COMPLAINT FOR DECLARATORY RELIEF

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pursuant to the above programs, ECOCERT has been approved as a certifier by both COFRAC
(Comité Français d'Accréditation [the Committee for Accreditation of the government of France])
and by the USDA. The COFRAC certification also requires an assessment of whether and
conclusion that ECOCERT complies with ISO 65, the General Requirements For Bodies
Operating Product Certification Systems. USDA has adopted portions of the ISO 65 process into
its NOP, and thus its certification of ECOCERT under the NOP includes a like accreditation.
ECOCERT is also accredited by MAFF (the Japanese Ministry of Agriculture, Forestry and
Fisheries) for the JAS certification.

- b. Certification of organic nonfood items, such as cosmetics and textiles.
- c. Certification of quality and food safety standards (for example, the European EUREPGAP© standard, the International Food Standard, and the British Retail Consortium standards [sometimes jointly referred to as IFS/BRC]).
 - d. Certification of "Fair Trade" qualification.
- e. Certification of the quality of Management Systems (for example, ISO 9001 [quality], ISO 14001 [environment], ISO 22000 [food safety], OHSAS 18001 [safety and security], EMAS [environment], Greenhouse Gas Emissions, and Forestry [PEFC, the sustainable forest management standard]).
- 2. The affiliated companies include subsidiaries located in 15 countries and a business certification presence in 85 countries worldwide. All of ECOCERT's standards are transparent, and freely available on the internet in several languages, including English.
- 3. Plaintiff ECOCERT FRANCE (SAS) is a French corporation that certifies, among other things, cosmetic products as "organic".
- a. Under French law, the creation of a standard, such as those created by ECOCERT, requires an entity to engage in a process that is defined in law. ECOCERT FRANCE (SAS) undertook said process when it developed its organic cosmetic standard.
- b. Among other requirements, the development of a standard requires consultation with and review by various interested parties, including but not limited to relevant professionals in the field, associations representing consumers and the users of the product(s), and government 2 -

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agencies. ECOCERT engaged in such consultation and review processes over the two-year period that it took to develop the organic cosmetic standard.

- c. The government of France approved of the consultative process that was undertaken by ECOCERT in its development of an organic cosmetic standard.
- d. The standard was thereafter published in the government "Journal officiel de la République française," a publication akin to the Federal Register in the United States, by the Industry Directorate of France.
- e. The standard is currently available in several languages, including English, on the ECOCERT web site.
- 4. ECOCERT, INC. is a Delaware corporation qualified to do business in California. It is an affiliate of ECOCERT FRANCE (SAS). ECOCERT, INC. is headquartered in the City and County of San Francisco, and performs certification activities in the United States on behalf of ECOCERT affiliated companies.
- 5. USDA has established a program for the certification of agricultural products as "organic" pursuant to 7 U.S.C. §§ 6501 et seq. (the National Organic Certification Program). The USDA program is authorized to certify as "organic" qualifying "agricultural products," as that term is defined in 7 U.S.C. § 6502(1): "The term 'agriculture product' means any agricultural commodity or product, whether raw or processed, including any commodity or product derived from livestock that is marketed in the United States for human or livestock consumption."
- The ECOCERT affiliated companies are not associated with, were not founded by, 6. and do not receive financial support from commercial food or cosmetic enterprises, or any other entity that it reviews and assesses for compliance with various standards, other than in the form of fees which it charges for the assessment and review process and the determination if the products or services meet the applicable standards.
- 7. ECOCERT FRANCE (SAS) is currently working jointly with the European Commission and other interested parties to develop a uniform organic cosmetic standard for the European Union, Among these other entities are EcoGarantie of Belgium, AIAB of Italy, BDIH of Germany, and SOIL of the United Kingdom.

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8. Defendant ALL ONE GOD FAITH, INC. ("BRONNER") is a California
corporation fka DR. BRONNER'S ALL-ONE PRODUCTS COMPANY fka ALL ONE FAITH
IN ONE GOD STATE UNIVERSAL LIFE CHURCH, INC. The President of BRONNER is Mr.
David Bronner. BRONNER is located in Escondido, California, County of San Diego.
BRONNER provides financial support to Defendant ORGANIC CONSUMERS ASSOCIATION.
On information and belief, plaintiffs allege that the entity "Dr. Bronner's Magic Soaps," referred
to in the correspondences of Sandler, Reiff & Young, P.C. and of Cummins & Bronner, described
more fully below, is one and the same entity as ALL ONE GOD FAITH, INC. fka DR.
BRONNER'S ALL-ONE PRODUCTS COMPANY fka ALL ONE FAITH IN ONE GOD
STATE UNIVERSAL LIFE CHURCH, INC.

9. Defendant ORGANIC CONSUMERS ASSOCIATION ("OCA") is a 501(c)(3) entity and a Minnesota nonprofit corporation; its Executive Director is Ronnie Cummins. OCA is located in Finland, Minnesota, and receives financial support from BRONNER, among others. On information and belief, plaintiffs allege that the entity "Organic Consumers Association of Little Marais, Minnesota," referred to in the correspondence of Sandler, Reiff & Young, P.C., described more fully below, is one and the same entity as OCA.

BACKGROUND INFORMATION

- 10. On or about March 14, 2008, the law firm of Sandler, Reiff & Young, P.C., of Washington, D.C., stating that they were representing BRONNER and OCA, wrote to ECOCERT FRANCE (SAS), to complain about the labels used by two brands. The correspondence alleged that ECOCERT has misapplied its own standards and permitted misleading claims to be made on the labels of the products of these two brands.
- 11. The correspondence from Sandler, Reiff & Young, P.C., lacks specificity as to which products of the two brands are being questioned. On information and belief, plaintiffs allege that approximately 26 products sold under these two brands bear an Ecocert seal; to put this allegation in perspective, plaintiffs note that to date over six thousand, five hundred (6,500+) cosmetic products have been certified by ECOCERT FRANCE (SAS). Further, the correspondence referenced "cleansing products"; on information and belief plaintiffs allege that RCI/5104198.2/CB12

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one of the referenced brands, Stella McCartney, sells skin-care products, such as creams and
lotions, and does not sell cleansing products. The correspondence further alleged that the
cleansing products of the two brands were not properly "organic". The correspondence also
makes a claim that the allegedly analogous "soap" products of BRONNER (and BRONNER
alone) are properly "organic".

- 12. The correspondence from Sandler, Reiff & Young, P.C. further alleged that the offending product labels violated the USDA National Organic Certification Program (even though the NOP applies only to agricultural products), and additionally asserted that the NOP was the applicable standard for ascertaining what is an "organic" cosmetic.
- 13. In fact, the USDA National Organic Program itself notes that "USDA has no authority over the production and labeling of cosmetics, body care products, and personal care products" except to the extent that the cosmetic product contains an "agricultural product". Thus, USDA notes that the NOP is applicable only to the extent an ingredient in a cosmetic product is an agricultural product and also claims to be organic; in all other respects, the NOP is irrelevant to whether or not a cosmetic is "organic". As noted by USDA in April, 2008: "Cosmetics, body care products, and personal care products may be certified to other private standards and be marketed to those private standards in the United States. These standards might include foreign organic standards [such as that of ECOCERT], eco-labels, earth friendly, etc. USDA's NOP does not regulate these labels at this time."
- The correspondence from Sandler, Reiff & Young, P.C. further claimed that the 14. products of the two brands failed to comply with Section 110839 H.&S.C., which addresses certain labeling issues.
- 15. The correspondence also complained about the OASIS standard, which in no manner is associated with ECOCERT, and how OASIS may differ from the "emerging" NSF standard [meaning the so-called NSF standard is not even finalized] supported by BRONNER and OCA. None of these assertions and posturing has anything to do with the ECOCERT standards. which have been long established.
- 16. Finally, the Sandler, Reiff & Young, P.C. letter states that "Our clients RC1/5104198.2/CB12

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[BRONNER and OCA] contend that your company's labeling and advertising practices constitut
false and deceptive advertising and an unfair and unlawful business practice under California
law." The correspondence alleged that consumers have been mislead by the ECOCERT
FRANCE (SAS) certification. The correspondence then demanded that ECOCERT FRANCE
(SAS), among others, commit in writing by no later than April 20, 2008 to the elimination of all
certification as "Organic" of any and all cosmetic products sold in California on or after
September 1, 2008.

- 17. On or about March 26, 2008, Messrs, Cummins and Bronner themselves wrote to ECOCERT FRANCE (SAS), among others. They noted that "Our intention remains to clean the situation up, and not to drag culprit brands through the mud longer than necessary." Like the correspondence of Sandler, Reiff & Young, P.C., their counsel, they asserted that the USDA program is applicable to cosmetics (even though the enabling law and USDA specifically make clear that the NOP applies only to agricultural products, and the USDA itself disclaims the application of NOP to cosmetic products).
- 18. Bronner and Cummins also claimed that "After five years of frustration, we have created the only situation we realize will effectively incentivize the necessary changes, and are fully prepared to litigate and publicize each step of such litigation." They then provided a socalled "settlement agreement" which they demanded be executed. The terms of the settlement agreement for standards that define "organic" products differ from the standards applied by ECOCERT FRANCE (SAS) through its long established and widely publicized standard, as described hereinabove.
- 19. There are in the United States today multiple standards for "organic cosmetics" that have been developed or are in the process of being developed. OCA and BRONNER have participated and currently participate in a private, non-governmental process for developing a standard for organic cosmetics that is currently being written, but which is not yet final; this process is sometimes referred to as the "NSF" standard. ECOCERT FRANCE (SAS) has already developed a standard for cosmetic products, pursuant to French law, which is widely publicized and well established, as noted above. [As noted previously, the European Union is RC1/5104198.2/CB12

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seeking to develop a standard to be applied within its territories, an activity in which ECOCERT FRANCE (SAS) is participating.] A number of cosmetic companies have also developed their own standard known as OASIS. These standards differ one from another.

- 20. The correspondence of Messrs. Cummins and Bronner, the Executive Director of OCA and President of BRONNER, respectively, as well as the correspondence of their counsel, make abundantly clear that defendants intend to file suit against the plaintiffs herein if the plaintiffs do not concede to the demands of OCA, BRONNER, and their counsel, and that they intend, in their own words, to drag plaintiffs and their reputation through the proverbial mud and to engage in widespread and negative publicity aimed at sullying the reputation of plaintiffs if plaintiffs have the audacity to refuse to surrender to the demands of OCA and BRONNER.
- 21. On information and belief ECOCERT FRANCE (SAS) and ECOCERT, INC. assert that the sole motive behind the threats and attempted intimidation noted herein by defendants is, through litigation, to seek to impose the private, non-governmental standard they are seeking with others to develop (known as NSF) upon other entities that have developed alternative standards for organic cosmetic certification, including that of ECOCERT. This conclusion is further supported by the fact that the certifying entity known by QAI is owned by the nongovernmental entity developing the NSF standard, and that QAI is a competitor of the ECOCERT affiliated companies.

FIRST CAUSE OF ACTION

(Declaratory Relief Against BRONNER And OCA)

Section 1060 C.C.P.

- 22. Plaintiffs incorporate herein Paragraphs 1 through 21, as though fully set forth herein.
- 23. An actual controversy has arisen and now exists between plaintiffs and defendants concerning their respective rights and duties in the plaintiffs contend that their certification of cosmetic products as "organic," if a product meets the ECOCERT standards, is not false and misleading pursuant to Section 17500 B.&P.C., and defendants dispute this contention and contend that the certification is false and misleading pursuant to Section 17500 B.&P.C.

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24. As a separate and independent basis for this cause of action, plaintiffs note that an actual controversy has arisen and now exists between plaintiffs and defendants concerning their respective rights and duties in that plaintiffs contend that their certification of cosmetic products as "organic," if a product meets the ECOCERT standards, is not a violation of Section 17200 B.&P.C., and defendants dispute this contention and contend that the certification is a violation of Section 17200 B.&P.C.

- 25. Additionally, an actual controversy has arisen and now exists between plaintiffs and defendants concerning their respective rights and duties in that plaintiffs contend that the defendants lack standing to bring any allegations against plaintiffs based on Sections 17200 or 17500 B.&P.C. because defendants cannot meet the requirements for standing as set forth in Proposition 64, and defendants dispute this and contend that a claim pursuant to Section 17200 and/or 17500 B.&P.C. can be stated against plaintiffs notwithstanding the requirements of Proposition 64. The standing requirements mandate that BRONNER and OCA be able to demonstrate that they have suffered injury in fact from the acts or omissions of plaintiffs and have paid or given money or property to the plaintiffs as a result of the unfair competition and/or false advertising. Plaintiffs deny that any act or omission of theirs has resulted in an injury in fact to defendants, and further contend that the defendants have not paid or given money or property to plaintiffs as a result thereby.
- 26. Plaintiffs desire a judicial determination of their rights and duties, and a declaration as to which interpretation of the Court's jurisdiction (based on the standing requirement imposed by Proposition 64) is correct. Plaintiffs further desire a judicial determination of their rights and duties, and a declaration as to which interpretation of Sections 17200 and 17500 B.&P.C. is correct. Such a declaration is necessary and appropriate because defendants have threatened to file litigation on these issues if plaintiffs do not sign their proffered "settlement agreement" by April 20, 2008. Defendants have further stated their intent to continue to smear and denigrate plaintiffs' name, reputation, and certification process if plaintiffs do not sign defendants' so-called settlement agreement.
- 27. A judicial declaration is also necessary and appropriate at this time under the RCI/5104198.2/CB12 8 -

circumstances in order that plaintiffs may ascertain their rights and duties under applicable California law. Further, plaintiffs are being burdened both financially and by the unsettled state of affairs in that defendants, as noted, have sought to smear, sully, and denigrate and have threatened to continue to smear, sully, and denigrate the reputation of plaintiffs and to place a negative image upon their long established and highly regarded certification process.

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WHEREFORE, plaintiffs pray judgment as follows:

- 1. For a declaration that this Court is without jurisdiction to entertain a complaint by defendants alleging violation of Section 17200 B.&P.C. and/or Section 17500 B.&P.C. because of a lack of Proposition 64 mandated standing by the defendants.
- 2. For a declaration that the certification process of plaintiffs does not violate Sections 17500 and/or 17200 B.&P.C.
- 3. For issuance of a permanent injunction restraining and enjoining defendants from filing any suit against plaintiffs which alleges violations of Sections 17200 and/or Section 17500 B.&P.C.
 - 4. For costs of suit herein incurred.
 - 5. For such other and further relief as the Court may deem proper.

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Dated: April 18, 2008 19

ROPERS, MAJESKI, KOHN & BENTLEY

TIMOTHY A. DOLAN Attorneys for Plaintiffs ECOCERT FRANCE (SAS) &

ECOCERT, INC.

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