

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Obillo v. i-Health Inc.

No. 24-cv-02459-PHK (N.D. Cal. Mar. 18, 2025) · No. 24-cv-02459-PHK · Decided March 18, 2025

SUMMARY

The United States District Court for the Northern District of California grants i-Health Inc.’s Rule 12(b)(6) motion to dismiss Malia Obillo’s putative class action, with leave to amend. The court holds that the complaint impermissibly challenges the substantiation of advertising claims rather than alleging their actual falsity, and dismisses claims for equitable and injunctive relief without prejudice for failure to allege an inadequate remedy at law and lack of standing for injunctive relief.

CASE DETAILS

COURT	United States District Court for the Northern District of California
JURISDICTION	United States District Court for the Northern District of California
DECIDED	March 18, 2025
DOCKET	24-cv-02459-PHK
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss Plaintiff's first amended complaint in a putative consumer class action. The court granted the motion and dismissed the complaint without prejudice, with leave to amend.
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 the complaint states a facially plausible claim. Fraud-based claims must also satisfy Rule 9(b)'s particularity requirement.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

- motions to dismiss
- consumer protection
- deceptive trade practices
- equitable relief
- civil procedure

PRACTICE AREAS

- consumer protection
- civil procedure
- consumer fraud
- contract and warranty
- equitable remedies

QUESTIONS PRESENTED

1. Whether the court could take judicial notice of the National Advertising Division report and public agency website materials.
2. Whether Plaintiff had standing to pursue injunctive relief after withdrawing those claims and failing to allege an intent to repurchase the product.
3. Whether Plaintiff adequately pleaded that she lacked an adequate remedy at law for equitable restitution, disgorgement, or other equitable relief.
4. Whether Plaintiff's CLRA claim alleged actual falsity rather than merely a private challenge to the substantiation of advertising claims.
5. Whether Plaintiff's breach of contract and warranty claims were adequately pleaded without allegations of pre-suit notice.
6. Whether the negligent and intentional misrepresentation claims were barred by California's economic loss rule.

HOLDINGS

1. The court granted Defendant's request for judicial notice of the National Advertising Division report and the National Institutes of Health and Federal Trade Commission website materials.
2. The claims seeking injunctive relief were dismissed without prejudice because Plaintiff withdrew them and did not allege a continuing or future injury.
3. A plaintiff seeking equitable restitution, disgorgement, or other equitable relief in federal court must plausibly allege that she lacks an adequate remedy at law; alternative or conditional pleading does not substitute for that allegation.
4. A private plaintiff may not state a CLRA claim merely by alleging that an advertising claim lacks scientific substantiation; the plaintiff must plead specific facts showing that the challenged statement is actually false or misleading.
5. Plaintiff's breach of contract, express warranty, and implied warranty claims were subject to dismissal because she did not plausibly allege that she gave reasonable pre-suit notice of the alleged breach or that notice was excused.
6. As pleaded, Plaintiff's negligent and intentional misrepresentation claims were barred by California's economic loss rule because they sought only economic losses arising from the product sale and alleged no independent duty, personal injury, damage to other property, or qualifying exception.

KEY QUOTATIONS

"To pursue equitable relief claims, Plaintiff was required to plausibly allege that she lacks an adequate remedy at law." (at 14)

"Since California law does not provide a private cause of action for claims that advertising lacks substantiation, the failure to allege specific facts pointing to actual falsehood constitutes a fatal flaw." (at 18)

“Claiming that the study underlying the Product’s label is not rigorous enough to qualify as a “clinical” study is inherently an allegation that the “clinically shown” statement is not sufficiently substantiated.” (at 22)

“Fundamentally, Plaintiff fails to plead any misconduct independent of the Product’s sale or make allegations otherwise rebutting Defendant’s showing that she only seeks economic losses.” (at 34)

FACTUAL BACKGROUND

Plaintiff purchased i-Health's Culturelle IBS Complete Support product in California after reading labeling stating that the product was clinically shown to relieve IBS symptoms. She alleged that the claim was false because the sole clinical study supporting the labeling was methodologically unreliable, relying primarily on a National Advertising Division report, and she also alleged that she personally experienced no relief. Plaintiff asserted California consumer-protection, warranty, contract, misrepresentation, and unjust-enrichment claims and sought damages, restitution, disgorgement, and injunctive or other equitable relief.

PROCEDURAL HISTORY

Malia Obillo filed a putative class action alleging that i-Health's labeling for Culturelle IBS Complete Support falsely represented that the product was clinically shown or clinically proven to relieve IBS symptoms. After Plaintiff filed a first amended complaint, Defendant moved to dismiss all claims under Rule 12(b)(6). The court heard oral argument on December 4, 2024, granted the motion, and allowed Plaintiff to file an amended complaint by April 18, 2025.

DISPOSITION

other

CASES CITED

- Mollett v. Netflix, Inc., 795 F.3d 1062, 1065 (9th Cir. 2015)
- Hinds Investments, L.P. v. Angioli, 654 F.3d 846, 850 (9th Cir. 2011)
- Great Minds v. Office Depot, Inc., 945 F.3d 1106, 1109-10 (9th Cir. 2019)
- Malibu Textiles, Inc. v. Label Lane International, Inc., 922 F.3d 946, 951 (9th Cir. 2019)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555-70 (2007)
- Somers v. Apple, Inc., 729 F.3d 953, 959-60 (9th Cir. 2013)
- Kearns v. Ford Motor Co., 567 F.3d 1120, 1126 (9th Cir. 2009)
- Irving Firemen’s Relief & Retirement Fund v. Uber Technologies, Inc., 998 F.3d 397, 404 (9th Cir. 2021)
- Odom v. Microsoft Corp., 486 F.3d 541, 553 (9th Cir. 2007)
- United States v. Ritchie, 342 F.3d 903, 908 (9th Cir. 2003)
- Yagman v. Garcetti, 852 F.3d 859, 863 (9th Cir. 2017)
- Ebner v. Fresh, Inc., 838 F.3d 958, 963 (9th Cir. 2016)
- Threshold Enterprises Ltd. v. Pressed Juicery, Inc., 445 F. Supp. 3d 139, 146 (N.D. Cal. 2020)

- Masry v. Lowe's Cos., Inc., No. 24-cv-00750-CRB, 2024 WL 3228086, at *2 (N.D. Cal. June 28, 2024)
- Sonner v. Premier Nutrition Corp., 971 F.3d 834, 844 (9th Cir. 2020)
- Takahashi-Mendoza v. Cooperative Regions of Organic Producer Pools, 673 F. Supp. 3d 1083, 1093 (N.D. Cal. 2023)
- Guthrie v. Transamerica Life Insurance Co., 561 F. Supp. 3d 869, 875 (N.D. Cal. 2021)
- National Council Against Health Fraud, Inc. v. King Bio Pharmaceuticals, Inc., 107 Cal. App. 4th 1336, 1345, 1348 (Cal. App. 2003)
- Kroessler v. CVS Health Corp., 977 F.3d 803, 810 (9th Cir. 2020)
- Kwan v. SanMedica International, 854 F.3d 1088, 1095-97 (9th Cir. 2017)
- Dachauer v. NBTY, Inc., 913 F.3d 844, 847 (9th Cir. 2019)
- Mosher-Clark v. Gravity Defyer Medical Technology Corp., 691 F. Supp. 3d 1113, 1118 (N.D. Cal. 2023)
- Brockey v. Moore, 107 Cal. App. 4th 86, 99 (Cal. App. 2003)
- Perez v. Bath & Body Works, LLC, No. 21-cv-05606-BLF, 2022 WL 2756670, at *3-4 (N.D. Cal. July 14, 2022)
- Engel v. Novex Biotech LLC, No. 14-cv-03457, 2015 WL 846777, at *6 (C.D. Cal. Feb. 25, 2015)
- Bitton v. Gencor Nutrientes, Inc., 654 F. App'x 358, 362 (9th Cir. 2016)
- Rikos v. Procter & Gamble Co., 782 F. Supp. 2d 522, 527 (S.D. Ohio 2011)
- Cabral v. Supple, LLC, No. ED 12-00085-MWF (OPx), 2012 WL 12895824, at *1-2 (C.D. Cal. July 3, 2012)
- Gaul v. Bayer Healthcare LLC, No. 12-5110 (SRC), 2013 WL 12181778, at *1 (D.N.J. Feb. 11, 2013)
- Yamasaki v. Zicam LLC, No. 21-cv-02596-HSG, 2021 WL 4951435, at *5 (N.D. Cal. Oct. 25, 2021)
- Aloudi v. Intramedic Research Group, 729 F. App'x 514, 516-17 (9th Cir. 2017)
- Alvarez v. Chevron Corp., 656 F.3d 925, 932 (9th Cir. 2011)
- Minkler v. Apple, Inc., 65 F. Supp. 3d 810, 817 (N.D. Cal. 2014)
- Cardinal Health 301 v. Tyco Electronics Corp., 169 Cal. App. 4th 116, 135 (Cal. App. 2008)
- Robinson Helicopter Co. v. Dana Corp., 102 P.3d 268, 272-74 (Cal. 2004)
- Rattagan v. Uber Technologies, Inc., 19 F.4th 1188, 1191 (9th Cir. 2021); 553 P.3d 1213, 1224 (Cal. 2024)
- Erlich v. Menezes, 981 P.2d 978, 983 (Cal. 1999)
- Sheen v. Wells Fargo Bank, N.A., 505 P.3d 625, 633 (Cal. 2022)
- Apollo Capital Fund LLC v. Roth Capital Partners LLC, 158 Cal. App. 4th 226, 243 (Cal. App. 2007)
- Shamsian v. Atlantic Richfield Co., 107 Cal. App. 4th 967, 983 (Cal. App. 2003)
- Crystal Springs Upland School v. Fieldturf USA, Inc., 219 F. Supp. 3d 962, 970 (N.D. Cal. 2016)
- Tasion Communications, Inc. v. Ubiquiti Networks, Inc., No. C-13-1803, 2013 WL 4530470, at *9-11 (N.D. Cal. Aug. 26, 2013)
- Wine Bottle Recycling, LLC v. Niagara Systems LLC, No. 12-1924 SC, 2013 WL 5402072, at *3 (N.D. Cal. Sept. 12, 2013)