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After initially finding standing to seek injunctive relief, California federal court declines to certify injunctive relief and damages classes over recalled mislabeled products

by Stephanie N. Bedard

We previously wrote about a decision by a California federal court to deny a Japanese convenience store chain's motion to dismiss and to strike classwide allegations of food mislabeling, finding the named plaintiff had standing to assert claims for injunctive relief and that the requests to strike the class allegations and disgorgement remedy by defendant Daiso Holding USA Inc. ("Daiso") were premature. *Fukaya v. Daiso California LLC, et al.*, No. 23-cv-00099-RFL, 2024 WL 4784420 (N.D. Cal. Nov. 12, 2024). The district court in *Fukaya* recently denied the motion for class certification, finding that individualized questions about which consumers read, relied on, and were injured by the mislabeled food predominated over common questions. *Fukaya v. Daiso California LLC, et al.*, No. 23-cv-00099-RFL, 2025 WL 2644747 (N.D. Cal. Sept. 15, 2025).

As discussed in our prior post, the named plaintiff in *Fukaya* alleged that Daiso failed to properly label its packaged food as containing tree nuts and that she suffered a severe allergic reaction as a result. 2024 WL 4784420, at *1. The district court denied Daiso's motion to dismiss Fukaya's claims under California's Consumer Legal Remedies Act, False Advertising Law, and Unfair Competition Law, finding that Fukaya had standing to seek injunctive relief because (1) she plausibly alleged she would be "unable to rely on the product's advertising or labeling in the future, and so will not purchase the product although she would like to"; and (2) she plausibly alleged she encountered the same labeling issue on a different Daiso food product. *Id.* (citing *Davidson v. Kimberly-Clark Corp.*, 889 F.3d 956, 969–70 (9th Cir. 2018)).

Fukaya then moved for class certification, seeking to certify damages and injunctive relief classes of individuals who purchased the same products with the mislabeled English ingredient labels that she had purchased. 2025 WL 2644747, at *1.

As to the putative Rule 23(b)(3) damages class, the district court denied class certification for two reasons: (1) the putative class was overbroad and included all consumers, rather than just those who, like Fukaya, had a nut

allergy or would otherwise find material the omission of tree nuts from the English language ingredient list; and (2) Fukaya failed to present a sufficient damages model or theory of class-wide recovery, stating only that the calculation would be "a simple mathematical task, or one that Daiso itself can and has generated." *Id.* at *3-4.

The district court also declined to narrow the class definition to include only those with tree nut allergies, finding that individualized issues would likely still predominate and that Fukaya had submitted no evidence supporting the numerosity of a narrowed class. *Id.* at *4.

As to the putative Rule 23(b)(2) injunctive relief class, the district court found that Fukaya had not identified a pattern or practice that could be enjoined as to the class as a whole. *Id.* at *5. Though the court earlier had held that allegations of similarly mislabeled products supported an inference of other mislabeled products, at the class certification stage, Fukaya had failed to identify evidence of a more widespread practice that would affect the entire class. *Id.*

Takeaway: Though California courts continue to take an expansive view of standing in advertising and labeling class actions, the Fukaya class certification decision serves as a helpful reminder that plaintiffs still bear the burden of proof at the class certification stage to demonstrate that individualized questions of materiality, injury, and damages do not predominate.