Vail v. Juul Labs, Inc.

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wrongful conduct in marketing, promoting, manufacturing, designing, and selling JUUL substantially contributed to Wakefield's death.

- 2. In 2015, Defendant JUUL Labs, Inc. (hereinafter "Defendant" or "JUUL") took advantage of minimal regulations and loopholes for e-cigarettes at a time when youth smoking was at its lowest level in decades. Defendant developed and marketed a highly addictive product that could be packaged and sold to young people without having to comply with the restrictions for regular cigarette companies. Teens are a highly sought-after market for cigarette companies because they are most susceptible nicotine addiction and are more likely to become customers for life.
- 3. The JUUL device heats a nicotine filled liquid, delivered via JUULpodsTM which are sold separately from the device. JUULpods come in kid-friendly flavors like mango, cool mint, fruit, and crème brûlée, each delivering a powerful potent dose of nicotine and other toxic chemicals into the lungs, body, and brain of the JUULer.
- 4. JUUL was designed for teenagers. It does not look, smell, or taste like a regular cigarette. When the JUULer exhales, a sweet-smelling vapor lingers for only a few seconds before dissipating, unlike the thick stench of traditional cigarette smoke. It is a small, trendy, high-tech device that looks like a USB drive. It comes in various colors and styles, and Defendant's viral marketing campaigns use young models to make the products look cool and stylish to young consumers.
- 5. JUUL is easily concealable from parents and teachers that can be used practically anywhere. Unlike traditional cigarettes, the scent does not linger on the body or in the breath of the user, making it undetectable after use. Googling "hiding JUUL in school" or "how to ghost rip JUUL" returns hundreds of videos on how to JUUL anywhere without detection.
- 6. Defendant designed JUUL to addict young people to nicotine. Nicotine is one of the most addictive chemicals in the world. By studying cigarette industry archives, Defendant learned how to manipulate the nicotine in its products to maximize addictiveness, particularly among new users and young people, and thereby increase sales. Defendant designed its products to minimize the discomfort of traditional cigarettes by creating a product that does have a "throat

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design element was to initiate new smokers, since those who already smoke cigarettes are tolerant to the throat hit sensation and associate it with smoking and nicotine satisfaction. At the same time, Defendant designed its device to deliver substantially higher concentrations of nicotine per puff than traditional cigarettes and most other e-cigarettes. This combination of comfortable inhalation and high nicotine delivery makes JUUL both powerfully addictive and dangerous. 7. Nicotine is dangerous, particularly to young people whose brains are still

hit" or irritation that would serve as a natural deterrent to new users. The sole purpose of this

- developing through age 25. Nicotine is not only addictive, but also permanently alters the structure of the brain and causes permanent mood changes and other cognitive disorders.
- 8. Nicotine addiction causes repeated exposure to the toxins and aerosols contained in JUUL's vapor.
- 9. Several studies, including one recently released by the American Stroke Association, have shown that e-cigarettes increase the risk of stroke, heart attack, and coronary artery disease.1
- 10. Other studies have shown that e-cigarettes containing nicotine significantly increase blood pressure, heart rate, and arterial stiffness, and can also cause vascular damage, which can lead to strokes and other cardiovascular injuries. These studies build on the wellestablished research that nicotine increases blood pressure.
- 11. E-cigarette vapor smoke contains substantial levels of fine particles which have been previously linked to cigarette smoke and air pollution. Clinical studies have shown ecigarette use causes inflammation and increased airway resistance, often at levels similar to effects of cigarette smoking. Studies have also found indicators of oxidative stress from ecigarette use and have found that e-cigarette vapor produces inflammatory responses and increased susceptibility to infection.

¹ Press Release, American Stroke Association, E-cigarettes Linked to Higher Risk of Stroke, Heart Attack, Diseased Arteries, (Jan. 30, 2019).

- 12. Studies have shown associations between e-cigarette use and respiratory use as well as increased prevalence and severity of symptoms in asthma among adolescents.
- 13. The United States Surgeon General has concluded that e-cigarettes, including JUUL, are not safe for anyone under age 26.² Despite this, Defendant targeted its marketing towards young people.
- 14. By following the guidance and methods of the cigarette industry, while circumventing all regulations, Defendant marketed and promoted its highly addictive product through social media and other platforms to capture the lucrative youth market. Defendant profited from a product that would create a long-term nicotine addiction without warning teens about risks of addiction, stoke, and other life-altering injuries. Defendant targeted, preyed and exploited teenagers' vulnerability by creating an extremely dangerous product and advertising it as cool, fun, and safe.
- 15. Since 2015 when JUUL hit the market, JUUL has become pervasive in schools across the country and adolescent use is rampant. JUUL not only dominates the multi-billion-dollar e-cigarette market, but also has expanded the size of that market significantly-mostly via young non-smokers. The cigarette company Altria (formerly known as Philip Morris) acquired a 35% stake in Defendant JUUL Labs, Inc., for \$12.8 billion, giving Altria access to the new generation of customers Defendant has groomed.
- 16. JUUL created an epidemic. According to Alex Azar, the Secretary of the U.S. Department of Health and Human Services, "We have never seen use of any substance by America's young people rise as rapidly as e-cigarette use is rising." Defendant's conduct has led to a surge in teen e-cigarette use, creating the "largest ever recorded [increase in substance

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² U.S. Surgeon General and the U.S. Centers for Disease Control and Prevention, Office on Smoking and Health, https://e-cigarettes.surgeongeneral.gov/ (last visited August 5, 2019).

³ Press Release, Office of U.S. Surgeon General Vice Adm., Surgeon General Releases Advisory on E-Cigarette Epidemic Among Youth (Dec. 18, 2018.)

abuse] in the past 43 years for any adolescent substance use outcome in the U.S."⁴ In a mere two years, Defendant undid more than a decade of progress in reducing teen smoking, thereby increasing use among teenagers to levels not seen since the early 2000s. Wakefield was a target and victim of Defendant's conduct.

II. PARTIES

- 17. Plaintiff Lisa Marie Vail, individually and on behalf of the Estate of Daniel David Wakefield, deceased, is the natural mother of Daniel David Wakefield. Plaintiff is an adult citizen of the State of Florida, residing at 3248 Broken Bow Drive, Land O Lakes, Florida 34639.
- 18. Defendant JUUL Labs, Inc. ("JUUL") is incorporated in Delaware with its principal place of business in San Francisco, California. Prior to 2017, JUUL was known as PAX Labs, Inc.
- 19. JUUL manufactures, designs, sells, markets, promotes, and distributes JUUL ecigarettes.
- 20. JUUL ratified each and every act or omission alleged herein in proximately causing the injures and damages incurred by Wakefield and Plaintiff.
- 21. Upon information and belief, DOES 1-10 are individuals and corporations with their primary place of business or residence in California, or who directed their activities towards the State of California and/or have minimum contacts with the State.
- 22. Upon information and belief, DOES 1-10 provided scientific research and development services to JUUL, in support of JUUL's manufacture, design, sale, marketing, promotion, and distribution of JUUL e-cigarettes.
- 23. Upon information and belief, DOES 11-20 are individuals and corporations with their primary place of business or residence in California, or who directed their activities towards the State of California and/or have minimum contacts with the State.
 - 24. Upon information and belief, DOES 11-20 provided marketing services, including

⁴ Salynn Boyles, Surgeon General Calls for New E-Cig Restrictions (Dec. 18, 2018) https://www.medpagetoday.com/primarycare/smoking/77000.

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but not limited to market analyses; advertising design, marketing, tools, techniques, and strategies; data on potential target demographics; and other services in support of JUUL's manufacture, design, sale, marketing, promotion, and distribution of JUUL e-cigarettes.

- 25. Upon information and belief, DOES 21-30 are individuals and corporations with their primary place of business or residence in California, or who directed their activities towards the State of California and/or have minimum contacts with the State.
- 26. Upon information and belief, DOES 21-30 are members of the e-cigarette industry that conspired with JUUL to fraudulently conceal and downplay the risks of e-cigarettes, engage in a campaign of doubt, confusion, and misrepresentation, and overstated the benefits of e-cigarettes and nicotine.
- 27. Plaintiff is informed and believes and on that basis alleges that each defendant named herein as DOES 1-30 are those persons, corporations, other legal entities, and/or successor-in-interest of any of those entities described above whose wrongful conduct caused or contributed to cause the harms, injuries, and damages to Plaintiff.

III. JURISDICTION AND VENUE

- 28. Defendant at all material times hereto was in the business of manufacturing, designing, testing, assembling, supplying, selling, importing, and distributing the JUUL ecigarette device and JUULpods (hereinafter "JUUL PRODUCTS") that are the subject of this lawsuit.
- 29. Plaintiff brings her complaint under federal diversity jurisdiction pursuant to 28 U.S.C. 1332. There is complete diversity between all parties. Defendant is a Delaware corporation with its principal place of business in San Francisco, California. Plaintiff is a Florida resident. The amount in controversy exceeds \$75,000.
- 30. Venue is proper in this Court because Defendant's principal place of business is in the City and County of San Francisco, and much of the wrongful conduct alleged herein took place in this City and County.

IV. FACTUAL ALLEGATIONS

- 31. JUUL e-cigarettes are small, USB shaped devices. Flavored JUULpods are inserted into the JUUL and contains the "e-liquid" that is vaporized, or vaped.
 - A. JUUL PRODUCTS are Highly Addictive and Unsafe for Individuals Under 26 Years Old; However, they are Designed and Marketed Specifically to Entice Teenage Users, Fostering a New Nicotine-Dependent Generation.
- 32. In 1988, the United States Surgeon General released a report that stated (1) cigarettes and other forms of tobacco are addictive; (2) nicotine is the drug in tobacco that causes addiction; and (3) the physiological and behavioral processes that determine tobacco addiction are similar to those that determine heroin and cocaine addiction.⁵
- 33. The human brain is not fully developed until age 26. Nicotine from e-cigarettes, like JUUL PRODUCTS, can lead to addiction, harm to brain development, and change the way brain functions in users under the age of 26.⁶
- 34. Nicotine is associated with and cardiovascular, reproductive, immune, and pulmonary problems.
- 35. One JUUL pod contains at least as much nicotine as a pack of cigarettes, or 20 cigarettes.⁷
- 36. E-cigarettes significantly increase the risk of high blood pressure, arterial stiffness, stroke, and heart attack.
- 37. E-cigarette vapor smoke contains substantial levels of fine particles previously implicated in pulmonary diseases. The e-cigarette vapor smoke produces oxidative stress and inflammation in airways and increases risk of pulmonary disease. Studies have found a significant increase in the prevalence of asthma in adolescent e-cigarette users.

⁵ Neal L. Benowitz, *Pharmacology of Nicotine: Addiction, Smoking-Induced Disease, and Therapeutics*, 49 ANNUAL REVIEW OF PHARMACOLOGY AND TOXICOLOGY 57 (2009).

⁶ U.S Surgeon General and the U.S. Centers for Disease Control and Prevention, Office on Smoking and Health, https://e-cigarettes.surgeongeneral.gov/ (last visited August 5, 2019).

⁷https://truthinitiative.org/research-resources/emerging-tobacco-products/6-important-facts-about-juul

- 39. Nicotine affects neurological development in adolescents, and exposure to nicotine during adolescence produces an increased vulnerability to nicotine addiction. ⁸ Adolescent nicotine addiction causes "substantial neural remodeling," including those parts of the brain governed by dopamine or acetylcholine, which play central roles in reward functioning and cognitive function. Adolescent smokers are found to have weakened neural responses including "diminished sensitivity to non-drug rewards." This effect becomes even more severe in adolescents who smoke more than 5 cigarettes, or a quarter of a JUUL pod, per day.
- 40. Other brain changes from nicotine include increased sensitivity to other drugs and heightened impulsivity. "Brain imaging on adolescents suggest that those who begin smoking regularly at a young age have markedly reduced activity in the prefrontal cortex and perform less well on tasks related to memory and attention compared to people who don't smoke."¹⁰
- 41. According to the National Institutes of Health, the "amount and speed of nicotine delivery plays a critical role in the potential for abuse of tobacco products." The cigarette industry has long known that "nicotine is the addicting agent in cigarettes" and that "nicotine satisfaction is the dominant desire" of nicotine addicts. ¹³

⁸ Mariam Arain et al., Maturation of The Adolescent Brain, 9 NEUROPSYCHIATRIC DISEASE AND TREATMENT 449 (2013).
⁹ Id.

¹⁰ Erin Brodwin, An E-Cigarette with Twice the Nicotine of Comparable Devices is Taking Over High Schools and Scientists are Sounding the Alarm, Business Insider (April 30, 2018), https://www.businessinsider.com/juul-e-cig-vaping-health-effects-2018-3.

¹¹ U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, HOW TOBACCO SMOKE CAUSES DISEASE: THE BIOLOGY AND BEHAVIORAL BASIS FOR SMOKING ATTRIBUTABLE TO DISEASE (2010) https://www.ncbi.nlm.nih.gov/books/NBK53018/.

¹² Tobacco Industry Quotes on Nicotine Addiction, OK.GOV. https://www.ok.gov/okswat/documents/Tobacco%20Industry%20Quotes%20on%20Nicotine%20Addiction.pdf (last visited August 5, 2019).

¹³ *Id.*; John Schwartz, *1973 Cigarette Company Memo Proposed New Brands For Teens*, WASHINGTONPOST.COM (October 4, 1995) <a href="https://www.washingtonpost.com/archive/local/1995/10/04/1973-cigarette-company-memo-proposed-new-brands-for-teens/eaf66416-3939-4c5f-9fbf-1db1897673ab/?noredirect=on&utm term=.d4d274af09a2.

- 42. In U.S. patent No. 9,215,895 ("the '895 patent"), Defendant describes a process for combining benzoic acids with nicotine to produce nicotine salts, a formulation that mimics the nicotine salt additive developed by RJ Reynolds decades earlier.
- 43. In a 2015 interview, Ari Atkins, Defendant's research & development engineer and one of the inventors of the JUUL device, said this about the role of acids: "In the tobacco plant, there are these organic acids that naturally occur. And they help stabilize the nicotine in such a way that makes it, I've got to choose the words carefully here: Appropriate for inhalation."
- 44. In creating JUUL PRODUCTS, Defendant lowers the pH of nicotine, which prevents the harsh throat irritation usually associated with cigarettes. This reduction in pH converts naturally occurring nicotine, which causes irritation in the throat and respiratory tract, into salt nicotine.¹⁴
- 45. A recent study found that Defendant's e-liquid had a pH of under 6.0, suggesting that the JUUL contains almost no freebase (non-salt) nicotine.¹⁵
- 46. High overall nicotine levels and low freebase nicotine levels allow JUUL users to vape aerosols with minimal harshness when they inhale.¹⁶ The study concluded "[t]his may well contribute to the current prevalence of JUUL products among youth."¹⁷
- 47. Similarly, a recent study of JUULpods found that "[t]he nicotine levels delivered by the JUUL are similar to or even higher than those delivered by cigarettes." JUUL delivers up to 36% more nicotine per puff than a Marlboro. 19

¹⁴ Anna K. Duell, et at., Free Base Nicotine Determinations in Electronic Cigarette Liquids by ¹H NMR Spectroscopy, 31(6) CHEM. RES. TOXICAL 431 (2018).

¹⁵ *Id*.

¹⁶ *Id*.

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¹⁸ Samantha M. Reilly et al., Free Radical, Carbonyl, and Nicotine Levels Produced by JUUL Electronic Cigarettes, NICOTINE AND TOBACCO RESEARCH, (October 20, 2018), https://www.ncbi.nlm.nih.gov/pubmed/30346584.

¹⁹ E-Cigarettes, EC.EUROPA.EDU, https://ec.europa.eu/health/sites/health/files/tobacco/docs/fs_ecigarettes_en.pdf (last visited August 5, 2019); Ronny Linder, *JUUL Warns it Will Fight Israel Over Potential Ban on Its E-cigarettes*, HAARETZ.COM (June 3, 2018 9:52 p.m.), https://www.haaretz.com/israel-news/business/juul-warns-it-will-fight-israel-over-potential-ban-on-its-e-cigarettes-1.6140058.

- 48. Because "nicotine yield is strongly correlated with tobacco consumption," ²⁰ a JUUL pod with its greater absorbable nicotine will strongly correlate with higher rates of consumption of JUULpods, generating more revenue for JUUL.
- 49. The high nicotine levels found in JUUL PRODUCTS create a greater addiction potential than traditional cigarettes.²¹
- 50. JUUL PRODUCTS amplify the health risks associated with nicotine consumption because their users receive a far more potent dose than if they smoked a traditional cigarette.
- 51. The design of JUUL PRODUCTS allow them to be consumed anywhere. Therefore, the traditional "smoke breaks" do not apply. Since a JUUL pod contains about 20 cigarettes and has no automatic off switch, JUUL users can inhale JUUL PRODUCTS regularly without having to relight or grab another cigarette. Also, unlike cigarettes that have a definite and natural stopping point, JUUL only stops when the device runs out of battery or the pod runs out of liquid. This leads JUUL users to have less awareness of their total nicotine consumption and a greater amount of nicotine consumed.
- 52. The amount of 12th grade students who reported vaping nicotine nearly doubled from 11 to 21 percent in 2018.
- 53. Sixty-three percent of JUUL users did not know JUULpods <u>always contain</u> nicotine.
- B. Defendant's Teen-Focused Business and Advertising Model is Derived from Tobacco Giant, Philip Morris, Who Owns a 35 Percent Share of JUUL.
- 54. In December 2018, Altria, the parent company of Philip Morris, purchased a 35 percent share of Defendant JUUL Labs, Inc. for 12.8 billion dollars.²²
- 55. In 1998, the Tobacco Master Settlement Agreement prevented Tobacco companies from (1) using outdoor advertising such as billboards; (2) sponsoring events; (3) giving free

²⁰ Martin J. Jarvis et al., Nicotine Yield From Machine Smoked Cigarettes and Nicotine Intakes in Smokers: Evidence From a Representative Population Survey, 93-2 JOURNAL OF NATIONAL CANCER INSTITUTE 134 (2001).

²¹ Reilly, *supra* note 18.

²² Laural Wamsley, *Altria Buys 35 Percent stake in E-Cigarette Maker Juul*, NPR.ORG (December 20, 2018 6:18 p.m), https://www.npr.org/2018/12/20/678915071/altria-buys-35-percent-stake-in-e-cigarette-maker-juul

samples; (4) paying any person "to use, display, may reference to or use as a prop any Tobacco Products, Tobacco Product package...in any 'media' which includes any motion picture, television show, theatrical production or other live performance, and any commercial film or video;" and (5) paying any third party to conduct any activity which the tobacco manufacturer is prohibit from doing.

- 56. In 2015, Defendant launched its "Vaporized" campaign with a 12-panel billboard display over Times Square.²³
- 57. In launching JUUL PRODUCTS, Defendant held at least 25 youth oriented JUUL sampling events in major cities such as New York and Las Vegas, whose central purpose was to distribute free samples of JUUL PRODUCTS to a youth audience.
- 58. Defendant "deployed a sophisticated program to enter schools and convey its messages directly to teenage children" by offering \$10,000 to schools nationwide for the right to talk to students in classrooms or after school.²⁴
- Defendant paid a Baltimore charter school organization \$135,000 to set up a five-59. week wellness camp for kids.²⁵
- 60. Defendant has opened pop up "JUUL bars" in Los Angeles, New York, and the Hamptons, imitating trendy pop-up shops and restaurants that attract young consumers.²⁶
- 61. Defendant specifically advertised JUUL PRODUCTS to impressionable teens by spending more than \$200,000 on online "influencers," including celebrity chefs to provide pod "pairing" suggestions.²⁷

²³ Robert K. Jackler, *et al., Juul Advertising Over it First Three Years on the Market*, STANFORD RESEARCH INTO THE

http://tobacco.stanford.edu/tobacco main/publications/JUUL Marketing Stanford.pdf (last visited August 5, 2019).

²⁴ Sheila Kaplan, Juul Targeted Schools and Youth Camps, House Panel on Vaping Claims, THE NEW YORK TIMES

²⁶ Kathleen Chaykowski, *The Disturbing Focus of Juul's Early Marketing Campaigns*, FORBES (Nov. 16, 2018 2:38

p.m), https://www.forbes.com/sites/kathleenchaykowski/2018/11/16/the-disturbing-focus-of-juuls-early-marketing-

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²⁵ *Id*.

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²⁷ Letter from Raja Krishnamoorthi, Chairman for Subcommittee of Economic and Consumer Policy, to Kevin Burns, CEO of JUUL Labs, Inc. (June 7, 2019) (on file with United States House of Representatives Committee on Oversight and Reform).

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(July 25, 2019) https://www.nytimes.com/2019/07/25/health/juul-teens-vaping.html

- 62. Between 2015 and 2018, Defendant sent at least 200 promotional emails to customers and potential customers, regardless of age. These emails included coupons for the "starter kit" and a "refer a smoker" program.
- 63. Defendant's emails also included surveys consumers could take it exchange for compensation, regardless of age. In some cases, Defendant paid customers up to \$30 to complete those surveys.
- 64. In 2006, the United States District Court for the District of Columbia issued a decision in *United States v. Philip Morris USA*, *Inc.*, after the federal government alleged big tobacco violated and continued to violate the Racketeer Influenced and Corrupt Organization Act ("RICO") through its decades-long targeting of adolescents by using peer marketing, images and themes that appealed to teens, and promotional materials that would specifically reach them. The court found "overwhelming" evidence that tobacco companies intentionally exploited adolescents' vulnerability to imagery by creating and advertising themes of independence, adventurousness, sophistication, glamour, athleticism, social inclusion, sexual attractiveness, thinness, popularity, rebelliousness, and being "cool." *United States v. Philip Morris USA*, *Inc.*, 449 F. Supp. 2d 1, 571 (D.D.C. 2006).
- 65. JUUL's "Vaporized" campaign promoted JUUL products to teens in a strikingly similar fashion, using young, trendy models and bold colors, and showing JUUL products as being an essential part of a young, fun, and cool lifestyle.²⁸
- 66. Defendant's print advertisements continued the themes of the "Vaporized" campaign by showing young, attractive, trendy models having fun by "juuling." These advertisements preyed on teenage vulnerability by making it seem like "juuling" would make someone attractive, popular, independent, fun, and cool.

²⁸ Declan Harty, *Juul Hopes to Reinvent E-cigarette Ads with 'Vaporized' Campaign*, ADAGE (June 23, 2015) https://adage.com/article/cmo-strategy/juul-hopes-reinvent-e-cigarette-ads-campaign/299142

- 67. Defendant primarily advertised through social media. It hired social media "influencers" to promote JUUL PRODUCTS and to influence teens to use them. Up until 2018, Defendant called for "influencers" with a "join the JUUL influencers" link on its website. Applicants were required to disclose their Instagram, Twitter, blog, and Facebook profiles for Defendant to assess if they could successfully reach the target teen market.
- 68. These "influencers" delivered the JUUL message to hundreds of thousands of teens.
- 69. Defendant used hashtags to reach the teen market, including, but not limited to, #JUUL, #JUULnation, #Mango, and #Coolmint. Additionally, Defendant allowed other accounts like @JUULnation to post tips and videos about "juuling," including how to "juul in school."
- 70. As of August 1, 2018, #juul has over 552,000 posts, #juulnation has over 57,200 posts, and #juulvapor has over 48,500 posts on Instagram.
- 71. In 2009, the FDA banned flavored cigarettes because "flavored cigarettes are a gateway for many children and young adults to become regular smokers."³¹
- 72. According to a recent study, 74 percent of teens indicated the first JUUL product they used was a flavored pod. Additionally, more than half of teens stated that they use ecigarettes, such as JUUL, because they like the flavors.
- 73. A 2018 study found JUUL's "cool mint" pod had nearly double the amount of nicotine than the 5% strength label indicates. 32
- 74. Defendant had an advertising campaign titled "Save Room for JUUL" that included tag lines like "indulge in dessert without the spoon" and "have a sweet tooth, try brulee" (referencing the crème brûlée flavor).

²⁹ An "influencer" on social media is a person who has garnered hundreds of thousands to millions of followers to whom they can market and promote products often in partnership with companies like JUUL.

³¹Gardiner Harris, *Flavors Banned From Cigarettes to Deter* Youth, THE NEW YORK TIMES (Sept. 22, 2009) https://www.nytimes.com/2009/09/23/health/policy/23fda.html

³² See Duell et al., Free-Base Nicotine Determination in Electronic Cigarette Liquids by tH NMR Spectroscopy (Jun 18, 2018) 31 Chern. Res. Toxicol. 431-434, www.ncbi.nlm.nih.gov/pmclarticles/PMC6008736/ (as of August 19, 2019).

33 Kaplan, *supra* note 24.
34 Neal L. Benowitz, *Ph*

³⁴ Neal L. Benowitz, *Pharmacology of Nicotine: Addiction, Smoking-Induced Disease, and Therapeutics*, 49 ANNUAL REVIEW OF PHARMACOLOGY AND TOXICOLOGY 57 (2009).

75. In 2017, Defendant advertised their "cool mint" by encouraging consumers to "start your week with cool mint juul pods," and to "beat the august heat with cool mint."

76. In 2018, Defendant announced it had stopped accepting retail orders for many flavored JUULpods. However, the flavored pods are still available on Defendant's website. Also, the "cool mint" flavor is still available in stores.³³

C. The Effects of Nicotine on Adolescents

- 77. Leading health authorities support two major conclusions from a 1998 report issued by the Surgeon General of the United States regarding nicotine and tobacco: (i) Nicotine is the drug in tobacco that causes addiction, and (2) the physiological and behavioral processes that determine tobacco addiction are similar to those that determine heroin and cocaine addiction.
- 78. The human brain is not fully developed until age 25. Nicotine from e-cigarettes, like JUUL, can lead to addiction, harm to brain development, and change the way brain functions in users under the age of 26 as supported by the Surgeon General's opinion.³⁴
- 79. Nicotine fosters addiction through the brain's "reward" pathway. Nicotine, both a stimulant and a relaxant, affects the central nervous system; increases blood pressure, pulse, and metabolic rate; constricts blood vessels of the hair and skin; and causes muscle relaxation.
- 80. When nicotine is inhaled, it enters the bloodstream through membranes in the mouth and upper respiratory tract through the lungs. Once in the bloodstream, nicotine reaches the brain, binds to receptors, and triggers a series of physiologic effects in the user that are perceived as a "buzz" or "high" that can induce happiness, arousal, and reduction of stress and anxiety. These effects are caused by the release of dopamine, acetylcholine, epinephrine, norepinephrine, vasopressin, serotonin, and beta endorphin. With regular nicotine use, these feelings diminish over time and the user must consume increasingly larger amounts of nicotine to achieve the same pleasurable effect.

- 81. The neurological changes caused by nicotine lead to addiction. Repeat exposure to nicotine causes neurons in the brain to adapt to the action of the drug and return brain function back to normal. This process, called neuroadaptation, leads to increasing tolerance of nicotine, whereby a given level of nicotine begins to have less of an effect on the user.
- 82. Once the brain is addicted to nicotine, the absence of it causes compulsive, drug-seeking behavior. It also causes withdrawal symptoms, which include but are not limited to suicidal ideation, anxiety, depression, irritability, mood swings, stress, difficulty concentrating, restlessness, headaches, insomnia, heart palpitations, and tremors.
- 83. The aforementioned effects of nicotine are particularly pronounced amongst adolescents, whose brains are still developing.³⁵
- 84. Nicotine affects neurological development in adolescents, and exposure to nicotine during adolescence produces an increased vulnerability to nicotine addiction.³⁶
- 85. Adolescent nicotine addiction causes "substantial neural remodeling," including those parts of the brain governed by dopamine or acetylcholine, which play central roles in reward functioning and cognitive function. Adolescent smokers are found to have weakened neural responses including "diminished sensitivity to non-drug rewards." This effect becomes even more severe in adolescents who smoke more than 5 cigarettes, or a quarter of a JUUL pod, per day.
- 86. Other brain changes from nicotine include increased sensitivity to other drugs and heightened impulsivity. "Brain imaging on adolescents suggest that those who begin smoking regularly at a young age have markedly reduced activity in the prefrontal cortex and perform less well on tasks related to memory and attention compared to people who don't smoke."³⁸
 - 87. One JUUL pod contains approximately 200 puffs, which delivers nearly as much

³⁵ Mariam Arain *et al.*, *Maturation of The Adolescent Brain*, 9 NEUROPSYCHIATRIC DISEASE AND TREATMENT 449 (2013).

³⁶ *Id*.

 $^{^{37}}$ *Id*

³⁸ Erin Brodwin, An E-Cigarette with Twice the Nicotine of Comparable Devices is Taking Over High Schools and Scientists are Sounding the Alarm, Business Insider (April 30, 2018), https://www.businessinsider.com/juule-cig-vaping-health-effects-2018-3

nicotine as a pack of cigarettes, according to the product website. Thus, if a teen consumes one pod a week, in five weeks, it is equivalent to about 100 cigarettes (5 packs of cigarettes). This makes the teen equivalent to an established smoker.³⁹

- 88. Because adolescent brains are still developing, youth and young adults are uniquely at risk for long-term, long-lasting effects of nicotine exposure, including addiction, mood disorders, permanent lowering of impulse control, and changes in brain synapses which harm the parts of the brain that control attention and learning.⁴⁰
- 89. Adolescents develop nicotine dependence and addiction at a faster rate than adults, find nicotine more rewarding, underestimate the risks of smoking, and are more influenced by social smoking behaviors of persons in their age group.⁴¹

D. JUUL's Nicotine Warning Fails to Disclose Its Highly Addictive Nature

- 90. According to the National Institutes of Health, the "amount and speed of nicotine delivery plays a critical role in the potential for abuse of tobacco products." The cigarette industry has long known that "nicotine is the addicting agent in cigarettes" and that "nicotine satisfaction is the dominant desire" of nicotine addicts. 44
- 91. In U.S. patent No. 9,215,895 ("the '895 patent"), JUUL describes a process for combining benzoic acids with nicotine to produce nicotine salts, a formulation that mimics the

³⁹ Ana B. Ibarra et al., *The Juul's So Cool, Kids Smoke It In School*, WASH. POST (Mar. 26, 2018), *available at* https://www.washingtonpost.com/national/health-science/the-juuls-so-cool-kids-smoke-it-in-school/2018/03/26/32bb7d80-30d6-11e8-b6bd-0084a1666987_story.html?utm_term=.d664213cde10.

⁴⁰ Know the Risks; E-Cigarettes and Brain Development, https://e-cigarettes.surgeongeneral.gov/knowtherisks.html.
⁴¹ Goriounova NA, Mansvelder HD. Short- and long-term consequences of nicotine exposure during adolescence for prefrontal cortex neuronal network function. *Cold Spring Harb Perspect Med.* (Dec. 2012).

⁴² U.S. Department of Health and Human Services, How Tobacco Smoke Causes Disease: The Biology and Behavioral Basis for Smoking Attributable to Disease (2010) https://www.ncbi.nlm.nih.gov/books/NBK53018/

Tobacco Industry Quotes on Nicotine Addiction, OK.GOV. https://www.ok.gov/okswat/documents/Tobacco%20Industry%20Quotes%20on%20Nicotine%20Addiction.pdf (last visited August 5, 2019).

⁴⁴ *Id.*; John Schwartz, *1973 Cigarette Company Memo Proposed New Brands For Teens*, WASHINGTONPOST.COM (October 4, 1995) https://www.washingtonpost.com/archive/local/1995/10/04/1973-cigarette-company-memo-proposed-new-brands-for-teens/eaf66416-3939-4c5f-9fbf-1db1897673ab/?noredirect=on&utm term=.d4d274af09a2.

- 92. The JUUL patent included a blood plasma study comparing the pharmacokinetic effects of nicotine benzoate though an e-cigarette as compared to nicotine through a Pall Mall traditional cigarette.
- 93. The study revealed that ingesting nicotine benzoate though an e-cigarette substantially increases nicotine delivery as compared to a traditional cigarette, i.e. that the ecigarette delivered higher amounts of nicotine than a traditional combustible cigarette.
- 94. JUUL is delivering doses of nicotine that are several times higher than those allowed in normal cigarettes. Blood test results in JUUL's 2014 patent application show that JUUL's nicotine solution delivers more nicotine to the bloodstream than a Pall Mall cigarette, creates a peak nicotine blood concentration that is 36% higher than a Pall Mall cigarette, and increases the heart rate faster than a Pall Mall cigarette. Yet JUUL has failed to disclose to consumers that its pods nicotine salt formulation delivers an exceptionally potent dose of nicotine.
- 95. In a 2015 interview, Ari Atkins, JUUL's research & development engineer and one of the inventors of the JUUL device, said this about the role of acids: "In the tobacco plant, there are these organic acids that naturally occur. And they help stabilize the nicotine in such a way that makes it, I've got to choose the words carefully here: Appropriate for inhalation."
- 96. JUUL's manipulation of nicotine pH directly affects the palatability of nicotine inhalation by reducing the "throat hit" users experience when vaping. Benzoic acid reduces the pH of solutions of nicotine, an alkali with a pH of 8.0 in its unadulterated, freebase form. This reduction in pH converts naturally occurring unprotonated nicotine, which causes irritation in the throat and respiratory tract, to protonated nicotine, which is not be absorbed in the throat or upper respiratory tract and, therefore, does not irritate the throat. A recent study found that JUUL's e-liquid had a pH of under 6.0, suggesting that the JUUL contains almost no freebase (i.e., non-salt form) nicotine.45

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⁴⁵ Lauterbach, One More Time Unprotonated Nicotine in £-Cigarette Aerosols: Is It Really There? (20 18) www. coresta.org/sites/default(files/abstracts/20 18 TSRC83 Lauterbach.pdf (as of July 5, 2019); Other studies have

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104. JUUL's design allows them to be consumed anywhere, including indoors. Therefore, the traditional "smoke breaks" do not apply.

- 105. Since a JUUL pod contains approximately 20 cigarettes and has no automatic off switch, JUUL users can inhale JUUL regularly without having to relight or grab another cigarette.
- 106. Unlike combustible cigarettes that have a definite and natural stopping point, JUUL only stops when the device runs out of battery or the pod runs out of liquid. This leads JUUL users to have less awareness of their total nicotine consumption and a greater amount of nicotine consumed.
- 107. The amount of 12th grade students who reported vaping nicotine nearly doubled from 11 to 21 percent in 2018. Sixty-three percent of JUUL users did not know JUUL pods always contain nicotine.
- 108. Despite making numerous revisions to its packaging since 2015, JUUL did not add nicotine warnings to the JUUL device, JUUL pods, or their product labels until very recently when the exterior packaging was changed to add the following language: "Warning: This product contains nicotine. Nicotine is an addictive chemical."
- 109. The exterior packaging also contains, in small print, the phrase "The Alternative for Adult Smokers."
- 110. The recently added warning fails to disclose the highly addictive nature of the product itself, including, *inter alia*, that the JUUL pods' nicotine salt formulation delivers an exceptionally potent dose of nicotine, that JUUL is delivering doses of nicotine that are several times higher than those allowed in normal cigarettes, that the efficiency with which the product delivers nicotine into the bloodstream increases its addictiveness, that it can be more addictive than traditional cigarettes and that it poses serious health risks.
- 111. JUUL never disclosed to consumers that its e-cigarettes and pods are at least as addictive as, if not more addictive than, traditional cigarettes and pose serious health risks.
- 112. Instead, JUUL marketed its products as an "alternative to cigarettes," thereby giving the false impression that they are a healthy alternative to cigarette use.

- 113. JUUL's deceitful advertising campaign has proven successful, as use of JUUL products is widespread, particularly among vulnerable youth.
- 114. JUUL actively concealed the nicotine content and nicotine potency of JUUL ecigarettes from Wakefield, Plaintiff, and the public while simultaneously disclosing false or misleading evidence concerning nicotine content.
- 115. JUUL concealed material information regarding the effect of JUUL e-cigarettes and made misrepresentations from the time the JUUL e-cigarette was announced to this day. Defendant still has not disclosed the truth about JUUL e-cigarettes.
- 116. JUUL operates an "auto ship" subscription service through its website that allows for the routine shipment of its pods. Every time a subscriber purchases five, four-packs of JUUL pods, the next four-pack is shipped free of charge. This business model plays into the hands of adolescents who often hide their JUUL use from parents and allows for a continuous stream of pods without the need for adult intervention so long as an adolescent has access to a credit card for the initial purchase.

E. Defendant's Conduct Caused Wakefield's Death

- 117. Daniel David Wakefield was an 18-year-old resident of Pasco County, Florida.
- 118. Around age 15, Wakefield was exposed to Defendant's advertising and promotional efforts via many sources, including social media, peer pressure, online sources, and direct emails.
- 119. Wakefield, a child of parents who smoked combustible cigarettes, was attracted to Defendant's candy-like flavors, sleek and discreet design, and its representations that it was a healthier alternative to combustible cigarettes. Wakefield did not smoke traditional cigarettes.
- 120. Wakefield tried numerous JUUL flavors and purchased JUULpods from various sources, including convenience stores and online.
- 121. In response to Plaintiff's concerns regarding the safety of JUUL products, Wakefield informed his mother that he read materials indicating JUUL was safe and did not pose the health risks that accompany combustible cigarettes. He was unaware of its addictive properties and that it was unsafe for anyone under the age of 26.

122.

Wakefield was an active, healthy teenager who excelled in school before he began

- significantly declined and his emotional well-being was substantially altered. Within a few weeks of use, Wakefield became intensely addicted to JUUL. He was no longer interested in academics and decided to abandon school for virtual teaching and ultimately took his GED rather than graduating. In addition, he suffered severe mood swings if he did not have access to JUUL. Plaintiff recalled an instance where Wakefield became enraged and threw a mini refrigerator from the top floor of his home because he was angry about not being able to vape.
- 124. Less than a year after he began using JUUL, Wakefield was hospitalized for three days due to breathing and lung complications at Saint Joseph's North Children's Hospital. He was so addicted to JUUL that hospital staff affixed nicotine patches to Wakefield's skin throughout his hospitalization.
- 125. Wakefield continued using JUUL after his release from the hospital. He was regularly inundated with JUUL advertisements and marketing materials via his Gmail account. He was adamant that JUUL was safe and did not pose any health risks.
- 126. On the night of August 30, 2018, Wakefield slept at his father's house. He had spent the day helping his mother move boxes in their home, getting an oil change, and spending time with friends. Plaintiff spoke to Wakefield at approximately 7:00 p.m., at which time Wakefield told his mother he was going to watch television with his friend and dad at his father's house. Plaintiff did not detect any signs of labored breathing or wheezing during their call. At approximately 10:00 p.m., Wakefield texted his mother to let her know he would be spending the night as his father's house.
- 127. At approximately 4:00 a.m., Wakefield's dad went into the kitchen to get a drink of water. He noticed Wakefield looked funny; he touched his son and found him stiff and unresponsive. Wakefield was declared deceased the morning of August 31, 2018. He was 18 years old. His death was attributed to breathing complications.

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- 128. Wakefield's death had a devastating impact on Plaintiff. She does not know how to continue on without her son. She has not been able to sleep, has not been able to work, and cries every single day. She is, in her words, "sentenced to a life of sadness."
- 129. Defendant's conduct and the defects in JUUL PRODUCTS were a substantial factor in causing Wakefield's death.

V. <u>CAUSES OF ACTION</u>

FIRST CAUSE OF ACTION

Strict Products Liability – Design Defect – Consumer Expectations Test (Against Defendants JUUL and DOES 1 through 30)

- 130. Plaintiff incorporates the above and below allegations by reference.
- 131. At all relevant times, Defendant JUUL Labs, Inc., aided by DOES 1-30, inclusive, designed, manufactured, marketed, distributed, and/or sold the JUUL PRODUCTS that Wakefield consumed.
- 132. JUUL PRODUCTS were defective in design. They were not as safe for their intended or reasonably foreseeable use as ordinary consumers were led to believe.
- 133. Defendant JUUL Labs, Inc., and DOES 1 through 30, inclusive, had constructive notice of knowledge and knew, or with reasonable care should have known, that JUUL PRODUCTS were dangerous and defective in design due to the high risk of addiction to nicotine.
- 134. Defendant JUUL Labs, Inc., and DOES 1 through 30, inclusive, had constructive notice or knowledge, knew, or with reasonable care should have known, that JUUL PRODUCTS were dangerous and defective in design because delivering potent high doses of nicotine and other toxic chemicals to adolescents could cause addiction, thereby permanently altering the structure of the user's developing brain, as well as cause harm to the airways, throat, and lungs. Each of these risks can result in catastrophic, life-altering injuries.
- 135. As a result of Defendant JUUL Labs, Inc., and DOES 1 through 30's conduct, Wakefield suffered death and Plaintiff was severely harmed as described herein.
- 136. The defects in JUUL PRODUCTS were a substantial factor in causing Wakefield's death and Plaintiff's harm.

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SECOND CAUSE OF ACTION

Strict Products Liability – Design Defect – Risk Utility Test (Against Defendants JUUL and DOES 1 through 30)

- 137. Plaintiff incorporates the above and below allegations by reference.
- 138. At all relevant times, Defendant JUUL Labs, Inc., aided by DOES 1 through 30, inclusive, designed, manufactured, marketed, distributed, and/or sold the JUUL PRODUCTS that Wakefield consumed.
- 139. JUUL PRODUCTS' defective design poses a great risk of harm that outweighs any purported benefits. Defendants JUUL Labs, Inc., and DOES 1 through 30, designed JUUL PRODUCTS to be attractive and palatable to teens and nonsmokers by making JUUL PRODUCTS in youth-friendly colors and pod flavors that minimize the harsh taste and discomfort of traditional smoking. Defendants could have designed the product to appeal to adult smokers over the age of 26 who smoked conventional cigarettes without teen-friendly flavors and colors. Defendants could have designed JUUL PRODUCTS with a significantly lower nicotine concentration that would deliver enough nicotine to satisfy adult consumers, in order to reduce the risks from high exposure to nicotine and repeated exposures to the toxic chemicals in JUUL PRODUCTS.
- 140. Defendants, and each of them, had constructive notice or knowledge, knew, or should by reasonable case should have known that JUUL PRODUCTS were dangerous and defective in design. Delivering potent high doses of nicotine and other toxic chemicals to adolescents could cause addiction, thereby permanently altering the structure of their developing brains, and causing risk of bodily injury including but not limited to injury to the airway, throat and lungs. Each of these risks can result in catastrophic, life-altering injuries.
- 141. As a result of the defect in JUUL PRODUCTS, Wakefield suffered death and Plaintiff was harmed as described herein.
- 142. The defects in JUUL PRODUCTS were a substantial factor in causing Wakefield's death and Plaintiff's harm.

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THIRD CAUSE OF ACTION

Strict Products Liability – Failure to Warn

(Against Defendants JUUL and DOES 1 through 30)

- 143. Plaintiff incorporates the above and below allegations by reference.
- 144. At all relevant times, Defendant JUUL Labs, Inc., aided by DOES 1 through 30, inclusive, designed, manufactured, marketed, distributed, and/or sold the JUUL PRODUCTS that Wakefield consumed.
- 145. The JUUL PRODUCTS that Wakefield consumed had potential risks that were known, or knowable, considering the scientific and medical knowledge regarding nicotine addiction and its consequences that were generally accepted in the scientific community at the time of manufacture, distribution, or sale.
- 146. The potential risks presented a substantial danger when the JUUL PRODUCTS were both used and misused in an intended or reasonably foreseeable way.
- 147. The ordinary consumer of JUUL PRODUCTS would not have recognized the potential risks without any warning from Defendants.
- 148. JUUL PRODUCTS were defective and unreasonably dangerous when they left Defendants' possession. They failed to contain adequate warnings, including that JUUL PRODUCTS are powerfully addictive and unsafe for anyone under 26, that JUUL PRODUCTS may impair learning and cognition, and that JUUL PRODUCTS may cause injury including but not limited to injury to the airway, throat, and lungs, as well as permanent brain changes and mood disorders. Instead, as described herein, Defendants, and each of them, made their products available in youth-friendly colors and flavors. Defendants also designed their products to be more palatable to youth and nonsmokers by minimizing the traditional discomfort associated with smoking and maximizing the level of nicotine that is absorbed by users, making them even more addictive and dangerous.
- 149. JUUL PRODUCTS were defective and unreasonably dangerous when they left Defendants' possession because they lacked sufficient instructions regarding product usage. JUUL PRODUCTS did not include instructions that they should not be used by anyone under age

26 and should not be used concurrently with cigarettes. JUUL PRODUCTS failed to provide instructions regarding how many pods are safe to consume in one day.

- 150. Defendants, and each of them, had constructive notice or knowledge, knew, or with reasonable care should have known that JUUL PRODUCTS were dangerous and defective without adequate warnings or instructions because delivering potent high doses of nicotine and other toxic chemicals to adolescents could lead cause addiction, thereby permanently altering the structure of their developing brain, and that they could cause other physical injury including but not limited to injury to the airway, throat, and lungs. Each of these risks can result in catastrophic, life-altering injuries.
- 151. Defendants, and each of them, failed to adequately warn or instruct concerning the potential risks of the JUUL PRODUCTS.
- 152. As a result of Defendants' conduct, Wakefield suffered death and Plaintiff was severely harmed.
- 153. The lack of sufficient instructions and warnings was a substantial factor in causing Wakefield's death and Plaintiff's harm.

FOURTH CAUSE OF ACTION

Negligence and/or Gross Negligence

(Against Defendants JUUL and DOES 1-30)

- 154. Plaintiff incorporates the above and below allegations by reference.
- 155. Defendants, and each of them, designed, produced, manufactured, assembled, packaged, labeled, advertised, promoted, marketed, sold, supplied and/or otherwise placed JUUL PRODUCTS into the stream of commerce, and therefore owed a duty of reasonable care to avoid causing harm to those who consumed it, such as Wakefield.
- 156. Defendants' products could endanger others if negligently made or promoted. Defendants knew the risks that young people would be attracted to JUUL PRODUCTS given the teen-friendly colors and flavors. Defendants knew or should have known the importance of ensuring that the products were not sold and/or distributed to anyone under age 26.

	157.	D	Defendan	ts were n	egligent	in de	esigning,	man	ufacturing,	supply	ing, i	nspe	cting,
testing	(or r	not 1	testing),	marketing	g, promo	oting,	advertisi	ng, j	packaging,	and/or	labeli	ing J	UUL
PROD	UCTS	S.											

- 158. Defendants knew or should have known that JUUL PRODUCTS, as a powerfully addictive and dangerous nicotine-delivery device, needed to be researched, tested, designed, advertised, marketed, promoted, produced, packaged, labeled, manufactured, inspected, sold, and supplied without defects and with due care to avoid needlessly causing harm. Defendants knew or should have known that JUUL PRODUCTS could cause serious risk of harm, particularly to young persons like Wakefield.
- 159. Defendant JUUL Labs, Inc., and/or its predecessor(s)-in-interest, along with Defendants DOES 1 through 30, were negligent, reckless and careless and failed to take the care and duty owed to Wakefield, thereby causing Wakefield to suffer death and Plaintiff to suffer harm.
- 160. The negligence and extreme carelessness of Defendants and/or their predecessor(s)-in-interest includes, but is not limited to, the following:
 - a. Failure to take reasonable care in the design of JUUL PRODUCTS;
 - b. Failure to use reasonable care in the production of JUUL PRODUCTS;
 - c. Failure to use reasonable care in the manufacture of JUUL PRODUCTS:
 - d. Failure to use reasonable care in the assembly of JUUL PRODUCTS;
 - e. Failure to perform adequate testing of JUUL PRODUCTS prior to marketing to ensure safety, including long-term testing of the products, testing for injury to the brain, respiratory, and cardiovascular systems, and testing for other related medical conditions;
 - f. Failure to use reasonable care in supplying JUUL PRODUCTS;
 - g. Failure to use reasonable care in advertising, promoting, and marketing JUUL PRODUCTS;
 - h. Promotion of JUUL PRODUCTS to young people under age 26;

- Use of flavors and design to appeal to young people under age 26, in that JUUL PRODUCTS smell good, look cool and are easy to conceal from parents and teachers;
- j. Use of design that maximizes nicotine delivery while minimizing "harshness," thereby easily creating and sustaining addiction;
- k. Failure to prevent JUUL PRODUCTS from being sold to young people under age 26;
- 1. Failure to prevent use of JUUL PRODUCTS among young people under age 26;
- Failure to curb use of JUUL PRODUCTS among young people under age
 26;
- n. Failure to develop tools or support to help people addicted to JUUL
 PRODUCTS quit using the products;
- o. Failure to reasonably and properly test and properly analyze the testing of JUUL PRODUCTS under reasonably foreseeable circumstances;
- p. Failure to warn customers about the dangers associated with use of JUUL PRODUCTS, in that they are powerfully addictive and unsafe for anyone under age 26; significantly increase risk of injury, including but not limited to injury to the airway, throat, and lungs; and can cause permanent brain changes, mood disorders, and impairment of thinking and cognition;
- q. Failure to instruct customers not to use JUUL PRODUCTS if they are under age 26;
- r. Failure to provide any instructions regarding a safe amount of JUULpods to consume in a day;
- s. Failure to warn customers that Defendants had not adequately tested or researched JUUL PRODUCTS to ensure safety, including long-term testing of the products for potential injury to the brain, respiratory, and

by people under age 26. Defendants knew or reasonably should have known the highly concentrated does of nicotine JUUL PRODUCTS delivered were unsafe for consumers under the age of 26 and could cause addiction, respiratory system damage, permanent brain damage, mood disorders, stroke, heart attack, and other cardiovascular injuries. Despite this, Defendants failed to recall, repair, or warn of the dangers JUUL PRODUCTS posed to consumers.

- 166. A reasonable designer, manufacturer, distributor, or seller facing the same or similar circumstances as Defendants, in the exercise of reasonable care, would have recalled JUUL PRODUCTS to ensure young consumers, like Wakefield, were not harmed.
- 167. Defendants' failure to timely recall JUUL PRODUCTS was a substantial factor in causing Wakefield's death. Had Defendants recalled JUUL PRODUCTS when they knew, or should have known, the risks, Wakefield would not have used the products and would not have suffered death.

SIXTH CAUSE OF ACTION

Fraudulent Concealment

(Against Defendants JUUL and DOES 1 through 30)

- 168. Plaintiff incorporates the above and below allegations by reference.
- 169. Defendants had a duty to disclose material facts about JUUL PRODUCTS to Wakefield and other consumers. Defendants intentionally failed to disclose facts to Wakefield and other consumers regarding the nature and safety of JUUL PRODUCTS that were known only to Defendants and could not have been reasonably discovered.
- 170. At all times relevant, Defendants fraudulently and deceptively sold or partnered to sell JUUL PRODUCTS to Wakefield as safe or not harmful, when Defendants knew it to be untrue.
- 171. Defendants fraudulently and deceptively downplayed or minimized any risk associated with JUUL PRODUCTS especially for young persons under age 26. At all relevant times, Defendant JUUL Labs, Inc., represented its products on its website as a "smarter" choice. Defendant JUUL Labs, Inc., pitched investors by claiming that JUUL PRODUCTS were not harmful, and therefore any concern about addiction was irrelevant. Defendants and/or others

worked together to pitch news stories or other media content designed to downplay the risks of JUUL PRODUCTS suggesting that any concern was overblown, or a panic. These tactics mimic those used by the tobacco industry to sow seeds of doubt and confusion among the public, to initiate new users, to keep customers buying JUUL PRODUCTS, and to avoid regulation or legislative efforts to control sales.

- 172. Defendants failed to disclose to Wakefield that the JUUL PRODUCTS can cause injury to the airway, throat, lungs, and other life-threatening illnesses.
- 173. Defendants failed to disclose that they had not adequately researched or tested the safety of JUUL PRODUCTS before placing them on the market and promoting them to young people under age 26.
- 174. At all times relevant to Plaintiff, Defendants failed to disclose that the nicotine salts contained JUUL PRODUCTS were highly addictive in nature, and therefore that it would be extremely difficult to stop using and/or purchasing JUULpods.
- 175. Defendants failed disclose to Wakefield that JUUL PRODUCTS are designed to create and sustain an addiction to nicotine, particularly in young consumers. Defendants also manipulated the formulations of JUUL PRODUCTS in ways that could and would impact their potency and addictiveness. Defendants did so without notifying Wakefield. Defendants actively concealed the nicotine content and potency of JUUL PRODUCTS.
- 176. Each of the misrepresentations and omissions concerned material facts that were essential to the analysis undertaken by Wakefield as to whether to purchase or consume JUUL PRODUCTS.
 - 177. Wakefield and Plaintiff did not know of the facts that Defendants concealed.
- 178. Defendants intended to deceive Wakefield, Plaintiff, and the public by concealing these facts in order to continue profiting.
- 179. Defendants had a duty to accurately provide this information to Wakefield. In not so informing Wakefield, Defendants breached their duty.
- 180. Defendants had ample opportunities to disclose these facts to Wakefield, through packaging, advertising, retail outlets, on their website, on social media, via e-mail distribution,

and even directly to the extent Wakefield purchased JUUL PRODUCTS directly through Defendant JUUL Labs, Inc.'s online store. Defendants concealed material information at all relevant times, through today. Defendants have yet to disclose the truth about JUUL PRODUCTS.

- 181. Wakefield relied to his detriment on Defendants' fraudulent omissions. Had Wakefield been adequately informed of the material facts concealed from him regarding the safety of JUUL PRODUCTS, and not intentionally deceived by Defendants, he would not have purchased or used JUUL PRODUCTS and would not have suffered death.
- 182. Defendants' fraudulent concealment was a substantial factor in Wakefield's death and Plaintiff's harm as described herein.
- 183. Defendants' acts and omissions as described herein were committed maliciously, oppressively, deliberately, with intent to defraud, and in reckless disregard of Wakefield and Plaintiff's rights, interests, and well-being to enrich Defendants. Defendants' conduct warrants an assessment of punitive damages in an amount sufficient to deter such conduct in the future, which amount is to be determined according to proof.

SEVENTH CAUSE OF ACTION

Conspiracy to Commit Fraudulent Concealment (Against Defendants JUUL and DOES 21 through 30)

- 184. Plaintiff incorporates the above and below allegations by reference.
- 185. During all relevant times, including before Wakefield consumed JUUL PRODUCTS, Defendant JUUL Labs, Inc. was part of a conspiracy with tobacco and e-cigarette industry players, DOES 1 through 30, to fraudulently conceal, misrepresent, and downplay the risks of e-cigarettes to boost profits at the expense of public health. For research and development, marketing, and distribution purposes, Defendant JUUL Labs, Inc., and DOES 1 through 30 engaged consultants, pundits, academics, lobbyists, media personalities, reporters, researchers, and other influencers to tout the safety of e-cigarettes, and benefits of nicotine, while minimizing or downplaying the dangers, particularly to those under age 26. These tactics mimic those used by the tobacco industry to sow seeds of doubt and confusion among the public, to initiate new

users, to keep customers buying JUUL PRODUCTS, and to avoid regulation or legislative efforts to control sales.

- 186. Defendants JUUL Labs, Inc., and DOES 1 through 30 were aware that others in the e-cigarette and tobacco industry planned to engage in a campaign of doubt to mislead, downplay, deflect concerns about the risks of e-cigarettes and nicotine, and to fraudulently conceal material information about the safety of these products and compounds.
- 187. Defendants JUUL Labs, Inc., and DOES 1 through 30 agreed with others in the ecigarette and tobacco industry and intended that the conspiracy to commit fraudulent concealment be committed.
- 188. Defendant JUUL Labs, Inc. well-understood and continues to understand that by working in concert with other e-cigarette manufacturers and the tobacco industry, it can more effectively mislead and fraudulently conceal material facts from the public, including Wakefield and Plaintiff, regarding risks of its products, as described herein.
- 189. Defendants' participation in this conspiracy was a substantial factor in causing Wakefield's death and Plaintiff's harm as alleged herein.
- 190. Defendants' acts and omissions as described herein were committed maliciously, oppressively, deliberately, with intent to defraud, and in reckless disregard of Wakefield and Plaintiff's rights, interests, and well-being to enrich Defendants. Defendants' conduct warrants an assessment of punitive damages in an amount sufficient to deter such conduct in the future, which amount is to be determined according to proof.

EIGHTH CAUSE OF ACTION

Intentional Misrepresentation

(Against Defendants JUUL and DOES 1 through 30)

- 191. Plaintiff incorporates the above and below allegations by reference.
- 192. At all times relevant, Defendants falsely represented through advertisements on social media, traditional media outlets, and Defendant JUUL Labs, Inc.'s websites and packaging that JUUL PRODUCTS were safe and not harmful.

- 193. Defendants knew these representations were false or made them recklessly without regard for their truth. For example, Defendant JUUL Labs, Inc., claims that it did not study the safety of its products, acknowledging that it had a vested interest, and instead left it to others to analyze their risks.
 - 194. Defendants intended for Wakefield to rely on these representations.
- 195. Each of the misrepresentations concerned material facts that were essential to the analysis undertaken by Wakefield as to whether to purchase or consume JUUL PRODUCTS.
- 196. Wakefield reasonably relied on these representations and was harmed as described herein. Wakefield's reliance on Defendants' representations was a substantial factor in causing his severe injuries. Had Defendants told Wakefield the truth about the safety and composition of JUUL PRODUCTS, he would not have purchased them.
- 197. Defendants' fraud was a substantial factor in Wakefield's death and Plaintiff's harm as described herein.
- 198. Defendants' acts and omissions as described herein were committed maliciously, oppressively, deliberately, with intent to defraud, and in reckless disregard of Wakefield and Plaintiff's rights, interests, and well-being to enrich Defendants. Defendants' conduct warrants an assessment of punitive damages in an amount sufficient to deter such conduct in the future, which amount is to be determined according to proof.

NINTH CAUSE OF ACTION

Negligent Infliction of Emotional Distress

(Against Defendants JUUL and DOES 1 through 30)

- 199. Plaintiff incorporates the above and below allegations by reference.
- 200. Defendants' conduct herein, preying on youth and poisoning kids for profit, is so outrageous in character and so extreme in degree as to go beyond all possible bounds of decency. Defendants' conduct is atrocious and utterly intolerable. Defendants' outrageous conduct caused and/or substantially contributed to Wakefield's death and Plaintiff' injuries alleged herein.
- 201. Defendants' egregious conduct toward Wakefield and Plaintiff was both intentional and reckless. Defendants' conduct of intentionally addicting teenagers to nicotine to create lifelong

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customers was directed primarily at young people like Wakefield, through their manipulation of advertisements, social media, warnings, and even use of social media influencers indirectly to target America's youth.

- 202. Defendant also acted with reckless disregard when they knew that JUUL products were powerfully addictive, contained more nicotine than necessary, and carried serious physical, mental and emotional health risks, especially when used by young people, yet they marketed the products to young people with reckless disregard of young consumers like Wakefield and with reckless disregard of the probability that their conduct would cause severe emotional distress to Wakefield and Plaintiff.
- 203. Defendant's intentional and reckless conduct caused and continues to cause harm and severe emotional distress to Plaintiff. Defendants interjected their product and themselves into Wakefield and his family's personal life, causing severe stress and dependence on their product, and invading Wakefield and his parents' mental and emotional tranquility.
- 204. Defendant invaded Plaintiff's peace of mind, without any right or privilege to do so. The severe nicotine addiction caused by Defendant's product resulted in behavior and symptoms so severe as to interfere with Wakefield's everyday life and health. Defendant's product ultimately cost Wakefield his life.
- 205. Further, as described herein, Wakefield's addiction was a physical injury that damaged and altered his developing brain. This addiction was no accident. It was the result of Defendant's intentional, calculated behavior to addict young people like Wakefield to nicotine to create a life-long customer. Wakefield's life was cut short because of Defendants' outrageous conduct.
- 206. If it weren't for Defendant's intentional and reckless conduct, Wakefield would have never tried JUUL, would not have been dependent on nicotine, and would still be alive today.

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TENTH CAUSE OF ACTION

Violations of the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200 et seq. (Against Defendants JUUL and DOES 21 through 30)

- 207. Plaintiff incorporates the above and below allegations by reference.
- 208. The UCL prohibits acts of "unfair competition," including any "unlawful, unfair or fraudulent business act or practice."
- 209. Defendants have engaged in unlawful, unfair and fraudulent business acts and practices in violation of the UCL. Defendants' conduct violates the UCL in at least the following ways:
 - a. By violating the California Consumer Legal Remedies Act, as described below;
 - b. By concealing the health risks associated with JUUL PRODUCTS, including, but not limited to, injury to the airway, throat, and lungs; addiction; permanent brain changes, mood disorders and learning and cognitive impairments;
 - c. By concealing that JUUL PRODUCTS are unsafe for anyone under age 26;
 - d. By downplaying and minimizing the risks of JUUL PRODUCTS and promoting them as safe and not harmful;
 - e. By conspiring with others in the tobacco industry to downplay and minimize the risks of e-cigarette products, create confusion and doubt in the public regarding the safety of e-cigarettes, overstate the benefits of nicotine and ecigarette products, and undermine the public health efforts to prevent and curb use of e-cigarettes by those under age 26;
 - f. By misrepresenting the delivery of nicotine as "approximately equivalent to one pack of cigarettes" when in fact, as consumed, JUUL PRODUCTS deliver much higher quantities of nicotine;
 - g. By concealing that JUUL PRODUCTS are designed to create and sustain addiction among young people rather to transition adult smokers from conventional cigarettes;

- h. By knowingly and intentionally designing JUUL PRODUCTS in a way that deliberately appeals to young people, including but not limited to:
 - Making the pods available in flavors that Defendants knew that teens would find irresistible and would not associate with tobacco or smoking;
 - ii. Intentionally advertising and marketing JUUL PRODUCTS in ways that make them appear deceptively harmless, including concealing that they are highly addictive, pose long-term risks to developing brains (mood disorders, permanent impairment of impulse control, concentration and learning), cause repeated exposure to toxic chemicals and can cause injury to the respiratory system;
 - iii. Designing JUUL PRODUCTS so that they maximize nicotine delivery, while minimizing "harshness," to recruit and retain young people as the next generation of tobacco customers;
 - iv. Designing the JUUL device so that it is small and can easily be concealed;
 - v. Designing the JUUL device so that it resembles a USB flash drive, which can be charged in the USB port of laptop, so that parents and teachers will have trouble identifying when a young person is JUULing;
 - vi. Making the smell emitted when a young person exhales indistinguishable from other common scents, so that parents and teachers will not be any the wiser; and
 - vii. Promoting JUUL PRODUCTS on social media sites such as Twitter and Instagram in order to appeal to the younger generation.
- 210. Defendants' unfair and fraudulent business acts and practices caused Wakefield to purchase JUUL PRODUCTS.

211. Defendants violated UCL by deceiving and misleading young consumers under age 26 to purchase a product that is highly addictive and unsafe for them. JUUL PRODUCTS have no benefit to its teen users. JUUL PRODUCTS deliver highly concentrated doses of nicotine and other toxic chemicals that carry risks of respiratory and cardiovascular harm. Despite all these risks, they are advertised as harmless. Defendants were and are aware that young persons are unable to appreciate the risk of JUULing to their health and welfare, and that many young people do not even know that JUUL PRODUCTS <u>always contain</u> nicotine, which is addictive or unsafe for them in any amount. In this way, Defendants unfairly target young persons in order to get customers for life.

- 212. Defendants violated UCL by deceptively selling JUUL PRODUCTS to Wakefield as harmless, and a "safer" alternative to cigarettes, while concealing that JUUL PRODUCTS are unsafe for anyone under age 26, deliver a more potent dose of nicotine than conventional cigarettes, are highly addictive, and can cause life-altering illnesses.
- 213. Defendants' misrepresentations and omissions as alleged herein were consistent with and part of their scheme to lure young persons into becoming customers for life and to maximize profits at the expense of public health.
- 214. Accordingly, Plaintiff has suffered harm as a result of Defendants' unlawful, unfair and fraudulent business practices.
- 215. Plaintiff seeks to enjoin further unlawful, unfair and fraudulent acts or practices by Defendants under Bus. & Prof. Code § 17200.
- 216. Plaintiff requests that this Court enter such orders or judgments as may be necessary to enjoin Defendants from continuing their unfair and deceptive practices and to restore to Plaintiff any money they acquired by unfair competition, including restitution and/or disgorgement, as provided in Bus. & Prof. Code § 17203 and Bus. & Prof Code § 3345; and for such other relief set forth below.
- 217. Defendants' conduct, as described herein, is unfair because it is immoral, unethical, unscrupulous, oppressive, and substantially injurious. Under the guise of creating an alternative for adult cigarette smokers, Defendants developed highly addictive and dangerous products and

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marketed them to young people as cool, fun, and harmless. Their scheme successfully attracted millions and millions of teens, including Wakefield, who have become addicted to their products and have been exposed to high doses of nicotine and other toxic chemicals. As a result of Defendants' conduct, Wakefield and Plaintiff suffered harms as described herein, and others are at risk of the same or similar injuries. Defendants created this epidemic and bear responsibility for its consequences.

- 218. The gravity of the harm resulting from Defendants' conduct far outweighs any conceivable utility of this conduct. There are reasonably available alternatives that would further Defendants' legitimate business interests in offering an alternative to adult cigarette smokers over age 26, including, but not limited to, using only tobacco flavoring, designing the products to deliver far less nicotine—only as much as would be sufficient to attract a nicotine-addicted cigarette smoker—so as to reduce the nicotine-related harms and reduce the exposure to other toxic chemicals, and offering the products "behind the counter" at pharmacies. Instead, Defendants used kid-friendly flavors and design, promoted the products as harmless and cool, conspired with others in the industry to downplay the risks and inflate the benefits, and have done nothing to curb or prevent young people from starting and continuing to use JUUL PRODUCTS, despite the known risks of harm.
- 219. Wakefield, and Plaintiff by extension, could not have reasonably avoided injury from Defendants' unfair conduct. Wakefield did not know, and had no reasonable means of learning, that JUUL PRODUCTS could harm him as they did. Nor did Wakefield or Plaintiff know that JUUL PRODUCTS had been designed to lure and trap Wakefield and other teens into becoming a customer for life.
- 220. Defendants' misleading statements and omissions were a substantial factor in causing Wakefield's death and Plaintiff's harm.
- 221. The requested injunction under the UCL will primarily benefit the interests of the general public. It will have the primary purpose and effect of prohibiting acts that threaten injury to members of the public who have or will be exposed to Defendants' conduct.

TENTH CAUSE OF ACTION

Wrongful Death and Survival

(Against Defendants JUUL and DOES 1 through 30)

- 222. Plaintiff incorporates the above and below allegations by reference.
- 223. Wakefield's death was the result of Defendants false representations through advertisements on social media, traditional media outlets, and Defendant JUUL Labs, Inc.'s websites and packaging that JUUL PRODUCTS were safe and not harmful.
- 224. Defendants knew these representations were false or made them recklessly without regard for their truth as well as the health and lives of its customers. Defendants intended for and Wakefield did rely on Defendants' representations.
- 225. At all times and places mentioned herein, Defendants acted carelessly and negligently and failed to protect Wakefield as a user of their product.
- 226. During all times relevant to the allegations in this complaint, Defendants, and each of them, their agents, employees, and representatives acted carelessly, negligently, and recklessly with respect to Wakefield and Plaintiff, causing economic loss and death.
- 227. Wakefield died as the direct and proximate result of the careless, negligent, and/or reckless neglect and conduct of the Defendants.
- 228. Accordingly, Plaintiff Lisa Marie Vail, individually and on behalf of the Estate of Daniel David Wakefield, deceased, suffered the loss of love, comfort, care, and society of her son.
- 229. As a further direct and proximate result of Defendants' negligent acts, omissions and conduct, and of the resulting injuries and death, Plaintiff has incurred expenses in an amount not yet known.
 - 230. Plaintiff prays for judgment against the Defendants, as set forth below.

VI. PRAYER FOR RELIEF

- WHEREFORE, Plaintiff respectfully requests that the Court:
 - 1. Award Plaintiff compensatory, restitutionary, rescissory, genera, consequential, punitive and exemplary damages in an amount to be determined at trial, and also but not limited to:

1		a.	General Damages;
2		b.	Special Damages, including all expenses, incidental past and future
3			expenses, medical expenses, and loss or earnings and earning
4			capacity;
5	2.	Award pre-j	udgement interest as permitted by law;
6	3.	Enter an ap	propriate injunction against Defendants and their officers, agents
7		successors,	employees, representatives, and assigns;
8	4.	Appoint a n	nonitor and retain jurisdiction to ensure that Defendants comply with
9		the injunctiv	ve provisions of any decree of this Court;
10	5.	Enter other	appropriate equitable relief;
11	6.	Award reason	onable attorney's fees and costs, as provided for by law; and
12	7.	Grant such	other and further relief as the Court deems just and proper.
13			VII. JURY TRIAL DEMAND
14	Plaintiff d	lemands a jur	y trial.
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17			
18	Dated: Octob	er 15, 2019	LEVIN SIMES ABRAMS LLP
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