

More Than "Puffery": Claims Against Canada Goose Survive Motion to Dismiss

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Judge Victor Marrero of the Southern District of New York recently largely denied a motion to dismiss claims that Canada Goose misled consumers by representing that the fur on Canada Goose jackets is ethically and sustainably sourced. In doing so, the court determined plaintiff's allegations were "thin," but viewing the complaint in the light most favorable to plaintiff, found plaintiff had plausibly alleged that a reasonable consumer would be misled. *Lee v. Canada Goose US, Inc.*, No. 20 Civ. 9809 (VM) (S.D.N.Y. June 29, 2021).

In his complaint, plaintiff cited Canada Goose's representations that the fur was acquired through "ethical, responsible, and sustainable sourcing." Plaintiff also alleged a tag on the coats referred to Canada Goose's "Fur Transparency Standard," and stated that the company purchases fur in accordance with certain third-party standards only from licensed trappers. Plaintiff alleged these representations were misleading, because allegedly inhumane practices like leghold traps and snares are widely used by trappers in the U.S. and Canada.

However, plaintiff did not specifically allege that Canada Goose sources fur from coyotes trapped using these methods. Rather, he alleged that these allegedly inhumane practices were widely used by trappers who abide by standards cited by Canada Goose. While the court found these allegations thin, they were enough to support a reasonable inference that Canada Goose obtained fur from trappers whose methods are inhumane.

But not all of Plaintiff's claims survived the motion to dismiss. The district court dismissed claims that customers would be misled by Canada Goose's representations about their (1) compliance with third-party trapping standards and (2) sourcing through licensed trappers. Plaintiff merely alleged that the standards/regulations were themselves inhumane, not that Canada Goose's statements concerning its compliance were false. This case represents just one of a recent wave of sustainability-related class action lawsuits. For example, class actions have been filed against:

- Red Lobster based on representations that its menu items are "Traceable,
 Sustainable. Responsible" and "SEAFOOD WITH STANDARDS." <u>Marshall v. Red</u>
 Lobster Management, Case No. 2:21-cv-04786 (C.D. Cal. filed June 11, 2021).
- Ducktrap based on representations that its salmon is "sustainably sourced." <u>Abigail</u>
 Starr v. Mowi Asa, Case No. 20-cv-00488-LEW (D. Me. Filed December 31, 2020)
- Allbirds based on representations that its wool is "held to high standards of farming, land management and animal welfare." <u>Dwyer v. Allbirds</u>, <u>Case No. 7:21-cv-05238 (S.D.N.Y. filed June 13, 2021)</u>.
- Reynolds Consumer Products based on representations that its Hefty Recycling
 Bags are "recyclable" and "reduce your environmental impact." <u>Hanscom v.</u>
 Reynolds Consumer Products, Case 3:21-cv-03434-SK (N.D. Cal. filed May 7, 2021).

We encourage our readers to get in touch to discuss strategies for mitigating risk when drafting sustainability-related advertising claims.

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