

Supreme Court Holds That the FDCA Does Not Preclude Lanham Act Claims Amongst Competitors

The Supreme Court issued its [opinion](#) in *Pom Wonderful LLC v. Coca-Cola Co.* today. Under the Court's unanimous ruling, a competitor may bring a claim under the federal Lanham Act, 15 U.S.C. § 1125, against another competitor for false and misleading food labeling, and the FDA's regulation of food labeling under the FDCA does not bar such claims. However, because only a competitor, not a consumer, can bring a Lanham Act claim it is unlikely that the ruling will expand the scope of consumer class actions against the food industry. We previously commented on the Court's oral argument in the case [here](#). Pom manufactures pomegranate juice products, including a pomegranate-blueberry juice blend. Coca-Cola makes a competing juice blend sold with a label that prominently displays the words "pomegranate blueberry" but actually contains less than 1% pomegranate and blueberry juice. Pom sued Coca-Cola under section 43 of the Lanham Act, alleging that its label is deceptive and misleading and therefore injures Pom as a competitor. Coca-Cola argued that Pom's claim is barred by the FDCA, because its label is consistent with the FDA's regulations regarding juice blends. Slip op. at 5-6. At the outset, the Court noted that "this is not a pre-emption case" but rather "concerns the alleged preclusion of a cause of action under one federal statute by the provisions of another federal statute." Therefore, it based its decision on traditional rules of statutory interpretation rather than considerations of state-federal balance or other preemption principles. *Id.* at 7-9. Reviewing the text of both statutes, the Court noted that neither statute forbids or limits Lanham Act claims based on labels regulated by the FDCA, and both statutes have coexisted since the Lanham Act was passed in 1946. Moreover, the Court reasoned that the FDCA's state law preemption provision (added by the NLEA in 1990) suggests that Congress did not intend the FDCA to preclude application of other federal laws to food labels. With respect to the structures of the statutes, the Court reasoned that the FDCA and Lanham Act complement each other—while the FDA is largely responsible for enforcement of the FDCA and its implementing regulations, it has neither the perspective nor the expertise in market dynamics to handle unfair competition issues that are better addressed by private Lanham Act claims. Thus, the Court held that the FDCA does not preclude a Lanham Act claim based on an allegedly deceptive food label. *Id.* at 9-12. The Court rejected Coca-Cola's argument that allowing Pom's Lanham Act claim to proceed would run afoul of the NLEA's goal of ensuring that food and beverage manufacturers can market nationally without the burden of complying with different state requirements. The Court noted that any variation resulting from private Lanham Act claims would be "quite different from the disuniformity that would arise from the multitude of state laws, state regulations, state administrative agency rulings, and state-court decisions that are partially forbidden by the FDCA's pre-emption provision." *Id.* at 13-14. The United States, as *amicus curiae*, argued that Pom cannot bring a Lanham Act challenge to the name of Coca-Cola's product—because FDA regulations specifically authorized the name—but can challenge other aspects of the label. The Court rejected this attempt to thread the needle as raising practical concerns and as contrary to the complementary nature of the Lanham Act and FDCA. *Id.* at 15-16. In short, the Court's opinion opens the door to Lanham Act claims amongst competitors in the food industry, even where food companies comply with federal food labeling regulations. The Court, however, was careful to distinguish its holding from claims brought under state laws, and therefore national uniformity still matters with respect to state consumer claims based on food labels.

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