

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

L.S. v. Happy Hippo, LLC

No. 2:24-cv-02849-DAD-SCR · No. 2:24-cv-02849-DAD-SCR · Decided July 17, 2025

SUMMARY

The United States District Court for the Eastern District of California grants plaintiff L.S.’s motion to proceed under a pseudonym in a putative class action concerning alleged nondisclosure of kratom’s addictive nature. The court also grants in part the defendant’s motion to dismiss, addressing judicial notice, incorporation by reference, and claims under California’s False Advertising Law, Unfair Competition Law, and Consumers Legal Remedies Act. The document text provided does not include the complete disposition of all claims or the opinion’s date.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Dale A. Drozd
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	July 17, 2025
DOCKET	2:24-cv-02849-DAD-SCR
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to proceed under a pseudonym, and defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the complaint in a putative consumer class action.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court tests the legal sufficiency of the complaint, accepts well-pleaded factual allegations as true, construes them in the plaintiff’s favor, and determines whether they plausibly state a claim. Fraud-based claims must also satisfy Rule 9(b)’s particularity requirement.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive but not binding beyond the case.

TOPICS

- motions to dismiss
- consumer protection
- deceptive trade practices
- pleadings
- civil procedure

PRACTICE AREAS

civil procedure

consumer protection

commercial litigation

class actions

QUESTIONS PRESENTED

1. Whether plaintiff should be permitted to proceed under a pseudonym because the action involves sensitive allegations concerning drug addiction.
2. Whether California's False Advertising Law, Unfair Competition Law, and Consumers Legal Remedies Act permit claims based on a pure omission where the defendant allegedly had a duty to disclose.
3. Whether plaintiff plausibly alleged an affirmative duty to disclose kratom's addictive nature based on an unreasonable safety hazard and defendant's superior or exclusive knowledge.
4. Whether plaintiff adequately alleged reliance on the alleged omission.
5. Whether plaintiff's breach of implied warranty claim was barred by lack of vertical privity.
6. Whether plaintiff adequately stated unjust enrichment and fraudulent-omission claims.

HOLDINGS

1. Plaintiff may proceed under a pseudonym at this stage because the sensitive and personal nature of the allegations, the reasonable risk of social stigma, the absence of demonstrated prejudice to defendant, and the limited public interest in disclosure outweigh the presumption of public identification.
2. A claim under California's FAL, UCL, or CLRA may be based on a pure omission when the omitted fact is one the defendant had a duty to disclose.
3. Plaintiff plausibly alleged that defendant had an affirmative duty to disclose kratom's addictive nature because he alleged an unreasonable safety hazard and facts supporting defendant's superior or exclusive knowledge.
4. Plaintiff adequately pleaded reliance by alleging that he would not have purchased the products had the packaging disclosed their addictive properties.
5. The breach of implied warranty claim must be dismissed because plaintiff alleged that he purchased the products from a smoke shop and did not allege vertical privity with defendant.
6. The unjust enrichment and fraudulent omission claims were adequately pleaded and were not dismissed.

KEY QUOTATIONS

"Accordingly, because plaintiff has demonstrated a need for anonymity, and the prejudice to defendant and public interest in disclosure are weak at this stage of the litigation, the court will grant plaintiff's motion to proceed pseudonymously at this stage of the litigation." (Discussion § A)

"The court therefore rejects defendant's argument that an FAL claim cannot be stated on the basis of an omission of a fact which defendant had a duty to disclose." (Discussion § C.1.a)

"Because plaintiff has not alleged that he was in vertical privity with defendant, the court will grant defendant's motion to dismiss plaintiff's breach of implied warranty claim." (Discussion § C.2)

FACTUAL BACKGROUND

Defendant sells kratom products in powder, capsule, and liquid-extract forms. Plaintiff alleged that kratom acts on opioid receptors, has addictive potential, and can cause withdrawal symptoms, but defendant failed to place addiction and withdrawal warnings on its product packaging. Plaintiff purchased the products from a smoke shop, became addicted, experienced withdrawal symptoms, and alleged that he would not have purchased the products had the packaging disclosed their addictive properties.

PROCEDURAL HISTORY

Plaintiff filed the complaint on October 10, 2024, asserting California consumer-protection claims and nationwide claims for breach of implied warranty, unjust enrichment, and fraudulent omission. Plaintiff moved to proceed under a pseudonym, and defendant moved to dismiss. The court granted pseudonymous status, granted dismissal of the implied-warranty claim with leave to amend, and denied dismissal of the remaining claims.

DISPOSITION

other

CASES CITED

- Does I thru XXIII v. Advanced Textile Corp., 214 F.3d 1058, 1067-72 (9th Cir. 2000)
- United States v. Doe, 655 F.2d 920, 922 n.1 (9th Cir. 1981)
- Doe v. Ayers, 789 F.3d 944, 945 (9th Cir. 2015)
- Hodsdon v. Mars, Inc., 891 F.3d 857, 861, 865 (9th Cir. 2018)
- Daugherty v. Am. Honda Motor Co., 144 Cal. App. 4th 824, 835 (2006)
- In re Toyota RAV4 Hybrid Fuel Tank Litig., 534 F. Supp. 3d 1067, 1099, 1101-02 (N.D. Cal. 2021)
- Obertman v. Electrolux Home Care Products, Inc., 482 F. Supp. 3d 1017, 1024-25 (E.D. Cal. 2020)
- Stewart v. Electrolux Home Products, Inc., 304 F. Supp. 3d 894, 904-05 (E.D. Cal. 2018)
- Williams v. Yamaha Motor Co., 851 F.3d 1015, 1028 (9th Cir. 2017)
- LiMandri v. Judkins, 52 Cal. App. 4th 326, 336 (1997)
- Hammerling v. Google LLC, 615 F. Supp. 3d 1069, 1085 (N.D. Cal. 2022)
- Anderson v. Apple Inc., 500 F. Supp. 3d 993, 1014-15, 1018 (N.D. Cal. 2020)
- Kearns v. Ford Motor Co., 567 F.3d 1120, 1124 (9th Cir. 2009)
- Vess v. Ciba-Geigy Corp. USA, 317 F.3d 1097, 1106-07 (9th Cir. 2003)
- In re MyFord Touch Consumer Litig., 46 F. Supp. 3d 936, 960 (N.D. Cal. 2014)
- In re JUUL Labs, Inc. Mktg., Sales Pracs., & Prods. Liab. Litig., 497 F. Supp. 3d 552, 629 (N.D. Cal. 2020)
- Falk v. Gen. Motors Corp., 496 F. Supp. 2d 1088, 1096-97 (N.D. Cal. 2007)
- Kulp v. Munchkin, Inc., 678 F. Supp. 3d 1158, 1169-70 (C.D. Cal. 2023)
- Krystofiak v. BellRing Brands, Inc., 737 F. Supp. 3d 782, 799 (N.D. Cal. 2024)

- In re Tobacco II Cases, 46 Cal. 4th 298, 326 (2009)
- Daniel v. Ford Motor Co., 806 F.3d 1217, 1225 (9th Cir. 2015)
- Clemens v. DaimlerChrysler Corp., 534 F.3d 1017, 1023 (9th Cir. 2008)
- Loomis v. Slendertone Distrib., Inc., 420 F. Supp. 3d 1046, 1088 (S.D. Cal. 2019)
- Rodriguez v. Mondelēz Glob. LLC, 703 F. Supp. 3d 1191, 1213 (S.D. Cal. 2023)
- Astiana v. Hain Celestial Grp., Inc., 783 F.3d 753, 762 (9th Cir. 2015)
- Foman v. Davis, 371 U.S. 178, 182 (1962)
- Cook, Perkiss and Liehe, Inc. v. N. Cal. Collection Servs., 911 F.2d 242, 247 (9th Cir. 1990)

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