

# **RICHMAN**

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September 23, 2019

Mary K. Engle  
Associate Director, Division of Advertising Practices  
Bureau of Consumer Protection  
Federal Trade Commission  
600 Pennsylvania Avenue N.W.  
Washington, D.C. 20580

VIA ELECTRONIC MAIL AND U.S. POSTAL SERVICE

**Re: Complaint requesting action to enjoin the dissemination of false or deceptive advertising by Canada Goose Holdings Inc.**

Dear Associate Director Engle:

The attached complaint is submitted by Richman Law Group on behalf of three animal protection organizations: Social Compassion in Legislation (“SCIL”), Voters for Animal Rights (“VFAR”), and the Association for the Protection of Fur-Bearing Animals (“The Fur-Bearers”).

On behalf of these organizations, we write to request that the Federal Trade Commission investigate and take action to enjoin Canada Goose Holdings Inc. (“Canada Goose”) from making false and misleading claims about the sourcing of fur in its products. As set forth in the complaint, consumers are being misled by Canada Goose’s representations that the fur used in Canada Goose products is humanely sourced.

The accuracy of animal welfare claims is material to consumers, a majority of whom wish to avoid products that are derived from inhumanely treated animals. But, Canada Goose has misled the public and failed to provide transparency to consumers regarding the reality of its fur production practices. Therefore, we are asking the FTC to provide oversight and enforcement to assist consumers in avoiding deceptive marketing that seeks to conceal animal cruelty.

We appreciate your prompt attention to this matter and are available to assist your office in any way.

Very Truly Yours,



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BEFORE THE UNITED STATES FEDERAL TRADE COMMISSION

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SOCIAL COMPASSION IN LEGISLATION, VOTERS FOR ANIMAL RIGHTS,  
& THE ASSOCIATION FOR THE PROTECTION OF FUR-BEARING  
ANIMALS,  
Petitioners,

CANADA GOOSE HOLDINGS INC.,  
Proposed Respondent.

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COMPLAINT FOR ACTION TO STOP  
FALSE OR DECEPTIVE ADVERTISING

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## EXECUTIVE SUMMARY

Social Compassion in Legislation, Voters for Animal Rights, and the Association for the Protection of Fur-Bearing Animals (collectively, “Petitioners”) submit this complaint to request that the Federal Trade Commission investigate false and misleading representations made by Canada Goose Holdings Inc. (“Canada Goose”) relating to the humane treatment of the coyotes used for fur in its products. The complaint alleges that, despite the Commission’s recent investigation into the marketing of Canada Goose *down products*, Canada Goose continues to misrepresent its *fur products* as humanely produced. For example, Canada Goose claims:

- “*The Canada Goose Fur Transparency Standard™* is our commitment to support the ethical sourcing and responsible use of real fur”;
- “The first traceability program to cover the wild habitat, it ensures that all fur sourced by Canada Goose is in accordance with the Agreement of International Humane Trapping Standards (AIHTS) in Canada and the Best Managed Practices (BMP) in the United States, and is fully traceable throughout the supply chain”;
- “[W]e . . . only purchase fur from licensed North American trappers strictly regulated by state, provincial, and federal standards”;
- “We do not condone any willful mistreatment, neglect, or acts that maliciously cause animals undue suffering”;
- “Our standards for the sourcing and use of fur . . . reflect our commitment that materials are sourced from animals that are not subject to willful mistreatment or undue harm.”

Contrary to these representations, Canada Goose allows for the purchase of fur from inhumane sources—including trappers that operate in jurisdictions that have *no regulations* regarding the methods of slaughtering trapped animals or the types of traps that may be used. In reality, Canada Goose’s standards allow for the sourcing of fur from trappers that utilize inhumane snares that cause death by strangulation and cruel leghold traps that have been banned in dozens of countries and several U.S. states. These methods permitted by Canada Goose’s policies

commonly result in leg fractures, tendon and ligament damage, lost claws, broken teeth, lacerations, dislocated joints, swelling, and prolonged psychological distress.

The highly successful marketing of Canada Goose jackets—which commonly retail for over \$1,000 each—is widely recognized as the driving force behind the major increase in the global demand for coyote fur since 2013. For years, the company has promoted its suppliers’ allegedly “humane” treatment of animals as a core component of the brand’s image and marketing strategy, and has prominently featured such claims on its product labels, website, and advertisements. As set forth below, Canada Goose is an egregious example of the proliferation of multi-billion-dollar companies (and perhaps the most notable clothing company) profiting off of the deception of the large and growing number of consumers that prioritize the humane treatment of animals.

Because it is virtually impossible for consumers to observe the actual practices of fur trappers or other businesses that procure, raise, or slaughter animals for consumer products, consumers cannot independently determine whether a “humane” claim is accurate. Thus, consumers must depend on FTC oversight and enforcement in order to avoid being misled about corporate animal welfare practices. Despite its purported commitment to transparency, Canada Goose does not publicly disclose the identity of the fur trappers in its supply chain or the trapping and slaughter methods they utilize. Furthermore, the company has refused to meet with Petitioners to discuss and substantiate its animal welfare claims. As such, the Petitioners request that the FTC investigate these claims and take appropriate action to enjoin Canada Goose from continuing to make misleading claims pertaining to the welfare of animals used for its fur products.

## I. Introduction

Pursuant to Sections 2.1 and 2.2 of the Federal Trade Commission (“FTC” or “Commission”) regulations, 16 C.F.R. §§ 2.1 & 2.2, Petitioners Social Compassion in Legislation (“SCIL”), Voters for Animal Rights (“VFAR”), and the Association for the Protection of Fur-Bearing Animals (“The Fur-Bearers”) (collectively, “Petitioners”) hereby request that the Commission investigate and commence an enforcement action against Canada Goose Holdings Inc. (“Canada Goose”) for engaging in false or misleading advertising in violation of the Federal Trade Commission Act, 15 U.S.C. § 41 et seq. (“FTC Act”).

The Commission recently investigated Canada Goose’s advertisements related to the welfare of geese raised and killed for Canada Goose down products. Although the Commission found that “no further action [was] warranted” and the investigation was closed, it is made clear that the decision should “not to be construed as a determination that a violation of law did not occur.”<sup>1</sup> As is also noted in the Commission’s response, the complaint issued by People for the Ethical Treatment of Animals (“PETA”) covered only *down* production practices employed by Canada Goose and outlined in their marketing and advertising, and did not concern *fur trapping* practices and claims.<sup>2</sup>

As detailed below, Canada Goose has issued, and is continuing to issue, unlawfully false and/or misleading representations about the treatment of animals trapped for its fur products. In marketing and advertising materials on the company website, in stores, and on its product labels,

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<sup>1</sup> Federal Trade Commission, Matter No. 182-3146, Closing letter to Chong S. Park, Counsel for Canada Goose Inc. (June 17, 2019).

<sup>2</sup> *Exposed: Geese Crushed, Suffocated at Canada Goose’s Down Supplier*, PETA, <https://www.peta.org/media/news-releases/exposed-geese-crushed-suffocated-canada-goose-supplier/> (last visited Sept. 18, 2019).

Canada Goose represents to consumers that animals trapped for its fur products are treated humanely.

Canada Goose leads consumers to believe that it exclusively sources fur from “humane” and “ethical” trappers that do not “neglect” or cause “undue harm” to animals.<sup>3</sup> It further emphasizes that its suppliers are “strictly regulated by state, provincial and federal standards.”<sup>4</sup>

In reality, Canada Goose allows for the purchase of fur from trappers that operate in jurisdictions that have *no regulations* regarding the methods of slaughtering trapped animals or the types of traps that may be used.<sup>5</sup> Canada Goose has failed to publicly disclose any details regarding the methods of trapping and slaughter used by its suppliers other than the fact that they are allegedly “in accordance with” the Agreement of International Humane Trapping Standards in Canada (“AIHTS”) and the Best Management Practices (“BMP”) in the United States.<sup>6</sup> But these standards themselves permit a range of cruel practices that reasonable consumers would perceive as “neglect” and “undue harm”—not as “humane” or “ethical.” For example, these standards allow for traps to be left unchecked while coyotes slowly suffocate or shatter their teeth in attempts to escape.<sup>7</sup>

The practices permitted by these standards are inconsistent with consumer perception of the representations made by Canada Goose on their clothing labels, website, and advertisements.

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<sup>3</sup> See e.g., *A Word About Fur & Down*, Canada Goose, Inc., <https://www.canadagoose.com/us/en/fur-and-down-policy/fur-and-down-policy.html> (last visited Sept. 18, 2019).

<sup>4</sup> *Id.*

<sup>5</sup> See *id.*; see e.g., Association of Fish and Wildlife Agencies Furbearer Conservation Technical Work Group, *2016 Summary of Furbearer Trapping Regulations in the United States* (2016) (reporting that over 75% of U.S. states do not regulate slaughter methods in fur trapping and a majority of U.S. states do not prohibit any specific types of traps).

<sup>6</sup> *Id.*

<sup>7</sup> John A. Shivik et al., *Initial Comparison: Jaws, Cables, and cage-traps to Capture Coyotes*, Nat’l Wildlife Research Ctr., 1379 (2005), <https://naldc.nal.usda.gov/download/36306/PDF>; see also, Graziella Iossa et al., *Mammal trapping: A review of animal welfare standards of killing and restraining traps*, *Animal Welfare* 16, 3 (Aug. 2007), [https://www.researchgate.net/publication/228668169\\_Mammal\\_trapping\\_A\\_review\\_of\\_animal\\_welfare\\_standards\\_of\\_killing\\_and\\_restraining\\_traps](https://www.researchgate.net/publication/228668169_Mammal_trapping_A_review_of_animal_welfare_standards_of_killing_and_restraining_traps).

Consumers want to avoid products of animal cruelty but lack technical knowledge regarding fur industry practices and the enforcement of animal welfare standards. Canada Goose capitalizes on this knowledge gap by misrepresenting the treatment of the coyotes in their supply chain, to the detriment of their consumers and competitors. We respectfully request that the Commission intervene and take prompt action to prevent Canada Goose from deceiving consumers with false claims of humane trapping practices.

## **II. Parties**

### **A. Social Compassion in Legislation**

SCIL is a non-profit organization based in California that engages in campaigns and advocacy to instill greater compassion into law and society for the welfare of all animals.

### **B. Voters for Animal Rights**

VFAR is a non-profit, public-interest organization based in New York dedicated to the protection of all animals through lobbying and advocacy efforts.

### **C. The Association for the Protection of Fur-Bearing Animals**

The Fur-Bearers is a non-profit animal protection organization based in British Columbia, Canada. Since 1953, The Fur-Bearers has advocated for the protection of fur-bearing animals in the wild and confinement through conservation, advocacy, research, and education.

### **D. Canada Goose Holdings Inc.**

Canada Goose is incorporated in Delaware<sup>8</sup> with a principal executive office in Toronto, Ontario.<sup>9</sup> Canada Goose produces, markets, and distributes clothing products, many of which contain fur trim. The company markets these products throughout the United States, with flagship

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<sup>8</sup> *Subsidiaries of Canada Goose Holdings Inc.*, SEC.gov, <https://www.sec.gov/Archives/edgar/data/1690511/000169051118000006/exhibit81.htm> (last visited Sept. 18, 2019).

<sup>9</sup> Canada Goose Holdings Inc., Subordinate Voting Shares (Form F-1/A) (March 10, 2017), <https://www.sec.gov/Archives/edgar/data/1690511/000119312517078937/d289883df1a.htm>.

stores in New York and Chicago, including at nearly 250 other retailers in the U.S. Products are also sold at authorized retailers internationally.<sup>10</sup> Canada Goose's stock is traded through Canada Goose Holdings Inc., on the New York Stock Exchange.<sup>11</sup> At the time that this letter was submitted, Canada Goose was valued at more than \$4 billion.<sup>12</sup> The brand's jackets typically retail for over \$1,000 each.<sup>13</sup> Canada Goose's marketing campaigns have been acknowledged as the driving force behind the boom in demand for coyote fur around the world.<sup>14</sup> Coyote pelt prices have risen steadily since the brand gained fame in 2013.<sup>15</sup>

### III. Standard of Review

The FTC is the primary federal agency charged with thwarting unfair and deceptive trade practices.<sup>16</sup> Under Section 5 of the FTC Act, unlawful deception will be found "if there is a representation, omission or practice that is likely to mislead the consumer acting reasonably in the circumstances, to the consumer's detriment."<sup>17</sup> A representation is thus unlawfully deceptive if it is (1) material to a consumer's decision-making; and (2) likely to mislead the consumer.<sup>18</sup>

To ensure that their advertisements are not deceptive, marketers must identify all express and implied claims that the advertisement reasonably conveys. A claim that is literally true but

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<sup>10</sup> *Our Locations*, Canada Goose, Inc., <https://www.canadagoose.com/us/en/find-a-retailer/find-a-retailer.html> (last visited Sept. 18, 2019).

<sup>11</sup> Canada Goose Holdings Inc., *supra* note 9.

<sup>12</sup> Canada Goose Holdings Inc. stock information Statistics page, Yahoo! Finance, <https://finance.yahoo.com/quote/GOOS/key-statistics?p=GOOS> (last visited Sept. 18, 2019).

<sup>13</sup> Canada Goose, <https://www.canadagoose.com/us/en/home-page> (last visited Sept. 18, 2019).

<sup>14</sup> *See Coyote fur is in big demand thanks to popular parkas*, CNBC (Feb. 28, 2019, 10:33 AM) <https://www.cnbc.com/2019/02/28/coyote-fur-is-in-big-demand-thanks-to-popular-parkas.html>; Michael Hill, *All those fur-trimmed Canada Goose coats: Bad news for coyotes, big money for trappers*, Chicago Tribune (Feb. 28, 2019, 8:35 AM) <https://www.chicagotribune.com/business/ct-biz-canada-goose-coyote-fur-20190228-story.html>.

<sup>15</sup> *Id.*

<sup>16</sup> *See* 15 U.S.C. § 45(a)(2) ("The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations . . . from using unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce.").

<sup>17</sup> FTC, Policy Statement on Deception, *appended to Cliffdale Assocs., Inc.*, 103 FTC 110, 174 (1984), *available at* [https://www.ftc.gov/system/files/documents/public\\_statements/410531/831014deceptionstmt.pdf](https://www.ftc.gov/system/files/documents/public_statements/410531/831014deceptionstmt.pdf) (hereinafter "FTC Policy Statement on Deception"); *see* 15 U.S.C. § 45.

<sup>18</sup> *Id.*

nonetheless deceives or misleads consumers by its implications can be considered a deceptive practice under the FTC Act.<sup>19</sup> Marketers must ensure that all reasonable interpretations of their claims are truthful, not misleading, and supported by a reasonable basis before they make the claims.<sup>20</sup> If a particular consumer group is targeted, or likely to be affected by the advertisement, the advertisement should be examined from the perspective of a reasonable member of that group.<sup>21</sup> Moreover, the advertisement should be evaluated as a whole, including its visual elements, to account for “crafty advertisers whose deceptive messages were conveyed by means other than, or in addition to, spoken words.”<sup>22</sup>

Also, under Section 5 of the FTC Act, the Commission will find that a practice is unfair if the practice causes a substantial “unjustified consumer injury,” which is an injury not outweighed by any offsetting consumer or competitive benefits, and that could not reasonably have been avoided. 15 U.S.C. § 45(n).<sup>23</sup> While unjustified consumer injury alone “can be sufficient to warrant a finding of unfairness,” the Commission may also consider whether the practice “violates established public policy” and “whether it is unethical or unscrupulous.”<sup>24</sup>

In the context of product endorsements or certifications, there must also be disclosure of unexpected material connections related to the product endorsements.<sup>25</sup> An “unexpected material

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<sup>19</sup> See *Kraft, Inc. v. F.T.C.*, 970 F.2d 311, 322 (7th Cir. 1992) (“[E]ven literally true statements can have misleading implications.”).

<sup>20</sup> See 16 C.F.R. § 260.2 (citing FTC Policy Statement Regarding Advertising Substantiation, 104 FTC 839 (1984)) (hereinafter “FTC Policy Statement Regarding Advertising Substantiation”).

<sup>21</sup> FTC, Policy Statement Regarding Advertising Substantiation, 104 FTC 839 (1984), available at <https://www.ftc.gov/public-statements/1983/03/ftc-policy-statement-regarding-advertising-substantiation> (last visited Dec. 11, 2018).

<sup>22</sup> FTC Policy Statement on Deception, *supra* note 17 (citing *Am. Home Products Corp. v. FTC*, 695 F.2d 681, 688 (3d Cir. 1982)).

<sup>23</sup> See also FTC, FTC Policy Statement on Unfairness, 104 F.T.C. 1070–76 (1984), appended to *International Harvester Co.*, 104 F.T.C. 949 (1984) (codified at 15 U.S.C. § 45(n)), <https://www.ftc.gov/public-statements/1980/12/ftc-policy-statement-unfairness> (last visited Dec. 11, 2018).

<sup>24</sup> *Id.* (citing *FTC v. Sperry & Hutchinson Co.*, 405 U.S. 223, 244–45 n.5 (1972)).

<sup>25</sup> See 16 C.F.R. Part 255 (Guides Concerning the Use of Endorsements and Testimonials in Advertising), <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>.

connection” is defined as “any relationship that might materially affect the weight or credibility” of the certification and that would not reasonably be expected by consumers, such as a self-certification or excessive fee.<sup>26</sup> Failure to disclose adequately the material information constitutes a deceptive act or practice, in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

#### **IV. False or Misleading Claims**

##### **A. Representations at Issue**

Canada Goose makes specific representations about the “ethical” sourcing of its fur products.<sup>27</sup> For example, Canada Goose fur products are sold with an attached paper hang tag that contains the following statements, as shown in Figure 1 below:

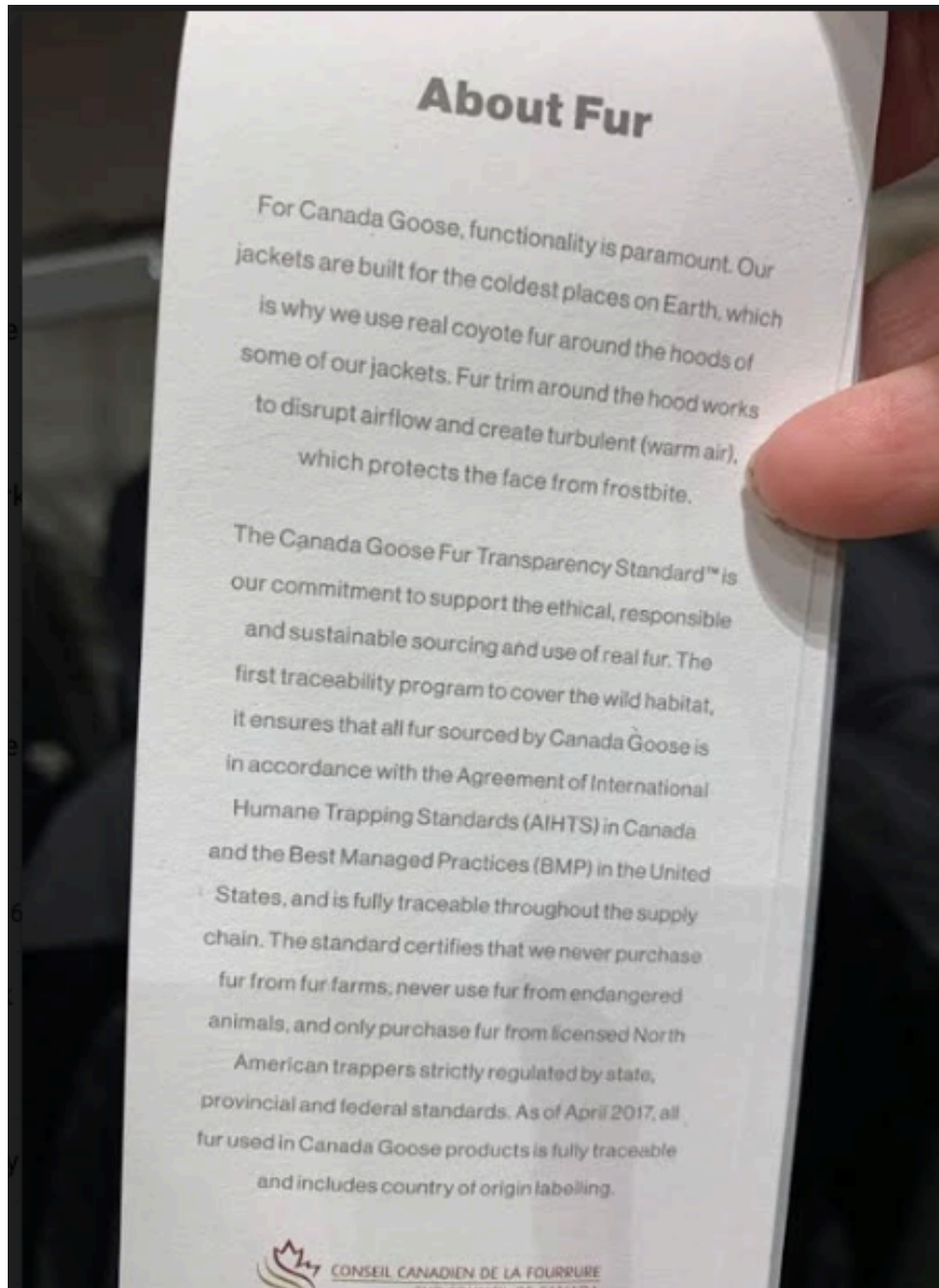
- “*The Canada Goose Fur Transparency Standard™* is our commitment to support the ethical sourcing and responsible use of real fur”;
- The first traceability program to cover the wild habitat, it ensures that all fur sourced by Canada Goose is in accordance with the Agreement of International Humane Trapping Standards (AIHTS) in Canada and the Best Managed Practices (BMP) in the United States, and is fully traceable throughout the supply chain”;
- “The standard certifies that we never purchase fur from fur farms, never use fur from endangered animals, and only purchase fur from licensed North American trappers strictly regulated by state, provincial and federal standards.”

#### **Figure 1:**

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<sup>26</sup> *Moonlight Slumber, LLC*, No. C-4634 at 6 (FTC Dec. 11, 2017); *see also* 16 C.F.R. § 255.5.

<sup>27</sup> Canada Goose, Inc., *supra* note 3.



Canada Goose's primary consumer-facing website also prominently advertises its fur products as ethically sourced. As shown in Figure 2 below, the top of the Canada Goose website

homepage directs consumers to a webpage dedicated to marketing the products as humane and ethically sourced.<sup>28</sup>

**Figure 2:**



This webpage makes several representations that lead consumers to believe that the animals trapped for its fur products are treated humanely:

- “We believe all animals are entitled to humane treatment in life and death, and we are deeply committed to the ethical sourcing and responsible use of all animal materials in our products”;
- “We do not condone any willful mistreatment, neglect, or acts that maliciously cause animals undue suffering”;
- “Our standards for the sourcing and use of fur, down and wool reflect our commitment that materials are sourced from animals that are not subject to willful mistreatment or undue harm”;
- “[W]e are committed to being transparent about where and how we make our products, including the ethical sourcing and responsible use of animal products”;
- “[W]e hope that people recognize our commitment to responsible use and ethical sourcing of fur.”<sup>29</sup>

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<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

The website also contains a slightly modified version<sup>30</sup> of the description of the Canada Goose Fur Transparency Standard that appears on the product hang tags referenced above. This webpage further links consumers to the website for the International Fur Federation (“IFF”) for additional information on fur production.<sup>31</sup>

The IFF website to which Canada Goose directs consumers makes a number of similar misrepresentations about fur trapping, including:

- “This whole North American wild fur sector is tightly regulated through stringent regional, national and international regulations and legislation that ensure the harvests are sustainable, humane and responsibly-sourced”;<sup>32</sup>
- “Animal welfare in the North American wild fur industry is assured through the Agreement on International Humane Trapping Standards (AIHTS), the International Organization for Standardization (ISO), Best Management Practices and various Federal, State, Provincial and Territorial regulations that ensure traps and trapping meet the most stringent, scientifically proven humane harvesting standards.”<sup>33</sup>

In addition to its label representations and online marketing, Canada Goose trains its retail employees to communicate the “ethical sourcing” narrative to customers, including through the distribution of leaflets which reproduce the claims made in its other marketing materials, as shown in Figure 3 below.<sup>34</sup>

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<sup>30</sup> *Id.* (“The Canada Goose Fur Transparency Standard™ is our commitment to support the ethical sourcing and responsible use of real wild fur. The program mandates that all fur sourced by Canada Goose is in accordance with the Agreement of International Humane Trapping Standards in Canada and the Best Management Practices in the United States. It also requires that we only use wild fur from North American suppliers and that we never use fur from fur farms or endangered species. We monitor compliance to The Canada Goose Fur Transparency Standard™ through a third-party sample audit program of traplines. These trappers are strictly regulated by state, provincial and federal standards, and play an important role in properly managing abundant coyote populations that are known to endanger pets and livestock”).

<sup>31</sup> *Id.*

<sup>32</sup> *Wild Fur: Americas*, International Fur Federation, <https://www.wearefur.com/responsible-fur/wild-fur/americas/> (last visited Sept. 18, 2019).

<sup>33</sup> *AIHTS*, International Fur Federation, <https://www.wearefur.com/responsible-fur/wild-fur/americas/> (last visited Sept. 18, 2019).

<sup>34</sup> Canada Goose, *Why We Choose Fur and Down* (Leaflet obtained on September 8, 2019 from Canada Goose store located at 101 Wooster St., New York, New York 10012).

**Figure 3:**



Canada Goose's various representations regarding fur are designed to, and do, lead consumers to believe that Canada Goose fur suppliers are subject to strict regulations that prevent the infliction of extreme pain or distress on animals trapped for its fur products.

## **B. Practices at Issue**

Despite its purported commitment to transparency, Canada Goose does not publicly disclose the identity of the fur trappers in its supply chain or the trapping and slaughter methods they utilize. Furthermore, the company has refused to meet with Petitioners to discuss and substantiate its animal welfare claims.

### **1. Canada Goose sources its fur from jurisdictions in which inhumane practices are permitted.**

While Canada Goose's public representations lead reasonable consumers to believe that the company exclusively uses fur from humanely treated animals, those with knowledge and information not readily available to the average consumer can determine from these

representations that Canada Goose allows for the purchase of fur from inhumane sources. For example, the Canada Goose Fur Transparency Standard does not ensure that Canada Goose's fur is ethically sourced, even if the standard is strictly adhered to. In reality, Canada Goose's standard allows for sourcing from trappers that operate in jurisdictions that have ***no regulations*** regarding the methods of slaughtering trapped animals or the types of traps that may be used.<sup>35</sup> Canada Goose's policies also fail to prohibit the use of inhumane snares that cause death by strangulation and cruel leghold traps that have been banned in dozens of countries and several U.S. states. The methods permitted by Canada Goose's policies commonly result in leg fractures, tendon and ligament damage, lost claws, broken teeth, lacerations, dislocated joints, swelling, and prolonged psychological distress.<sup>36</sup>

Canada Goose assures consumers that it believes "all animals are entitled to humane treatment in life and death"<sup>37</sup> and supports that claim by reference to its exclusive use of U.S. and Canadian trappers that are "strictly regulated by state, provincial and federal standards."<sup>38</sup> But, ***there are no U.S. federal laws or regulations that require the humane treatment of coyotes trapped for fur.***<sup>39</sup> Moreover, the Association of Fish and Wildlife Agencies has reported that ***over 75% of U.S. states do not regulate slaughter methods in fur trapping at all and a majority of U.S. states do not prohibit any specific types of traps, no matter how cruel.***<sup>40</sup> Canada Goose has provided no indication that furs from these states are prohibited from its supply chain.

Furthermore, Canada Goose's statements that it only uses "licensed" fur trappers are designed to give consumers a sense of assurance about trappers' practices. In reality, according to

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<sup>35</sup> Canada Goose, Inc., *supra* note 3.

<sup>36</sup> See e.g., *id.*; Shivik & Iossa, *supra* note 7.

<sup>37</sup> Shivik & Iossa, *supra* note 7.

<sup>38</sup> *Id.*

<sup>39</sup> See Dena M. Jones & Sheila Hughes Rodriguez, *Restricting the Use of Animal Traps IN the United States: An Overview of Laws and Strategy*, 9 Animal Law 136, 151 (2003).

<sup>40</sup> *Id.*

the North American Fur Industry Communications group (NAFIC), such licensing is simply a matter of taking a training course on conservation and trapping systems, and then purchasing the license.<sup>41</sup> As to the actual administration of the animal welfare standards that exist in *some* jurisdictions, enforcement bodies struggle to fulfill their mandates. According to information obtained from the province of British Columbia by the Association for the Protection of Fur-Bearing Animals (APFBA), as of 2013, the almost 950,000 square kilometers of British Columbia were covered by fewer than 90 British Columbia Conservation Officers, or one officer per 11,000 square kilometers.<sup>42</sup>

## **2. Canada Goose's purported standards are insufficient to ensure humane trapping practices.**

Nevertheless, even if Canada Goose fur suppliers were “strictly regulated” to ensure compliance with AIHTS and BMP standards, as Canada Goose suggests, its animal welfare representations would still be misleading. That is because the AIHTS and BMP standards themselves authorize trapping practices that undeniably constitute “neglect” and “undue harm” to animals—which Canada Goose claims its policies “do not condone.”<sup>43</sup> The specific language of the AIHTS, which applies to Canadian trapping, explicitly allows for up to 20% of animals tested in traps to demonstrate both physical and behavioral indicators of poor welfare—*i.e.*, pain, injury,

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<sup>41</sup> *How Fur is Produced: Trapping*, Truth About Fur, <http://www.truthaboutfur.com/en/becoming-a-trapper> (last visited Sept. 18, 2019).

<sup>42</sup> *What is Wrong with Trapping*, The Ass’n for Prot. of Fur-Bearing Animals. <http://thefurbearers.com/the-issues/trapping/what-is-wrong-with-trapping> (last visited Sept. 18, 2019).

<sup>43</sup> Canada Goose, Inc., *supra* note 3.

or suffering.<sup>44</sup> In the United States, the BMP allows for up to 30% of animals tested to be subjected to similar cruelty and suffering.<sup>45</sup>

Furthermore, both the AIHTS and the BMP allow for the use of leg-hold traps that are considered inhumane and have been banned in 57 countries.<sup>46</sup> Multiple U.S. states have also banned leghold traps for recreational or commercial purposes, including California, Colorado, Florida, Massachusetts, New Jersey, Rhode Island, and Washington.<sup>47</sup> Major veterinary associations, including the American Animal Hospital Association<sup>48</sup> and the American Veterinary Medical Association,<sup>49</sup> oppose the use of leg-hold traps that are implicitly permitted under Canada Goose's policy. The National Animal Care & Control association "strongly opposes the use of traps that capture the animal by the leg" noting that "leg hold traps . . . can cause significant harm and even death to an animal in a cruel and inhumane manner."<sup>50</sup>

Even if all the trappers in Canada Goose's supply chain *exceed* the AIHTS and BMP standards by using solely padded or offset leghold traps, the fur used in Canada Goose products could not reasonably be considered "ethically sourced."<sup>51</sup> Both padded and offset leghold traps are

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<sup>44</sup> *Agreement on international humane trapping standards between the European Community, Canada and the Russian Federation (AIHTS)*, Official J. of the European Cmty. §§ 2.3.1 - 2.3.2, 2.4, <https://fur.ca/wp-content/uploads/2015/09/AIHTS-Copy-of-Agreement.pdf> (last visited Sept. 18, 2019).

<sup>45</sup> *Michigan Trapper Education Manual: A Guide for Trappers in Michigan*, Mich. Dep't of Natural Res., 44-47, [https://www.michigan.gov/documents/dnr/MI\\_Trapper\\_Education\\_Manual\\_82307\\_206561\\_7.pdf](https://www.michigan.gov/documents/dnr/MI_Trapper_Education_Manual_82307_206561_7.pdf) (last visited Sept. 18, 2019).

<sup>46</sup> *Laws on Leg-Hold Animal Traps Around the World*, The Law Library of Congress Global Legal Research Ctr. (Aug. 2016), <https://www.loc.gov/law/help/leg-hold-traps/leg-hold-traps.pdf>.

<sup>47</sup> *2017 Trapping Report*, Born Free USA, (Sept. 21, 2017), <http://7a1eb59c2270eb1d8b3d-a9354ca433cea7ae96304b2a57fdc8a0.r60.cf1.rackcdn.com/BornFreeUSA-2017-Trapping-Report-f.pdf>.

<sup>48</sup> *Position Statements and Endorsements: Leghold Traps*, Am. Animal Hosp. Ass'n, <https://www.aaha.org/about-aaha/aaha-position-statements/leghold-traps/> (last visited Sept. 18, 2019).

<sup>49</sup> *AVMA Policies: Trapping and Steel-jawed Leghold Traps*, Am. Veterinary Med. Ass'n, <https://www.avma.org/KB/Policies/Pages/Trapping-and-Steel-jawed-Leghold-Traps.aspx> (last visited Sept. 18, 2019).

<sup>50</sup> *NACA Guidelines*, Nat'l Animal Care & Control Ass'n, 7 (Sept. 3, 2014), [https://cdn.ymaws.com/nacanet.site-ym.com/resource/resmgr/Docs/NACA\\_Guidelines.pdf](https://cdn.ymaws.com/nacanet.site-ym.com/resource/resmgr/Docs/NACA_Guidelines.pdf).

<sup>51</sup> *See Certified Traps - AIHTS Implementation in Canada*, Fur Inst. of Can. (July 1, 2018), <https://fur.ca/wp-content/uploads/2015/10/Certified-Traps-List-FIC-July-1-2018-Eng-8%C2%BD-X-14.docx.pdf> (stating that the use of AIHTS certified offset and padded traps is "not yet mandatory").

banned for fur trapping in countless jurisdictions (as set forth above) because they, too, cause severe distress and injuries to animals. For example, one study conducted by the USDA APHIS National Wildlife Research Center (“NWRC”) found that the use of padded leghold traps on coyotes resulted in bone fractures in 15-25% of trapped coyotes, and found tendon and ligament damage in up to 20% of cases.<sup>52</sup> Another NWRC study found that only four percent of coyotes caught in padded leghold traps suffered no injury, and recorded injuries included lost claws, severely broken teeth (likely from desperate attempts to bite off the traps), lacerations, dislocated joints, swelling, and “severe joint hemorrhage.”<sup>53</sup> Other peer-reviewed studies have demonstrated that animals experience prolonged psychological distress when trapped, even in the absence of physical injury.<sup>54</sup> These studies have documented how traumas that are commonly ignored in the literature (*e.g.*, psychological distress) or characterized as minor (*e.g.*, lost claws) can actually have lethal long-term effects for non-target animals that are released after trapping. Nevertheless, these cruel traps are widely used in the U.S. and Canada by trappers who meet the standards cited by Canada Goose.<sup>55</sup>

Coyotes are also captured and killed with snares—metal nooses designed to tighten around a coyote’s neck and kill the animal by strangulation. Killing snares are considered inhumane by wildlife biologists, veterinarians, and animal welfare experts, and have been banned in several countries, including the U.K., and in multiple U.S. states.<sup>56</sup> Snares are still used, however, in all Canadian provinces and across the U.S.

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<sup>52</sup> Glenn H. Olsen, *Injuries to Coyotes Caught in Padded and Unpadded Steel Foothold Traps*, Nat’l Wildlife Research Ctr., 219 - 223 (1986), <https://nwrc.contentdm.oclc.org/digital/collection/p16473coll8/id/31856/rec/1>.

<sup>53</sup> Shivik & Iossa, *supra* note 7.

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> 2017 Trapping Report, Born Free USA, (Sept. 21, 2017), <http://7a1eb59c2270eb1d8b3d-a9354ca433cea7ae96304b2a57fdc8a0.r60.cf1.rackcdn.com/BornFreeUSA-2017-Trapping-Report-f.pdf>.

Although the AIHTS does not set performance criteria for snares, and is silent on the devices, it does require that for coyotes, other devices designed to kill must render the animal irreversibly unconscious within 300 seconds, which means coyotes could be left to suffer, fully conscious and struggling for breath, for up to five minutes.<sup>57</sup> Even under the extremely low AIHTS standard for killing devices, snares fall short. A 2015 review of scientific information related to the humaneness of killing neck snares used to capture coyotes concluded that all neck snares studied were inadequate to consistently render canids unconscious.<sup>58</sup> In a study by the Federal Provincial Committee for Humane Trapping (FPCHT), researchers found that many canids were still alive when found—some more than 12 hours after being snared—and that in most cases, the animals did not die within 300 seconds.<sup>59</sup> Another test with canids noted the difficulty of consistently capturing animals around the neck, and found that only two out of seven animals tested lost consciousness within 300 seconds.<sup>60</sup>

Coyotes caught in killing neck snares who do not die are reported to suffer painful injuries that are similar to or worse than those suffered by coyotes caught in leg-hold traps.<sup>61</sup> Coyotes may chew through the snare cable if the device does not tighten sufficiently to cause death, or if they are snared on another body part. There are multiple reports of escaped canids sighted with tightened snare loops around their necks and other limbs.<sup>62</sup>

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<sup>57</sup> See *supra* note 44.

<sup>58</sup> Gilbert Proulx et al., *Humaneness and Selectivity of Killing Neck Snares Used to Capture Canids in Canada: A Review*, Can. Wildlife Biology & Mgmt. 4, 55 - 65 (Jan. 2015), available at [https://www.researchgate.net/publication/272151929\\_Humaneness\\_and\\_selectivity\\_of\\_killing\\_neck\\_snares\\_used\\_to\\_capture\\_canids\\_in\\_Canada\\_a\\_review\\_Can\\_Wildl\\_Biol\\_Manag\\_455-65](https://www.researchgate.net/publication/272151929_Humaneness_and_selectivity_of_killing_neck_snares_used_to_capture_canids_in_Canada_a_review_Can_Wildl_Biol_Manag_455-65).

<sup>59</sup> Federal-Provincial Committee for Humane Trapping, *Report of the Federal Provincial Committee for Humane Trapping*, Fed.-Provincial Wildlife Conference, Can. Wildlife Serv. (1981).

<sup>60</sup> Gilbert Proulx et al., *Assessment of Power Snares to Effectively Kill Red Fox*, Wildlife Soc'y Bulletin 18, 27-30 (Spring 1990), available at <http://www.jstor.org/stable/3782303?origin=JSTOR-pdf>.

<sup>61</sup> Gilbert Proulx & Dwight Rodtka, *Steel-Jawed Leghold Traps and Killing Neck Snares: Similar Injuries Command Change to Agreement on International Humane Trapping Standards*, J. of Applied Animal Welfare Sci. 20(2), (Feb. 2017), available at <https://www.ncbi.nlm.nih.gov/pubmed/28375756>.

<sup>62</sup> Proulx et al., *supra* note 58.

The troubling injuries documented of coyotes caught in snares but not killed are compounded by the fact that killing devices may be left unchecked for days or even weeks at a time, leaving injured animals to suffer and die slowly from injuries, exposure, exhaustion, dehydration, or starvation. Killing snares may be left unchecked for up to 72 hours in Saskatchewan (depending on proximity to urban areas),<sup>63</sup> and 14 days in British Columbia<sup>64</sup>; in Alberta and Quebec, there are no legally required checking times for killing snares devices.

Moreover, in multiple studies on the use of leghold traps and snares, animals other than coyotes have been caught, including not only wild animals but also pets, with up to 67% of animals caught not being the target species.<sup>65</sup> Thus, trapping methods used by Canada Goose suppliers cause completely unnecessary suffering and death for countless animals and are not “humane” or “ethical.”

American Humane Association, which manages the United States’ oldest and largest third-party animal-welfare auditing program,<sup>66</sup> has averred that humanely-produced fur is an impossibility.<sup>67</sup> In sum, Canada Goose is making representations about its fur trapping supply chain that are designed to sell apparel but do not match actual practice.

### C. Consumer Perception

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<sup>63</sup> The Wildlife Regulations, W-13.1 RRS § 24(3) (1981).

<sup>64</sup> Wildlife Act Commercial Activities Regulation, 338/82 BC Reg, § 3.05(1)(c) (1982).

<sup>65</sup> *Welfare Implications of Leghold Trap Use in Conservation and Research*, Am. Veterinary Med. Ass’n (Apr. 30, 2008), <https://www.avma.org/KB/Resources/LiteratureReviews/Pages/Welfare-Implications-of-Leghold-Trap-Use-in-Conservation-and-Research.aspx>.

<sup>66</sup> *Becoming American Humane Certified*, Am. Humane Certified, <http://www.humaneheartland.org/our-farm-programs/american-humane-certified> (last visited Sept. 18, 2019).

<sup>67</sup> *Position Statements: Animals Skinned for Fur*, Am. Humane, <https://www.americanhumane.org/position-statement/animals-skinned-for-fur/> (last visited Feb. 27, 2019); *See, e.g., Every Single Luxury Brand, Retailer and Magazine that has Gone Fur Free - So Far*, Fashionista (Apr. 5, 2018), <https://fashionista.com/2018/04/fur-free-designer-brands-magazines-retailers> (in response to the growing recognition of the inevitable cruelty involved in fur production, several leading fashion companies have removed fur from their clothing); *see also* Zachary Toliver, *Breaking: San Francisco Becomes First Major US City to ban Fur Sales*, PETA (Mar. 20, 2018), <https://www.peta.org/blog/breaking-san-francisco-bans-fur-sales/> (three cities in California have enacted bans on the sale of fur).

The types of animal-welfare representations made by Canada Goose are meaningful to consumers. Consumers are demanding ever more transparency about the impact of their purchasing power, including how their purchases affect animals.<sup>68</sup> Market surveys have demonstrated growing consumer concern about the treatment of animals used in food,<sup>69</sup> cosmetics,<sup>70</sup> and clothing industries.<sup>71</sup> In one survey, over 75% of consumers were willing to pay more for animal products from humanely-treated animals.<sup>72</sup> This growing concern among consumers has led to an epidemic of false and misleading advertisements that target consumers seeking genuinely humane products. Thus far, regulatory action and false advertising litigation (set forth in Exhibit 1) have been insufficient to curb this proliferation of consumer deception.

## **V. Relief Requested**

The actions described above constitute unlawful conduct, unfair methods of competition, and unfair and deceptive practices under the FTC Act, 15 U.S.C. § 41 et seq.

Accordingly, the undersigned respectfully request that the Commission:

1. require Canada Goose to remove misleading claims from its labels and website;
2. enjoin Canada Goose from making such misleading statements in the future;

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<sup>68</sup> The Hartman Grp., *Animal Welfare: Consumers Want Transparency*, Forbes (Sept. 11, 2015, 4:13 PM), <https://www.forbes.com/sites/thehartmangroup/2015/09/11/animal-welfare-consumers-want-transparency/#1c97af96169d>.

<sup>69</sup> *Consumer Perceptions of Farm Animal Welfare*, Animal Welfare Inst., [https://awionline.org/sites/default/files/uploads/documents/fa-consumer\\_perceptionsoffarmwelfare\\_-112511.pdf](https://awionline.org/sites/default/files/uploads/documents/fa-consumer_perceptionsoffarmwelfare_-112511.pdf) (last visited Feb. 27, 2019); see also Sarah Schmidt, *Animal Welfare an Increasing Concern for Consumers*, Mkt. Research (Apr. 26, 2017), <https://blog.marketresearch.com/animal-welfare-an-increasing-concern-for-consumers>.

<sup>70</sup> *U.S. Poll Shows Consumers Want Cosmetics to be Cruelty-Free*, Humane Soc'y Legis. Fund (Mar. 12, 2013), <http://www.hslf.org/news/press-releases/majority-opposes-animal-testing.html>.

<sup>71</sup> Mario Abad, *The 3 Reasons Several Luxury Brands are Saying No to Real Fur*, Forbes (Mar. 27, 2018, 4:47 PM), <https://www.forbes.com/sites/marioabad/2018/03/27/sustainable-luxury-brands-anti-fur-faux-fashion/#2680bced6177>.

<sup>72</sup> *2014 Humane Heartland™ Farm Animal Welfare Survey*, American Humane, <https://www.americanhumane.org/publication/2014-humane-heartland-farm-animal-welfare-survey/> (last visited Sept. 18, 2019).

3. require Canada Goose to disseminate corrective statements in all media in which the misleading statements were previously disseminated;
4. require Canada Goose to disclose the actual audit standards and reports of its suppliers; and
5. impose all other penalties as are just and proper.

Respectfully submitted September, 23, 2019,



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### **Exhibit 1: FTC Requests for Enforcement of Humane Claims**

<b>Date</b>	<b>Requestor</b>	<b>Respondent(s)</b>	<b>Request Summary</b>	<b>Outcome</b>
12/12/18	HSUS	Pilgrim's Pride Corp.	Alleging that Pilgrim's misrepresents that its broiler chickens used for its poultry products are raised and produced under humane conditions, when, instead, Pilgrim's uses inhumane growing and slaughter practices.	FTC met with company, which stated it removed the claims at issue. FTC reminded company it must be able to adequately substantiate advertising claims and those claims must be true and not misleading
11/01/17	PETA	Canada Goose Holdings Inc.	Alleging that Canada Goose misrepresents that the geese used for the down in its products are treated humanely.	FTC declined to take enforcement action
10/14/16	HSUS	Nat'l Pasteurized Eggs, Inc. dba Davidson's Safest Choice	Alleging that images and words on certain "All-Natural" shell egg cartons, on the company's website, and in its magazine advertisements indicate to consumers that such eggs were produced in cage-free operations or in conditions where hens have outdoor access.	FTC sent letter to respondent resulting in slight changes to imagery on packages and website
12/2/15	HSUS	Hillandale Farms, Inc.	Alleging that Hillandale's packaging for its Nearby Eggs label is deceptive because it depicted images of hens grazing and walking freely in an outdoor grassy field in front of a farmhouse, when eggs are instead produced by hens in intensive confinement cages	FTC contacted Hillandale and the company discontinued packaging with stated imagery
7/2/15	MFA	Foster Poultry Farms, Inc. and American Humane Association	Alleging that the advertising and promotion of the "American Humane Certified" label for chicken	FTC did not recommend action. Foster Farms installed video

			products is unlawfully deceptive	monitoring system
2/12/13	HSUS	Nat'l Pork Producers Council	Alleging NPPC violated FTC's endorsement policy when it issued a joint report with the National Pork Board that omits the fact that many of its testimonials come directly from Pork Board and NPPC employees, including several senior officers	FTC declined to take action
4/17/12	HSUS	Nat'l Pork Producers Council	Alleging NPPC's statements and omissions regarding its "We Care" initiative, "ethical principles," and animal welfare certification program are unlawfully misleading.	No known action
1/31/12	HSUS	Seaboard Foods/Seaboard Corp.	Alleging Seaboard is deceiving consumers concerned about the suffering of animals with false assurances of care.	FTC contacted Seaboard and the company changed portions of claims
6/16/10	HSUS	Rose Acre Farms, Inc.	Alleging Rose Acre issues unlawfully false and/or misleading representations about the treatment of animals used to produce its products, including that chickens used to produce Rose Acre's eggs are provided with a "humane and friendly environment," have plenty of space to move around and socialize, that only chickens who are treated well and are "happy" will lay eggs, and similar misstatements	FTC declined to take action
1/19/10	PETA	American Egg Board	Alleging claims on Respondent's website that hens are "happy" and "healthy" and live in a "comfortable environment" are deceptive	FTC declined to take action
10/14/09	HSUS	DineEquity, Inc. and Int'l House of Pancakes, LLC	Request for the FTC to take action to stop IHOP from deceiving consumers with	FTC, IW, VT AGs contacted company.

			false claims of “cruelty-free” and humane standards of animal care.	DineEquity committed to cage-free policy.
9/27/06 2/21/07 12/30/10	COK	Shell Egg Industry	Request for rulemaking regarding the practice of misrepresenting egg production methods	FTC denied petitions stating individual enforcement actions may be appropriate approach. To date, no known related enforcement actions have been taken.
4/30/02	PETA	California Milk Advisory Board	Complaint seeking action against Respondent for deceptive advertising in its “happy cows” advertisements	FTC declined to take action

### **Sampling of Private Actions to Challenge Humane Claims**

<b>Date</b>	<b>Plaintiff</b>	<b>Defendant(s)</b>	<b>Court</b>	<b>Request Summary</b>	<b>Outcome</b>
07/10/19	FWW, OCA	Tyson Foods	DC Sup.	Alleging claims of environmentally responsible production and humane treatment of chickens are misleading	Pending
11/14/18	AWI	USDA	DDC	Alleging USDA’s current policy surrounding the approval of animal raising claims on meat and poultry packages fails consumers	Pending
7/9/18	OCA	Ben & Jerry’s Homemade, Inc.	DC Sup.	Alleging claims of “happy” and “healthy” cows are misleading	Pending
03/14/18	C. Claybaugh	Trader Joe’s Co.	Cal. Alameda Sup.	Alleging that cage-free egg carton imagery misleads consumers about how the animals are raised	Settled
6/22/17	CFS	Sanderson Farms	NDCA	Alleging the company’s advertisements stating its chicken products are “100% Natural”	Dismissed/Refiled

				are false and misleads consumers about how the animals are raised	
6/29/16	ALDF	Hormel Foods Corp.	DC Sup.	Alleging “Make the Natural Choice” slogan misleads consumers about the humane treatment of animals	On appeal
9/21/15	PETA	Whole Foods	N.D.Cal.	Alleging humane meat claims and humane certification program are misleading	Dismissed
7/14/15	C. Leining	Foster Farms	Cal. LA Sup.	Alleging chickens are mistreated in ways that contradict Foster Farms’ American Humane Association certification label	On appeal
2/11/14	COK	Kroger	Cal. LA Sup.	Alleging Kroger’s “humane” claim re its Simple Truth chicken products are deceptive as the chickens are subject to inhumane growing and slaughter practices	Settled
10/24/13	HSUS	Perdue Farms, Inc.	D.NJ	Contended that the “humanely raised” claim on the packaging of Perdue’s Harvestland brand chicken was misleading	Settled
11/13/12	ALDF	HVFG, LLC, d/b/a “Hudson Valley Foie Gras”	N.D.Cal.	Description of foie gras product as “the humane choice” gave rise to misrepresentation claim “because defendants’ ducks are raised inhumanely, and details are given from which a jury could well find the treatment is inhumane”	Settled
10/09/08	HSUS	Moark, LLC, R.W. Sauder,	DC Sup.	Alleging defendants mislead consumers and create the false	Dismissed

		Inc., United Egg Producers, Inc.		impression that egg-laying hens are afforded a quality of care and husbandry that they are not	
7/7/03	PETA	Kentucky Fried Chicken	Cal. LA Sup.	Alleging that the defendants were making grossly false representations regarding the treatment of their chickens	KFC removed the claims on its website and changed its consumer information telephone script
12/18/02	PCRM	Tyson Foods, Inc.	Cal. LA Sup	Suit for injunctive relief against Tyson alleging that the company made false and deceptive representations about “all natural” chicken products	Closed