THE WESTON FIRM GREGORY S. WESTON (239944) greg@westonfirm.com 1405 Morena Blvd., Suite 201 3 San Diego, CA 92110 Telephone: (619) 798-2006 5 **Counsel for Plaintiff** 6 7 8 UNITED STATES DISTRICT COURT 9 SOUTHERN DISTRICT OF CALIFORNIA 10 11 SHAIANNE STARKS, on behalf of 12 Case No: '24CV0185 GPC BLM herself and all others similarly 13 situated, 14 CLASS ACTION COMPLAINT FOR Plaintiff, 15 **VIOLATIONS OF: THE UNFAIR COMPETITION LAW AND THE** 16 v. CONSUMER LEGAL REMEDIES ACT 17 CELSIUS HOLDINGS, INC., **No Jury Demand** 18 Defendant. 19 20 21 22 23 24 25 26 27 28

TABLE OF CONTENTS

4	I.	JURISDICTION AND VENUE1			
5	II.	II. NATURE OF THE ACTION1			
6	III.	II. PARTIES2			
7	IV.	V. REGULATORY BACKGROUND			
8	V.	V. THE SALE OF UNAPPROVED DRUGS HARMS THE PUBLIC			
9	VI. CELSIUS'S SPECIFIC MISREPRESENTATIONS, MATERIAL OMISSIONS, AND DRUG CLAIMS.				
10	VII.	LIVE FIT IS AN UNAPPROVED NEW DRUG.	. 7		
11 12	VIII.	DEFENDANT'S ADVERTISING FOR LIVE FIT IS FALSE AND MISLEADING, RENDERING THE PRODUCTS MISBRANDED	9		
13	IX.	DEFENDANT SOLD LIVE FIT IN PACKAGING BEARING UNPERMITTED HEALTH CLAIMS.	10		
14 15	X.	DEFENDANT'S PRACTICES WERE "UNFAIR" WITHIN THE MEANING OF THE UNFAIR COMPETITION LAW	11		
16 17	XI.	DEFENDANT'S PRACTICES WERE "UNLAWFUL" WITHIN THE MEANING OF THE CALIFORNIA UNFAIR COMPETITION LAW	12		
18	XII.	PLAINTIFF'S PURCHASE OF LIVE FIT AND RELATED INJURY	13		
	XIII.	CLASS ACTION ALLEGATIONS	13		
19	PRAYER FOR RELIEF20				
20	NO JURY DEMAND20				
21					
22					
23					
24					
25					
26					
27					
28					
		i			

Plaintiff Shaianne Starks, on behalf of herself, all others similarly situated, and the general public, by and through her undersigned counsel, hereby sues Defendant Celsius Holdings, Inc. ("Celsius" or "Defendant") and upon information and belief and investigation of counsel, alleges as follows:

I. JURISDICTION AND VENUE

- 1. This Court has original jurisdiction over this action under 28 U.S.C. § 1332(d)(2) (the Class Action Fairness Act) because the matter in controversy exceeds the sum or value of \$5,000,000 exclusive of interest and costs and because more than two-thirds of the members of the class defined herein reside in states other than the states of which Defendant is a resident.
- 2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because many of the acts and transactions giving rise to this action occurred in this District; and Defendant (1) is authorized to conduct business in this District and has intentionally availed itself of the laws and markets of this District through the distribution and sale of its products in this District, and (2) is subject to personal jurisdiction in this District.

II. NATURE OF THE ACTION

- 3. Celsius markets, distributes, and sells "energy drinks," including Celsius Live Fit ("Live Fit"), which are marketed with claims that render them unapproved new drugs.
- 4. Celsius aggressively markets Live Fit with deceptive efficacy claims that suggest the product has medical benefits akin to prescription weight loss drugs.
 - 5. In truth, Live Fit fails to deliver the advertised benefits.
- 6. Further, these claims are prohibited by the Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 *et seq.* ("FDCA"), and subject any individual manufacturing or selling Live Fit to liability for the sale of an unapproved new drug.
- 7. Defendant's representations mislead consumers into believing that Live Fit is safe, legal, and effective for its intended purposes.
- 8. Plaintiff Shaianne Starks purchased and used Live Fit, one of Defendant's unapproved drugs, with the belief that the product was safe and effective and sold in

compliance with state and federal regulations.

9. This action is brought to remedy Defendant's unfair and unlawful conduct. On behalf of the class defined herein, Plaintiff seeks an order compelling Celsius to, *inter alia*: (1) cease marketing and selling Live Fit as an illegal unapproved new drug; (2) conduct a corrective advertising campaign; (3) destroy all misleading and deceptive materials and products; (4) award Plaintiff and the Class members damages, punitive damages, interest, and restitution; and (5) pay costs, expenses, and attorney fees.

III. PARTIES

- 10. Defendant Celsius is a Florida corporation which maintains its principal business office at 2424 North Federal Hwy, Suite 208, Boca Raton, FL 33431.
- 11. During the class period, Celsius owned, manufactured, marketed, distributed, and sold Live Fit, an unapproved weight loss drug marketed with deceptive efficacy claims. Defendant marketed Live Fit with deceptive claims which suggest the product can provide prescription weight loss drugs benefits.
- 12. Plaintiff Shaianne Starks is a citizen of California who purchased Live Fit during the class period for personal consumption.

IV. REGULATORY BACKGROUND

- 13. "The term 'drug' means . . . (B) articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (C) articles (other than food) intended to affect the structure or any function of the body of man or other animals." 21 U.S.C. § 321(g)(1).
- 14. A "new drug" is any drug "not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the condition prescribed, recommended, or suggested in the labeling thereof" 21 U.S.C. § 321(p)(1).
- 15. Pursuant to 21 U.S.C § 355(a), "No person shall introduce or deliver for introduction into interstate commerce any new drug..." without approval by the FDA.
 - 16. Further, 21 U.S.C. § 331(a) prohibits the "introduction or delivery for

introduction into interstate commerce of any food, drug, device, tobacco product, or cosmetic that is adulterated or misbranded."

3 4

Pursuant to 21 U.S.C. § 352(f), drugs are required to have adequate instructions for safe use.

5

V. THE SALE OF UNAPPROVED DRUGS HARMS THE PUBLIC.

6 7

18. "Unapproved prescription drugs pose significant risks to patients because they have not been reviewed by FDA for safety, effectiveness or quality."1

8

9

19. "Without FDA review, there is no way to know if these drugs are safe and effective for their intended use, whether they are manufactured in a way that ensures consistent drug quality or whether their label is complete and accurate." Id.

10 11

20. "Unapproved drugs have resulted in patient harm, and the [FDA] works to protect patients from the risks posed by these drugs." Id.

12 13

21. Unapproved drugs lack "labels and prescribing information that has" "been reviewed by FDA for accuracy and completeness."2

14 15

22. Consumers using unapproved drugs run the risk of "unexpected and undocumented safety concerns due to lack of rigorous pre- and postmarket safety surveillance." Id.

17

18

16

23. Unapproved drugs lead consumers in need of medical treatment to forego medically proven therapies.

19 20

CELSIUS'S VI. **SPECIFIC** MISREPRESENTATIONS, **MATERIAL** OMISSIONS, AND DRUG CLAIMS.

21 22

During the Class Period, Defendant manufactured, marketed, distributed, and 24. sold Live Fit in packaging bearing misleading claims relating to the product's purported

24

23

25 26

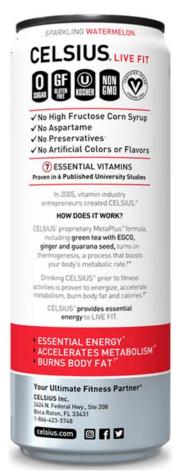
² U.S. Food & Drug Admin., Unapproved Drugs and Patient Harm (June 2, 2021), https://www.fda.gov/drugs/enforcement-activities-fda/unapproved-drugs-and-patientharm.

U.S. Food & Drug Admin., Unapproved Drugs (June 2, 2021), available at https://www.fda.gov/drugs/enforcement-activities-fda/unapproved-drugs.

efficacy as a weight loss aid, appetite suppressant, and fat burner. Defendant also made misleading representations relating to Live Fit's efficacy on its website and Amazon.com product pages.

- 25. These claims are not only false and misleading, but also show that the product is intended to affect the structure and function of the body, and to cure, mitigate, treat, or prevent disease.
- 26. Further, these claims render Live Fit a "drug" within the meaning of 21 U.S.C. § 321(g).
- 27. However, Celsius failed to obtain FDA approval to market and distribute Live Fit in violation 21 U.S.C. § 355 and Health & Safety Code § 111550.
- 28. Specifically, Live Fit's label claims the product can "accelerate[] metabolism" and "burn[] body fat." The Live Fit label further claims that the product "turns on thermogenesis, a process that boosts your body's metabolic rate." Moreover, the label claims that "drinking Celsius prior to fitness activities is proven to energize, accelerate metabolism, burn body fat and calories."
- 29. These claims are both deceptive and also render Live Fit a "drug" as defined by 21 U.S.C. § 321(g).
 - 30. [continued on next page]









9

11

1213

14

15

16

17

1819

20

22

21

2324

25

2627

- 31. During the class period Celsius also advertised Live Fit with deceptive claims that the product provides prescription weight loss drug benefits.
- 32. The Live Fit label, website, and Amazon page contained the following deceptive efficacy claims, which show that the product is intended to affect the structure and function of the body, and to cure, mitigate, treat, or prevent disease, during the Class Period:
 - "Accelerates Metabolism"
 - "Burns Body Fat"
 - "clinically proven to boost your metabolism and help you burn body fat."
 - "turns on thermogenesis, a process that boosts your body's metabolic rate"
 - "Drinking CELSIUS prior to fitness activities helps energize, accelerate metabolism, burn body fat and calories"
 - "BACKED BY SCIENTIFIC STUDIES"
 - "Six published university studies have been conducted on CELSIUS by U.S. accredited scientific research facilities rendering strict scientific standards. To ensure consumer confidence, trust, and industry independence, the studies were all presented at scientific conferences and published in peer reviewed publications. Each one of these studies showed that CELSIUS has thermogenic properties."
 - "Thermogenic properties are proven to increase metabolism and make the nervous system more active. In turn, this causes your body to burn more calories and body fat than you normally would with exercise alone."
 - "drinking just one great-tasting CELSIUS before exercise can help reduce body fat, increase your endurance, and provide greater resistance to fatigue"
 - "Green Tea Extract The extract used contains a specific ratio of EGCG (epigallocatechin gallate)—the compound that scientists have found boosts your metabolism and helps your body burn more calories."
 - "Ginger Root Ginger root has a wonderful spicy flavor, and it's known to help support the process of thermogenesis as well as create a positive effect on digestive systems."
 - "<u>Chromium</u> Known to help control hunger, chromium is an essential trace mineral that normalizes blood sugar levels and helps enhance the metabolism of proteins, carbohydrates, and lipids."
 - 33. These claims suggest Live Fit is a safe and effective drug which can treat

11 12

13

14 15

16 17

18 19

20

21 22

23 24

25

26

27 28

obesity and affect the structure and function of the human body by increasing metabolism, reducing body fat, reducing hunger, and increasing weight loss. These claims render Live Fit a "drug" within the meaning of 21 U.S.C. § 321(g)(1).

- 34. However, Live Fit fails to deliver the advertised benefits.
- 35. A true and correct copy of the Live Fit page from Defendant's website is attached hereto as Exhibit 1.
- A true and correct copy of the Live Fit Amazon product page is attached 36. hereto as **Exhibit 2**.
- The FDA maintains a database of drugs which it has approved at 37. https://www.accessdata.fda.gov/scripts/cder/daf/index.cfm.
- Attached hereto as Exhibit 3 are search results from this FDA database, 38. showing that the search term "Celsius" "did not return any results."
- Thus, Celsius failed to obtain FDA approval prior to marketing, distributing, 39. and selling Live Fit.

VII. LIVE FIT IS AN UNAPPROVED NEW DRUG.

- "The term 'drug' means . . . (B) articles intended for use in the diagnosis, 40. cure, mitigation, treatment, or prevention of disease in man or other animals; and (C) articles (other than food) intended to affect the structure or any function of the body of man or other animals." 21 U.S.C. § 321(g)(1).
- 41. Here, Live Fit is a "drug" because it is advertised as a product which will affect the structure or function of the body and cure, mitigate, treat, or prevent disease.
- 42. The claims on the packaging of Live Fit, Defendant's website, and Defendant's Amazon pages for Live Fit render it an unapproved new drug.
- 43. The FDA has determined that the following claims, which are similar to those Defendant made regarding Live Fit constitute unlawful un approved new drug claims:
 - "Our natural blend of ingredients can benefit you by . . . [s]uppressing your appetite . . . [b]oosts your metabolism .. . [b]urn fat & calories . . . [i]ncrease energy levels . . . " (Exhibit 4, FDA Warning Letter to Genesis Nutrition Ultra Slim);

- "Benefits . . . appetite suppression . . . reduce bloating . . . burns fat . . . reduce inches . . . potentiates weight loss . . . improves metabolism" (Exhibit 4, FDA Warning Letter to Genesis Nutrition Ultra Slim);
- "It is a totally natural herbal supplement [. . .] that" "inhibits appetite, burns fat," "accelerates metabolism" "and increase your energy." (Exhibit 5, FDA Warning Letter to Je Dois Lavoir LLC);
- "How does this capsule work? . . . Appetite Control . . . Accelerates metabolism . . . Increase your energy . . . Causes satiety . . . Burn fat" (Exhibit 5, FDA Warning Letter to Je Dois Lavoir LLC);
- "Green Coffee Beans ... use of chlorogenic acid from green coffee bean extracts as an important inhibitor of diet-related obesity and obesity-related metabolic syndrome ... [and] promote significant weight loss in individuals who suffer from morbid obesity." (Exhibit 6, FDA Warning Letter to TEK Naturals).
- 44. A "new drug" is any drug "not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the condition prescribed, recommended, or suggested in the labeling thereof" 21 U.S.C. § 321(p)(1). Here, Live Fit is a "new drug" within the meaning of the FDCA because it is not generally recognized as safe and effective for its intended uses. See 21 C.F.R. § 330.1.
 - 45. Celsius has not received approval from the FDA to sell Live Fit.
- 46. The sale of unapproved new drugs is illegal and dangerous. First, consumers risk purchasing and using a product that will endanger their health. Second, consumers risk purchasing a product that will not effectively treat their condition, forgoing actual treatment of that condition in lieu of an unapproved new drug which may not treat their condition. The FDA's regulatory regimen ensures that such products are not illegally marketed
- 47. Defendant's failure to comply with these regulations puts consumers at risk and gives Celsius an unfair advantage over competitors that do commit the time and expense of complying with FDA statutes and regulations.
- 48. Live Fit does not qualify for the reduced level of regulation applicable to certain nutrition supplement products for several reasons. Live Fit's label, website, and

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

U.S.C. § 343(r)(6)(A). 5

49.

California similarly prohibits the sale of unapproved new drugs. Health & Safety Code § 111550.

VIII. DEFENDANT'S ADVERTISING FOR LIVE FIT IS FALSE AND MISLEADING, RENDERING THE PRODUCTS MISBRANDED.

- It is unlawful to manufacture or sell any drug that is misbranded. 21 U.S.C. § 50. 331(a), (b), (c), & (g).
- A drug is misbranded "[i]f its labeling is false or misleading in any 51. particular." 21 U.S.C. § 352(a)(1).

If an article is alleged to be misbranded because the labeling or advertising is misleading, then in determining whether the labeling or advertising is misleading there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling or advertising fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the articles to which the labeling or advertising relates under the conditions of use prescribed in the labeling or advertising thereof or under such conditions of use as are customary or usual.

21 U.S.C. § 321(n).

Defendant's deceptive efficacy representations regarding Live mean the 52. product is misbranded under 21 U.S.C. § 352(a)(1) and also violated Cal. Health & Safety Code § 110100 (adopting all FDA labeling regulations as state regulations), § 110398 ("It is unlawful for any person to advertise any food, drug, device, or cosmetic that is adulterated or misbranded."), § 111330 (drug label misbranded if false or misleading in any particular), and further violated Cal. Bus. & Prof. Code § 17200 (Unfair Competition

Law "Fraudulent" Prong) and Cal. Civ. Code § 1750 (CLRA).

- 53. Plaintiff used Live Fit, as directed, but it failed to deliver the advertised benefits.
- 54. Because Live Fit claims to treat conditions not amenable to self-diagnosis, directions are not and likely cannot be written such that a layperson can safely use this product to treat those conditions. The label of Live Fit therefore lacks "adequate directions for use," rendering the products misbranded. 21 U.S.C. § 352(f)(1); see also 21 C.F.R. § 201.5 ("Adequate directions for use' means directions under which the layman can use a drug safely and for the purposes for which it is intended.").

IX. <u>DEFENDANT SOLD LIVE FIT IN PACKAGING BEARING</u> <u>UNPERMITTED HEALTH CLAIMS.</u>

- 55. In addition to marketing Live Fit with deceptive and unlawful "drug" claims, Defendant labels and markets Live Fit with an unpermitted health claim.
- 56. Specifically, Defendant claims that Live Fit contains "Chromium," which Defendant asserts is "[k]nown to help control hunger" and which "normalizes blood sugar levels and helps enhance the metabolism of proteins, carbohydrates, and lipids."
- 57. "Based on the review of the strength of the total body of publicly available scientific evidence," the FDA has concluded that "there is no credible scientific evidence for the" claim that chromium "may reduce the risk of insulin resistance."³
- 58. Further, the FDA has determined that the only health claim a manufacturer may make, with respect to Chromium, is:

One small study suggests that chromium picolinate may reduce the risk of insulin resistance, and therefore possibly may reduce the risk of type 2 diabetes. FDA concludes, however, that the existence of such a relationship between chromium picolinate and either insulin resistance or type 2 diabetes is highly

³ U.S. Food & Drug Admin., <u>Qualified Health Claims: Letter of Enforcement Discretion - Chromium Picolinate and Insulin Resistance (Docket No. 2004Q-0144)</u>, https://tinyurl.com/2s4c9m5c.

Id.

uncertain.

59. Here, Defendant's chromium claim is unsupported and unpermitted. Further, the claim fails to include the FDA's language.

X. <u>DEFENDANT'S PRACTICES WERE "UNFAIR" WITHIN THE MEANING OF THE UNFAIR COMPETITION LAW.</u>

- 60. Defendant's practices as described herein are "unfair" within the meaning of the California Unfair Competition Law because Celsius's conduct is immoral, unethical, unscrupulous, and substantially injurious to consumers, and the utility of this conduct to Defendant does not outweigh the gravity of the harm to Defendant's victims.
- 61. In particular, while Defendant's marketing of Live Fit with deceptive efficacy and "drug" claims as defined by 21 U.S.C. § 321(g) and absent FDA approval to do so allowed Celsius to realize higher profit margins than if it did not use unlawful marketing tactics, this utility is small and far outweighed by the gravity of the economic harm and potential physical harm Defendant inflicts upon consumers. Further, the injury to consumers from Defendant's practices is substantial, not outweighed by benefits to consumers or competition, and not an injury that consumers themselves could reasonably have avoided.
- 62. At all relevant times, Celsius was aware that its marketing of Live Fit violated FDA regulations and California law.
- 63. As a supplement producer, Defendant had a continuing and affirmative moral and legal obligation to refrain from marketing and selling supplements with claims that violate FDA regulations and California law.
- 64. Class members had no duty and no reason to inquire as to whether Live Fit was marketed in violation of state and federal food and supplement safety laws. California, as a matter of economic regulation, places the burden of ensuring that supplements are safe, effective, and sold in compliance with FDA regulations and California law, on their manufacturers, not the general public.

- 65. Reasonable consumers, including Plaintiff, had no reason to suspect Celsius's unfair competition and violations of federal and state law prohibiting the sale of unapproved and misbranded drugs.
- 66. Celsius owed a special duty to Plaintiff and all Class Members, akin to a fiduciary duty, which it violated by marketing Live Fit with claims that suggest the products can affect the structure or function of the human body or can treat, mitigate, or cure disease without obtaining FDA approval to do so.
- 67. During the entire Class Period, Celsius was aware that its conduct was oppressive and cruel, causing economic injury and discouraging consumers from seeking medically proven treatments, yet consciously continued these acts for years while knowing the extent of the harm it was causing. Equity and the public policy of California, embodied in its statutes, jointly demand, in such circumstance, that laches and tolling cannot apply in such a way to permit Defendant to continue to enjoy the fruits of its intentional, cruel, oppressive, and unlawful acts.

XI. <u>DEFENDANT'S PRACTICES WERE "UNLAWFUL" WITHIN THE MEANING OF THE CALIFORNIA UNFAIR COMPETITION LAW.</u>

- 68. Defendant's practices as described herein are "unlawful" within the meaning of the California Unfair Competition Law because the marketing, sale, and distribution of Live Fit violates the Federal Food, Drug, and Cosmetic Act, as well as California's Sherman Food, Drug, and Cosmetic Law.
- 69. Celsius's unlawful marketing and advertising of Live Fit constitutes a violation of the FDCA and California food and drug law and, as such, violated the "unlawful" prong of the UCL.
- 70. Defendant's unlawful acts allowed it to sell more units of Live Fit than it would have otherwise, and at a higher price and higher margin.
- 71. In accordance with Bus. & Prof. Code § 17203, Plaintiff seeks an order enjoining Defendant from continuing to conduct business through unlawful, unfair, and/or fraudulent acts and practices and to commence a corrective advertising campaign.

3

8

12

10

15 16

17

18 19

20

22

21

23 24

25 26

27 28

72. Plaintiff also seeks an order for the disgorgement and restitution of all revenue received by Defendant from the sale of Live Fit.

PLAINTIFF'S PURCHASE OF LIVE FIT AND RELATED INJURY.

- Plaintiff Shaianne Starks purchased Celsius Live Fit from Sam's Club during the class period, including on March 18, 2023.
- 74. When Plaintiff purchased Live Fit, she was seeking a safe and effective weight loss and fat burning solution which was sold in compliance with FDA regulations and California law.
- Plaintiff read and relied on, for her purchases, the product's packaging and 75. the misrepresentations made by Defendant and the efficacy messages they conveyed, which were substantial factors in Plaintiff's purchases.
- Plaintiff purchased Live Fit with the natural assumption that products sold in 76. stores and online by large companies would be sold in compliance with FDA regulations and California law.
- 77. Plaintiff suffered economic injury when she purchased Live Fit because the product was sold in violation of federal regulations and California law and because Live Fit fails to deliver the advertised benefits.
- Plaintiff would not have purchased Live Fit had she known that that product 78. was not safe and effective and was sold in violation of federal and California law.
- Live Fit was offered for sale in violation of California and federal law and 79. has a value of \$0 because it is both illegal and ineffective.
- 80. Plaintiff would consider purchasing Live Fit in the future if she could be assured that the product is (1) safe and effective and (2) sold in compliance with all FDA regulations and California law.

XIII. CLASS ACTION ALLEGATIONS

Plaintiff brings this action on behalf of herself, and all others similarly 81. situated (the "Class"), excluding Defendant's officers, directors, and employees, and the Court, its officers, and their families. The Class is defined as:

24

25

26

27

28

All individuals who purchased Live Fit in the United States for their own personal or household use, and not for resale, from November 24, 2022 to the present.

- 82. Questions of law and fact common to Plaintiff and the Class include:
- i. Whether Celsius communicated efficacy messages through Live Fit's labeling, packaging, website, and Amazon page;
- ii. Whether those messages were material, or likely to be material, to a reasonable consumer;
- iii. Whether those messages were false, at variance with the truth, misleading, likely to deceive, and/or had the capacity to deceive the public and/or a reasonable consumer;
- iv. Whether Celsius fraudulently omitted material information in advertising Live Fit as safe and effective;
- v. Whether Celsius sold and distributed Live Fit to the public in misleading packaging that was likely to deceive the public;
- vi. Whether Live Fit is an unapproved new drug;
- vii. Whether Celsius's advertising for Live Fit violates the CLRA;
- viii. Whether Defendant's conduct was immoral, unethical, unscrupulous, or substantially injurious to consumers;
 - ix. Whether Defendant's conduct violated public policy as declared by specific constitutional, statutory, or regulatory provisions;
 - x. Whether the injury to consumers from Defendant's practices is substantial;
 - xi. Whether Defendant's conduct constituted a violation of the unfair prong of California's Unfair Competition Law;
- xii. Whether Defendant's conduct constituted a violation of the unlawful prong of California's Unfair Competition Law;
- xiii. Whether Defendant's conduct constituted a violation of the fraudulent prong of California's Unfair Competition Law;
- xiv. Whether the slight utility Defendant realized as a result of its conduct outweighs the gravity of the harm the conduct caused to its victims;
- xv. Whether the injury to consumers from Defendant's practices is outweighed by benefits to consumers or competition;

- xvi. Whether Class members are entitled to restitution and/or damages;
- xvii. Whether Class members are entitled to an injunction and, if so, its terms; and
- xviii. Whether Class members are entitled to any further relief.
- 83. By purchasing Live Fit, all Class members were subjected to the same wrongful conduct.
- 84. Plaintiff's claims are typical of the Class's claims because all Class members were subjected to the same economic harm when they purchased Live Fit and suffered economic injury.
- 85. Plaintiff will fairly and adequately protect the interests of the Class, has no interests that are incompatible with the interests of the Class, and has retained counsel competent and experienced in class litigation.
- 86. The Class is sufficiently numerous, as it includes thousands of individuals who purchased Live Fit during the Class Period.
- 87. Class representation is superior to other options for the resolution of the controversy. The relief sought for each Class member is small, as little as \$3 for some Class members. Absent the availability of class action procedures, it would be infeasible for Class members to redress the wrongs done to them.
- 88. Questions of law and fact common to the Class predominate over any questions affecting only individual members.

First Cause of Action

Unfair Competition Law, Unfair Prong

Bus. & Prof. Code §§ 17200 et seq.

- 89. In each of her causes of action, Plaintiff realleges and incorporates by reference each and every allegation contained elsewhere in the Complaint, as if fully set forth herein.
- 90. The business practices and omissions of Defendant as alleged herein constitute "unfair" business acts and practices in that Defendant's conduct is immoral,

unethical, unscrupulous, and substantially injurious to consumers and the utility of its conduct, if any, does not outweigh the gravity of the harm to Defendant's victims.

- 91. Further, Defendant's practices were unfair because they violated public policy as declared by specific constitutional, statutory, or regulatory provisions, including those embodied in the FDCA and the California Health and Safety Code.
- 92. Moreover, Defendant's practices were unfair because the injury to consumers from Defendant's practices was substantial, not outweighed by benefits to consumers or competition, and not one that consumers themselves could reasonably have avoided or should be obligated to avoid.

Second Cause of Action

Unfair Competition Law, Unlawful Prong

Bus. & Prof. Code §§ 17200 et seq.

- 93. Defendant has made and distributed, in interstate commerce and in this county, products that were marketed with unlawful "drug claims" without obtaining FDA approval to do so.
- 94. Defendant's conduct violated the following portions of the Federal Food, Drug, and Cosmetic Act ("FDCA"):
 - 21 U.S.C. § 331(a), prohibiting the "introduction or delivery for introduction into interstate commerce of any food, drug, device, tobacco product, or cosmetic that is adulterated or misbranded";
 - 21 U.S.C. § 331(b), prohibiting the "adulteration or misbranding of any food, drug, device, tobacco product, or cosmetic in interstate commerce";
 - 21 U.S.C. § 352(f)(1), requiring drugs to have adequate directions for use; and
 - 21 U.S.C. § 355(a), prohibiting the sale of unapproved new drugs.
- 95. Defendant's conduct also violates other provisions of California law including, *inter alia*:
 - Health & Safety Code § 110100 et seq., which adopts all FDA regulations as state regulations;

- Health & Safety Code § 111330, "Any drug or device is misbranded if its labeling is false or misleading in any particular.";
- Health & Safety Code § 110398, "It is unlawful for any person to advertise any food, drug, device, or cosmetic that is adulterated or misbranded.";
- Health & Safety Code § 111440, "It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any drug or device that is misbranded.";
- Health & Safety Code § 111445, "It is unlawful for any person to misbrand any drug or device.";
- Health & Safety Code § 111450, "It is unlawful for any person to receive in commerce any drug or device that is misbranded or to deliver or proffer for delivery any drug or device.";
- **Health & Safety Code § 111550**, prohibiting sale of new drug unless approved under 21 U.S.C. § 355;
- Civ. Code § 1770(a), prohibiting misleading practices in relation to the sale of goods;
- Bus. & Prof. Code § 17200 et seq., prohibiting unfair, unlawful, and fraudulent business activity.
- 96. The fraudulent marketing and advertising of Live Fit described herein constituted violations of the FDCA and the Sherman Law and, as such, violated the "unlawful" prong of the UCL.
- 97. Defendant employed unlawful marketing tactics to induce Plaintiff and members of the Class to purchase products that were of lesser value and quality than advertised and which were not safe and effective, or FDA approved.
- 98. Had Plaintiff known that Live Fit was offered for sale in violation of California and federal regulations, she would not have purchased Live Fit.
- 99. Had class members known that Live Fit was offered for sale in violation of California and federal regulations, they would not have Live Fit.
- 100. Plaintiff suffered injury in fact and lost money or property as a result of Defendant's unlawful conduct: she was denied the benefit of the bargain when she decided to purchase Live Fit over competing products, which are legal, less expensive, and do not make drug claims on their packaging and web properties.

101. Defendant's unlawful acts allowed it to sell more units of Live Fit than it would have otherwise, and at a higher price, and higher margin.

- 102. Had Plaintiff been aware of Defendant's unlawful marketing tactics, she would not have purchased Live Fit, and had Defendant not advertised Live Fit in an unlawful manner, Plaintiff would have paid less for them.
- 103. In accordance with Cal. Bus. & Prof. Code § 17203, Plaintiff seeks an order enjoining Defendant from continuing to conduct business through unlawful, unfair, and fraudulent acts and practices; requiring Defendant to commence a corrective advertising campaign; and awarding the class restitution of all monies Defendant obtained from the sale of Live Fit.

Third Cause of Action

Unfair Competition Law, Fraudulent Prong

Bus. & Prof. Code §§ 17200, et seq.

- 104. Cal. Bus. & Prof. Code § 17200 prohibits any "unlawful, unfair or fraudulent business act or practice."
- 105. The acts, omissions, misrepresentations, practices, and non-disclosures of Defendant as alleged herein constitute "fraudulent" business acts and practices in that Defendant's conduct has a likelihood, capacity or tendency to deceive Plaintiff, the Class, and the general public.
- 106. Defendant leveraged its deception to induce Plaintiff and members of the Class to purchase products that were of lesser value and quality than advertised.
- 107. Plaintiff suffered injury in fact and lost money or property as a result of Defendant's deceptive advertising: she was denied the benefit of the bargain when she decided to purchase Live Fit over competing products, which are legal, less expensive, and do not make misleading or false drug claims on their packaging.
- 108. Had Plaintiff been aware of Defendant's false and misleading advertising tactics, she would not have purchased Live Fit, and had Defendant not advertised Live Fit in a fraudulent manner, Plaintiff would have paid less for it.

109. In accordance with Cal. Bus. & Prof. Code § 17203, Plaintiff seeks an order enjoining Defendant from continuing to conduct business through unlawful, unfair, and fraudulent acts and practices; requiring Defendant to commence a corrective advertising campaign; and awarding the Class restitution of all monies Defendant obtained from the sale of Live Fit.

Fourth Cause of Action

Consumer Legal Remedies Act

Civil Code §§ 1750, et seq.

- 110. The CLRA prohibits deceptive practices in connection with the conduct of a business that provides goods, property, or services primarily for personal, family, or household purposes.
- 111. Defendant's policies, acts and practices were designed to, and did, result in the purchase and use of Live Fit for personal, family, or household purposes, and violated and continue to violate the following sections of the CLRA:
 - Civil Code § 1770(a)(5), representing that goods have characteristics, uses, or benefits which they do not have;
 - Civil Code § 1770(a)(7), representing that goods are of a particular standard, quality, or grade if they are of another;
 - Civil Code § 1770(a)(9), advertising goods with intent not to sell them as advertised; and
 - Civil Code § 1770(a)(16), representing the subject of a transaction has been supplied in accordance with a previous representation when it has not.
- 112. As a result, Plaintiff, the Class, and the general public are entitled to injunctive and equitable relief, restitution, and an order for the disgorgement of the funds by which Defendant was unjustly enriched.
- 113. As a further result, Plaintiff and the Class have suffered damages, and because the conduct was deliberate, immoral, oppressive, made with malice and contrary to public policy, they are entitled to punitive or exemplary damages.
 - 114. Pursuant to section 1782 et seq. of the CLRA, Plaintiff notified Defendant in

writing by certified mail of the particular violations of § 1770 of the Act as to Live Fit and demanded that Defendant rectify the problems associated with the actions detailed above and give notice to all affected consumers of its intent to so act.

115. Defendant received Plaintiff's written notice on October 6, 2023.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself, all others similarly situated, and the general public, prays for judgment against Celsius as follows:

- A. An order confirming that this class action is properly maintainable as a class action as defined above, appointing Plaintiff and her undersigned counsel to represent the Class, and requiring Celsius to bear the cost of class notice;
- B. An order requiring Defendants pay \$500 in restitution, damages, and interest to Plaintiff;
- C. An order requiring Defendants pay \$60 million or a greater amount to be proven at trial in restitution to Class members, and \$4,000 to Plaintiff as an incentive award, or such greater amount the Court deems fair and reasonable;
- D. An order requiring Defendant to pay punitive damages in an amount to be determined at trial;
- E. An order requiring Defendant to disgorge any benefits received from Plaintiff and the Class and its unjust enrichment realized as a result of Defendant's improper and misleading advertising, marketing, sale, and distribution of Live Fit;
- F. An Order declaring the conduct complained of herein violates the Unfair Competition Law;
- G. An order requiring Defendant to cease and desist its deceptive, unconscionable, fraudulent, and unlawful practices;
- H. An order requiring Celsius to conduct a corrective advertising campaign;
- I. Declaratory relief that the conduct alleged herein is unlawful;
- J. Pre-judgment, and post-judgment interest; and
- K. An award of attorney fees and costs.

NO JURY DEMAND

Plaintiff makes no jury demand.

	Case 3:24-cv-00185-GPC-BLM	Document 1	Filed 01/26/24 PageID.23 Page 23 of 47
1	DATED: January 26, 2024		Respectfully Submitted,
2			s/Gregory S. Weston
3			GREGORY S. WESTON
4			Counsel for Plaintiff
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18 19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
			21
		·	

CLASS ACTION COMPLAINT

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Class Action Alleges Celsius Live Fit Drinks Are Misbranded, Lack FDA Approval</u>