

**BLOGS**

Class Actions

California Federal Court Dismisses Putative Class Action Against Dunkin' Defendants for Lack of Jurisdiction

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A federal court in California recently dismissed a putative class action by two Dunkin' customers alleging customers were illegally charged a "dine-in fee, or other hidden fee." *Taferner v. Inspire Brands, Inc.*, 2025 WL 942498 (C.D. Cal. Mar. 25, 2025).

The customers asserted violations of California's Unfair Competition Law, California's False Advertising Law, breach of express warranty, breach of contract, fraudulent concealment, negligent misrepresentation, intentional misrepresentation, and unjust enrichment. The customers sued four separate entities—Inspire Brands, Inc.; Vale Merger Sub, Inc.; Dunkin' Brands Group, Inc.; and Dunkin' Donuts Franchising LLC—arguing that each was the alter ego of the parent company, Inspire Brands, and were together liable for charging the illegal fees. Defendants collectively moved to dismiss the complaint for lack of subject-matter jurisdiction, lack of personal jurisdiction, and failure to state a claim.

The court granted the motion. The court first found that the customers lacked standing to bring their claims against Inspire, Dunkin' Brands, and Vale, who were too attenuated from causing the alleged hidden fees. The court held that these defendants were impermissibly lumped together and failed to cause any injury to the plaintiffs. Nor did the customers plead any facts to support a plausible alter ego claim. That left Dunkin' Donuts Franchising as the only entity that contracted directly with Dunkin franchisees in a way that could have caused the customers' injury. But as to Dunkin' Donuts Franchising, the court held that it lacked personal jurisdiction over that Delaware company with its principal place of business in Massachusetts. The court found that the customers failed to establish that Dunkin Donuts Franchising's economic ties with franchisees in the state were sufficient to establish general personal jurisdiction. The customers also failed to demonstrate that Dunkin' Donuts Franchising's contacts with California caused the alleged harm; the applicable Franchise Disclosure Document gave franchisees control over pricing, including any hidden dine-in fee. Thus, the court dismissed all claims against all defendants.

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