

What the Evian "Carbon-Neutral" Ruling Means for Advertisers

Article By:

Catherine E. O'Brien

In a notable ESG ruling, U.S. District Judge Nelson Roman dismissed a class action lawsuit against Danone Waters of America that had alleged the company deceptively labeled its Evian bottled water as "carbon-neutral." This dismissal is the result of the court's reconsideration of its partial denial of Defendant Danone Waters of America's motion to dismiss.

The Evian water bottle labels in question featured a "Carbon Neutral" claim along with the "Carbon Trust" logo, a third-party environmental certification agency that follows the international PAS standard for determining carbon neutrality. Plaintiffs argued that this labeling amounted to "greenwashing," leading them to believe that the product's manufacturing process did not produce CO2 emissions or contribute to pollution.

The Court initially denied Danone's motion to dismiss in part, finding that the term "carbon neutral" was ambiguous, lacked clarity, and could potentially mislead a reasonable consumer. The court found that under Massachusetts and California law, it was too early to conclude as a matter of law that consumers would not be misled. However, in its reconsideration, the Court reversed its stance and dismissed the remaining claims while allowing plaintiffs the opportunity to amend their complaint.

Shifting the Burden to Consumers

In an important shift from its prior ruling, the court held that, in the absence of an industry convention of disclosure on the front label or governing regulation that says otherwise, a reasonable consumer is expected to look beyond the front label to learn more about the representation and consult other additional information available.

In the case of Evian, although the court found that the "carbon neutral" claim on the front label was potentially ambiguous, the back label provided a link to Evian's website, which provided further details on the "carbon-neutral" certification process and emissions offset efforts. In a reversal of its initial decision, the court ruled that in the absence of industry standards or regulations requiring clear front-label explanations, consumers were expected to seek out more information, and a reasonable consumer would have done just that. The back-label disclosures thus sufficiently mitigated concerns of consumers being misled at the point of sale.

The FTC's Green Guides

The court further reversed course on its initial position that the FTC's Green Guides supported a finding that a reasonable consumer would be misled by the Evian labeling. Initially, the court relied on the Green Guides in holding that the term "carbon neutral" might mislead consumers as a general environmental benefit claim, similar to vague terms like "eco-friendly" or "greener." However, upon further analysis, the court distinguished "carbon neutral" as a more specific and defined claim, noting that it does not carry the same broad, ambiguous implications as other terms flagged in the Green Guides. The court found that, unlike terms with wide-ranging interpretations, "carbon neutral" is tied to specific actions, such as offsetting emissions, and there are only two recognized definitions for the term, which reduces potential consumer confusion.

Why it Matters

This ruling offers some relief to advertisers, but caution is still necessary when making "carbon neutral" or similar claims on product packaging. The initial decision threatened to severely restrict such claims without extensive front-label disclosures, and this reconsidered ruling reassures advertisers that a "reasonable consumer" is expected to seek clarification from additional disclosures, such as those on the back of the packaging. Although this decision may discourage future lawsuits targeting similar claims, it emphasizes the ongoing importance of providing clear and transparent information. And, while the ruling brings more clarity, advertisers must continue to ensure that environmental claims are well-supported and accompanied by the necessary disclosures to avoid creating misleading impressions.

©2025 Katten Muchin Rosenman LLP

National Law Review, Volume XIV, Number 330

Source URL: <https://natlawreview.com/article/what-evian-carbon-neutral-ruling-means-advertisers>