

### Sheppard Mullin Secures Dismissal for Dolce & Gabbana USA in NFT Lawsuit

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Sheppard Mullin obtained a complete dismissal of all 12 claims against Dolce & Gabbana USA, Inc. ("D&G USA") including federal securities, commodities, negligence, fraud and consumer protection claims in a putative class action challenging the company's involvement in a digital NFT program.

The plaintiffs' lawsuit advanced a novel and meritless theory that NFT offerings constituted securities, and that alleged shortcomings in the delivery of NFT-associated benefits amounted to securities fraud and a litany of consumer and common-law violations. In essence, plaintiffs sought to recast the sale of digital collectibles as unlawful securities activity, relying on broad and undifferentiated allegations as to D&G USA's role.

The complaint fundamentally misrepresented the legal nature of NFTs, conflating them with regulated securities despite the absence of any investment features or rights typically associated with a security. Through a targeted and comprehensive motion to dismiss, defendant established that the complaint lacked any specific allegations to support the theory that NFTs constitute securities and failed at law to tie D&G USA to the conduct at issue, relying instead on impermissible group pleading and speculative assertions about shared management with the other defendants.

The court agreed, granting D&G USA's motion to dismiss the 12 claims with prejudice and denying plaintiffs further leave to amend.

The Sheppard Mullin team was led by partner Paul Garrity, with assistance from associates Katherine Anne Boy Skipsey and Alicia Burrell.

#### Attorneys

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#### Practice Areas

Class Action Defense

Litigation