”)
6 at ¶¶ 4-7, 61.) In particular, Plaintiff alleges that Defendants market Hostess 100
7 Calorie Packs as containing “0 Grams of Trans Fat,” even though such products
8 contain partially hydrogenated oils (“PVHO”). (*Id.* at ¶¶ 5, 61.)

9 Plaintiff alleges that artificial trans fat is manufactured through a process of
10 partial hydrogenation that results in the production of PVHO. (*Id.* at ¶¶ 24, 25.)
11 Although PHVO was once touted as a “wonder product,” he alleges that it is now
12 known to have a detrimental impact on human health and has been attributed to
13 numerous health conditions, including heart disease, diabetes, cancer, obesity,
14 liver dysfunction, Alzheimer’s disease, and female infertility. (*Id.* at ¶¶ 27, 30, 43,
15 46; Plaintiff’s Opposition to Defendant Hostess Brands, Inc.’s Motion to Dismiss
16 (“Pl.’s Opp’n”) at 1:9-12.) Plaintiff further alleges that Hostess 100 Calorie Packs
17 therefore contain “dangerous levels of artificial trans fat” because there is no safe
18 level of artificial trans fat intake. (First Am. Compl. at ¶¶ 5, 53.)

19 Plaintiff alleges that he purchased Hostess 100 Calorie Packs at grocery and
20 convenience stores in California beginning in approximately January 2007. (*Id.* at
21 ¶¶ 15-16.) He further alleges that he read and relied on Defendants’ representation
22 that Hostess 100 Calorie Packs contained “0 Grams of Trans Fat” in deciding to
23 purchase these products. (*Id.* at ¶ 20.) Plaintiff also alleges that, absent
24 Defendants’ misstatements and omissions, he and other class members would not
25 have purchased Hostess 100 Calorie Packs. (*Id.* at ¶ 7.)

26
27 ¹ The six (6) varieties of Hostess 100 Calorie Packs include the following products: Cinnamon Streusel Coffee
28 Cakes, Twinkie Bites Golden Sponge Cake with Creamy Filling, Chocolate Cake with Creamy Filling, Lemon
Golden Cake with Creamy Filling, Strawberry Cake with Cream Cheese Icing and Creamy Filling, and Carrot Cake
with Cream Cheese Icing and Creamy Filling. (First Amended Complaint at ¶ 4.)

1 On March 30, 2010, Plaintiff and Eileen Peviani filed a Complaint against
2 Hostess Brands, Inc. (“Hostess”). [Doc. No. 1.] On May 6, 2010, Hostess filed a
3 Motion to Dismiss the Complaint, [Doc. No. 9], and a Request for Judicial Notice.
4 [Doc. No. 12.] Plaintiff and Eileen Peviani thereafter filed a First Amended
5 Complaint on May 26, 2010, [Doc. No. 16], alleging the following five causes of
6 action against Hostess, Interstate Brands Corporation, and IBC Sales Corporation:
7 (1) false advertising in violation of the Lanham Act; (2) violations of the
8 California Unfair Competition Law (“UCL”); (3) violations of the California False
9 Advertising Law (“FAL”); (4) violations of the California Consumer Legal
10 Remedies Act (“CLRA”); and (5) violations of the Missouri Merchandise
11 Practices Act (“MMPA”). (First Am. Compl. at ¶¶ 73-109.)

12 Plaintiff brings this action on behalf of himself and two classes: (1) for
13 restitution and damages on behalf of all persons “who purchased, on or after
14 January 1, 2007, one or more of the Hostess [100 Calorie Packs] in the United
15 States for their own use rather than resale or distribution”; and (2) for injunctive
16 relief on behalf of all persons “who commonly purchase or are in the market for
17 one or more Hostess [100 Calorie Packs] in the United States for their own use
18 rather than resale or distribution.” (*Id.* at ¶ 62.)

19 On June 23, 2010, Defendants filed the instant Motion to Dismiss and a
20 Request for Judicial Notice. [Doc. Nos. 19, 21.] An opposition and reply to the
21 Motion to Dismiss were filed thereto.² [Doc. Nos. 23, 26.] Plaintiff Eileen
22 Peviani voluntarily dismissed all of her claims, without prejudice, as against all
23 Defendants on August 26, 2010.³ [Doc. No. 35.]

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25
26 ² Following the July 29, 2010 hearing, Defendants continued to file documents concerning the Motion to Dismiss
27 without leave from the Court. [Docs. No. 41, 48.] Either party’s failure to comply with the Local Rules, the
28 Court’s Standing Order, or the Court’s orders may result in the imposition of sanctions. *See, e.g.*, L.R. 7-10.

³ The Court therefore declines to address Defendants’ argument that Eileen Peviani lacks standing because it is
moot.

LEGAL STANDARD

1
2 A complaint may be dismissed for failure to state a claim upon which relief
3 can be granted. FED. R. CIV. P. 12(b)(6). The court, viewing all allegations in
4 the complaint in the light most favorable to the plaintiff, must decide if the
5 plaintiff alleges enough facts to state a claim for relief that is plausible on its face.
6 *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). “While a complaint
7 attacked by a Rule 12(b)(6) motion to dismiss does not need detailed factual
8 allegations, . . . a plaintiff’s obligation to provide the ‘grounds’ of his
9 ‘entitle[ment] to relief’ requires more than labels and conclusions, and a formulaic
10 recitation of the elements of a cause of action will not do.” *Id.* at 555 (citations
11 omitted). In other words, courts must review the complaint to determine: (1) if it
12 alleges genuine facts, rather than mere legal conclusions; (2) if the facts alleged
13 (assumed to be true), as well as the reasonable inferences drawn therefrom,
14 establish a claim; and (3) if relief based upon the facts alleged is plausible.
15 *Ashcroft v. Iqbal*, __ U.S. __, 129 S.Ct. 1937, 1949-50 (2009). “For a complaint
16 to survive a motion to dismiss, the non-conclusory ‘factual content,’ and
17 reasonable inferences from that content, must be plausibly suggestive of a claim
18 entitling the plaintiff to relief.” *Moss v. United States Secret Serv.*, 572 F.3d 962,
19 969 (9th Cir. 2009).

20 If a district court grants a motion to dismiss, it must also decide whether to
21 permit a plaintiff to amend the pleading. Although the policy favoring
22 amendments must be applied with “extreme liberality,” *Morongo Band of Mission*
23 *Indians v. Rose*, 893 F.2d 1074, 1079 (9th Cir. 1990), leave to amend is not
24 required when “the pleading could not possibly be cured by the allegation of other
25 facts.” *Knappenberger v. City of Phoenix*, 566 F.3d 936, 942 (9th Cir. 2009)
26 (quoting *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000)).
27
28

DISCUSSION

I. DEFENDANTS' REQUEST FOR JUDICIAL NOTICE

Defendants request that the Court take judicial notice of numerous documents: (1) the Food Labeling Guide issued by the United States Food and Drug Administration ("FDA"); (2) product labels for the six (6) varieties of Hostess 100 Calorie Packs at issue; (3) an Order Granting Defendant's Motion to Dismiss with Prejudice in *Rosen v. Unilever United States, Inc.*, Case No. C09-02563 (N.D. Cal. May 3, 2010) (Ware, J.); (4) an Order Granting in Part and Denying in Part Defendant's Motion to Dismiss in *Yumul v. Smart Balance, Inc.*, Case No. CV10-00927 (C.D. Cal. May 24, 2010) (Morrow, J.); and (5) the declaration of J. Randall Vance, Senior Vice President of Finance and Treasurer at Hostess, in Support of Defendant Hostess Brands, Inc.'s Motion to Dismiss filed May 6, 2010 ("Vance Declaration").

Pursuant to Federal Rule of Evidence 201, "[a] court shall take judicial notice if requested by a party and supplied with the necessary information." FED. R. EVID. 201(d). An adjudicative fact may be judicially noticed if it is "not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." FED. R. EVID. 201(b). Thus, a court "may take judicial notice of matters of public record, including duly recorded documents, and court records available to the public through the Pacer system via the internet." *C.B. v. Sonora Sch. Dist.*, 691 F. Supp. 2d 1123, 1138 (E.D. Cal. 2009) (Wanger, J.); *see also Holder v. Holder*, 305 F.3d 854, 866 (9th Cir. 2002).

a. The FDA Food Labeling Guide

Defendants request that the Court take judicial notice of the FDA Food Labeling Guide, which is a regulatory guideline disseminated by the FDA in order to provide nonbinding guidance regarding requirements for trans fat labeling.

1 (Request for Judicial Notice (“Req. for Judicial Notice”) at 2:4-6, Ex. A (Ex. A
2 thereto).) The Court finds that the FDA Food Labeling Guide is a judicially
3 noticeable document. *See Ries v. Hornell Brewing Co.*, 2010 U.S. Dist. LEXIS
4 86384, *16 n.3 (N.D. Cal. July 23, 2010) (Fogel, J.) (taking judicial notice of a
5 document on the FDA’s website); *see also Hansen Bev. Co. v. Innovation*
6 *Ventures, LLC*, 2009 U.S. Dist. LEXIS 127605, *6-7 (S.D. Cal. Dec. 23, 2009)
7 (Gonzalez, J) (explaining that information on government agency websites is often
8 judicially noticeable).

9 ***b. Hostess 100 Calorie Pack Product Labels***

10 Defendants also request that the Court take judicial notice of the product
11 labels for the six (6) Hostess 100 Calorie Pack products that are the subject of
12 Plaintiffs’ First Amended Complaint. (Req. for Judicial Notice at 2:4-6, Ex. A
13 (Ex. B thereto).) Although the photocopied product labels submitted by
14 Defendants show additional product labeling, the images are even more illegible
15 than those attached to Plaintiffs’ First Amended Complaint. In some cases, the
16 names and descriptions of the products on the front of the packaging are
17 unreadable, and for most of the copies, the nutritional labeling on the back of the
18 packaging is similarly unreadable. The Court therefore denies Defendants’
19 request for judicial notice of the Hostess 100 Calorie Pack product labels. The
20 Court notes, however, that it does not need to rely on the product labels to decide
21 the Motion to Dismiss.

22 ***c. District Court Decisions***

23 In addition, Defendants request that the Court take judicial notice of two
24 district court decisions: (1) an Order Granting Defendant’s Motion to Dismiss
25 with Prejudice in *Rosen v. Unilever United States, Inc.*, Case No. C09-02563
26 (N.D. Cal. May 3, 2010) (Ware, J.); and (2) an Order Granting in Part and
27 Denying in Part Defendant’s Motion to Dismiss in *Yumul v. Smart Balance, Inc.*,
28 Case No. CV10-00927 (C.D. Cal. May 24, 2010) (Morrow, J.). (*Id.* at 2:4-6, 2:10-

1 19, Exs. A (Ex. C thereto), C.) Although the Court finds that the decisions in
2 *Rosen* and *Yumul* are judicially noticeable, the Court notes that these decisions
3 have no binding authority on this Court. *See Hart v. Massanari*, 266 F.3d 1155,
4 1174 (9th Cir. 2001) (explaining that “the binding authority principle applies only
5 to appellate decisions, and not to trial court decisions”).

6 ***d. The Vance Declaration***

7 Finally, Defendants request that the Court take judicial notice of the Vance
8 Declaration. (Req. for Judicial Notice at 2:7-9, Ex. B.) For the reasons set forth
9 above, the Court takes judicial notice of this document; however, Defendants
10 should have re-filed the Vance Declaration with the Motion to Dismiss rather than
11 require the Court to take judicial notice of an additional document.

12 **II. PLAINTIFF’S STATE LAW CLAIMS ARE PREEMPTED BY**
13 **FEDERAL LAW**

14 ***a. Statutory Framework***

15 The Federal Food, Drug, and Cosmetic Act (“FDCA”) sets forth a
16 comprehensive federal scheme for the regulation of food. *See Rosen v. Unilever*
17 *United States, Inc.*, 2010 U.S. Dist. LEXIS 43797, *6-7 (N.D. Cal. May 3, 2010)
18 (Ware, J.). In 1990, Congress amended the FDCA, through the Nutrition Labeling
19 and Education Act (“NLEA”), 21 U.S.C. §§ 341, *et seq.*, “to ‘clarify and . . .
20 strengthen the [FDA’s] legal authority to require nutrition labeling on foods, and
21 to establish the circumstances under which claims may be made about nutrients in
22 food.’” *Chacanaca v. Quaker Oats Co.*, 2010 U.S. Dist. LEXIS 111981, *7-8
23 (N.D. Cal. Oct. 14, 2010) (Seeborg, J.) (quoting H.R. Rep. No. 101-158, at 7
24 (1990), reprinted in 1990 U.S.C.C.A.N. 3336, 3337). In accordance with the
25 NLEA, the FDA has promulgated regulations with respect to food labels. *See,*
26 *e.g.*, 21 C.F.R. §§ 101.1-101.18.

27 Generally, a food is misbranded if “its labeling is false or misleading in any
28 particular.” 21 U.S.C. § 343(a)(1). Two sections of the NLEA, 21 U.S.C. §§

1 343(q) and (r), directly apply to whether the use of the phrase “0 Grams of Trans
2 Fat” outside of a Nutrition Facts Panel constitutes false or misleading branding.

3 Section 343(q) enumerates the requirements for the labeling of nutrition
4 information, which typically appear in the Nutrition Facts panel. 21 U.S.C. §
5 343(q). The nutrition information labeling must include, among other things, the
6 amount of saturated fat and total fat in each serving size. 21 U.S.C. §
7 343(q)(1)(D). The accompanying regulation requires that the trans fat content in
8 each serving must also be expressed on nutrition information labels. 21 C.F.R. §
9 101.9(c)(2)(ii). The regulation further requires that, if a serving of trans fat
10 “contains less than 0.5 gram, the content, when declared, shall be expressed as
11 zero.” *Id.*

12 Meanwhile, section 343(r) governs (1) the labeling of nutrient content; and
13 (2) the relationship of such nutrients to diseases or health-related conditions. 21
14 U.S.C. § 343(r). An accompanying regulation applies to express nutrient content
15 claims, or those “direct statement[s] about the level (or range) of a nutrient in the
16 food, e.g., ‘low sodium’ or ‘contains 100 calories.’” 21 C.F.R. § 101.13(b)(1).
17 Express nutrient content claims may be included in labeling so long as “[t]he
18 statement does not in any way implicitly characterize the level of the nutrient in
19 the food and is not false or misleading in any respect (e.g., ‘100 calories’ or ‘5
20 grams of fat’), in which case no disclaimer is required.” 21 C.F.R. § 101.13(i)(3).
21 Finally, “[a] statement of the type required by [section 343(q)] that appears as part
22 of the nutrition information required or permitted by such paragraph is not a claim
23 which is subject to [section 343(r)].” 21 U.S.C. § 343(r)(1).

24 ***b. Federal Preemption Doctrine***

25 The Supremacy Clause of the Constitution empowers Congress to make
26 laws that preempt state law. *Von Saher v. Norton Simon Museum of Art in*
27 *Pasadena*, 592 F.3d 954, 960 (9th Cir. 2010). “Federal preemption occurs when:
28 (1) Congress enacts a statute that explicitly pre-empts state law; (2) state law

1 actually conflicts with federal law; or (3) federal law occupies a legislative field to
2 such an extent that it is reasonable to conclude that Congress left no room for state
3 regulation in that field.” *Chae v. SLM Corp.*, 593 F.3d 936, 941 (9th Cir. 2010)
4 (quoting *Tocher v. City of Santa Ana*, 219 F.3d 1040, 1045 (9th Cir. 2000),
5 abrogated on other grounds). “Laws regulating the proper marketing of food,
6 including the prevention of deceptive sales practices, are within the states’ historic
7 police powers and thus subject to the presumption against preemption.” *Hansen*,
8 2009 U.S. Dist. LEXIS 127605, at *32; *see also Medtronic, Inc. v. Lohr*, 518 U.S.
9 470, 485 (1996). Consumer protection laws, such as the UCL, FAL, and CRLA,
10 are nonetheless preempted if they seek to impose requirements that contravene the
11 requirements set forth by federal law. *See Wyeth v. Levine*, ___, U.S. ___, 129 S.Ct.
12 1187, 1200 (2009); *see also Chacanaca*, 2010 U.S. Dist. LEXIS 111981, at *15.
13 Even “[i]f a federal law contains an express pre-emption clause, it does not
14 immediately end the inquiry because the question of the substance and scope of
15 Congress’ displacement of state law still remains.” *Altria Group, Inc. v. Good*, ___
16 U.S. ___, 129 S.Ct. 538, 543 (2008).

17 The NLEA expressly preempts any state or political subdivision of a state
18 from directly or indirectly establishing: (1) “any requirement for nutrition labeling
19 of food . . . that is not identical to a requirement of [section 343(q)]” and (2) “any
20 requirement respecting any claim of the type described in [section 343(r)(1)] made
21 in the labeling of food that is not identical to the requirement of [section 343(r)].”
22 21 U.S.C. § 343-1(4)-(5). “‘Not identical’ . . . means that the State requirement
23 directly or indirectly imposes obligations or contains provisions concerning the
24 composition or labeling of food, or concerning a food container, that: [(1)] Are not
25 imposed by or contained in the applicable provision [or regulation]; or [(2)] Differ
26 from those specifically imposed by or contained in the applicable provision [or
27 regulation].” 21 C.F.R. § 100.1(c)(4).
28

1 *c. Discussion*

2 Plaintiff alleges that Defendants' representation that the Hostess 100
3 Calorie Packs contain "0 Grams of Trans Fat" is deceptive and misleading because
4 the products contain PVHO. (First Am. Compl. at ¶¶ 5, 6, 61.) Plaintiff argues
5 that, "while disclosures within the Nutrition Facts panel are not subject to a 'false
6 and misleading' standard, the same statement, made elsewhere, is a nutrient claim
7 subject to the regulations, including the prohibition on false and misleading
8 statements under § 101.13(i)(3)." (Pls.' Opp'n at 15:24-16:1.) Plaintiff further
9 contends that the FDA cannot provide monetary relief for their claims. (*Id.* at
10 22:11-12.) Defendants, on the other hand, contend that Plaintiff's state law claims
11 are preempted because the FDA has already regulated the type of representations
12 that must be made with respect to the disclosure of trans fat. (Defendants'
13 Memorandum of Points and Authorities in Support of Motion to Dismiss
14 Plaintiffs' First Amended Complaint for Lack of Personal Jurisdiction and Failure
15 to State a Claim for Relief ("Defs.' Mem.") at 17:3-7.)

16 Defendants' use of the phrase "0 Grams of Trans Fat" outside the Nutrition
17 Facts Panel constitutes an express nutrient content claim. Defendants may make
18 an express nutrient content claim only insofar as "[t]he statement does not in any
19 way implicitly characterize the level of the nutrient in the food and is not false or
20 misleading in any respect (e.g., '100 calories' or '5 grams of fat'), in which no
21 disclaimer is required." *See* 21 C.F.R. § 101.13(i)(3).

22 With respect to relative claims, such as "more" or "less," federal law
23 permits a purveyor to rely on the actual or rounded values as a source for
24 comparison, as long as the label is internally consistent. *See* 21 C.F.R. §
25 101.13(j)(1)(ii)(B). With respect to absolute claims, the FDA has declined to
26 promulgate a regulation as to whether the actual or rounded value must be used in
27 nutrition labeling. *Chacanaca*, 2010 U.S. Dist. LEXIS 111981, at *21-22.
28 Because "the difference between actual and rounded values are 'nutritionally

1 insignificant’ . . . [the FDA] has urged that the use of *either* value relays identical
2 information.” *Id.* at *22 (emphasis in original).

3 Plaintiff does not claim that Defendants’ use of the phrase “0 Grams of
4 Trans Fat” in the Nutrition Facts Panel is false or misleading; therefore,
5 Defendant’s use of this same phrase elsewhere on the product label cannot be false
6 or misleading. *See id.* at 22-23 (explaining that “if ‘nutritionally insignificant
7 amounts’ of less than 0.5 gram trans fat means the same thing, according to [FDA]
8 regulations, as ‘0 grams,’ then the use of the latter language in an express nutrient
9 content claim would *not* be misleading within the meaning of *section (r)* or any of
10 its regulations.”) (emphasis in original). The FDA regulations explicitly define
11 the term “0 Grams of Trans Fat” and the NLEA expressly prohibits any state from
12 directly or indirectly establishing any requirement that is not identical to the
13 relevant federal requirements. 21 U.S.C. § 343-1(a)(5). Plaintiff’s claims seek to
14 enjoin the use of the very term permitted by the NLEA and its accompanying
15 regulations. Plaintiff’s claims must therefore fail because they would necessarily
16 impose a state-law obligation for trans fat disclosure that is not required by federal
17 law. *See Chacanaca*, 2010 U.S. Dist. LEXIS 111981, at *23 (dismissing a
18 plaintiff’s state law claims regarding use of the phrase “0 Grams Trans Fat” on the
19 grounds of preemption); *see also Red v. The Kroger Co.*, No. CV10-1025 DMG
20 (MANx) (C.D. Cal. Sept. 2, 2010) (Gee, J.) (finding that the plaintiff’s state law
21 claims regarding the defendant’s use of the phrase “0g Trans Fat per serving”
22 were expressly preempted by federal law). Accordingly, the Court finds that
23 Plaintiff’s state law claims are preempted by federal law.⁴

24 III. PLAINTIFF LACKS STANDING UNDER THE LANHAM ACT

25 Standing is a jurisdictional prerequisite to bringing an action in federal
26 court. *See Cetacean Cmty. v. Bush*, 386 F.3d 1169, 1174 (9th Cir. 2004) (“A suit

27 _____
28 ⁴ The Court declines to address Defendants’ remaining arguments, which relate to standing under the MMPA, Rule 12(b)(2) dismissal of all claims as to Hostess, and Rule 12(b)(6) dismissal as to all claims, because they are moot.

1 brought by a plaintiff without Article III standing is not a ‘case or controversy,’
2 and an Article III federal court there-fore lacks subject matter jurisdiction over the
3 suit.”). Prior to proceeding on the merits of an action, a district court must
4 therefore be satisfied that it has subject matter jurisdiction. *Bates v. UPS*, 511
5 F.3d 974, 985 (9th Cir. 2007) (explaining that “[s]tanding is a threshold matter
6 central to our subject matter jurisdiction.”).

7 Defendants argue that Plaintiff lacks standing because he is a consumer, not
8 a competitor. (Def.’ Mem. at 22:24-27.) Plaintiff, meanwhile, argues that he is
9 entitled to assert a Lanham Act claim because he seeks only injunctive relief
10 pursuant to 15 U.S.C. § 1116. (Pls.’ Opp’n at 25:4-5.)

11 The Lanham Act prohibits the use of false descriptions and false
12 representations in connection with the sale or advertising of any goods or services.
13 15 U.S.C. § 1125. To establish standing under the “false advertising” prong of the
14 Lanham Act, “a plaintiff must show: (1) a commercial injury based upon a
15 misrepresentation about a product; and (2) that the injury is ‘competitive,’ or
16 harmful to the plaintiff’s ability to compete with the defendant.” *Jack Russell*
17 *Terrier Network of N. Ca. v. Am. Kennel Club, Inc.*, 407 F.3d 1027, 1037 (9th Cir.
18 2005) (affirming dismissal of Lanham Act claim because the parties were not
19 competitors); *see also Barrus v. Sylvania*, 55 F.3d 468, 469-70 (9th Cir. 1995)
20 (affirming dismissal of Lanham Act claim where “[a]s consumers, [the plaintiffs]
21 have alleged neither commercial injury nor competitive injury.”). Thus, “[f]or a
22 plaintiff to have standing, the parties must be competitors in the sense that they
23 ‘vie for the same dollars from the same consumer group,’ and the alleged
24 misrepresentation must at least theoretically effect a diversion of business from
25 the plaintiff to the defendant.” *Trafficschool.com, Inc. v. Edriver, Inc.*, 633 F.
26 Supp. 2d 1063, 1070 (C.D. Cal. 2008) (Anderson, J.) (quoting *Kournikova v. Gen.*
27 *Media Commc’ns, Inc.*, 278 F. Supp. 2d 1111, 1117-18 (C.D. Cal. 2003) (Feess,
28 J.)).

