Rum Blend Only As Old As Its Youngest Component, Suit Says

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By Ethan Beberness

Law360 (September 10, 2021, 5:54 PM EDT) -- A proposed class of rum drinkers has accused <u>Diageo North America</u> of using a misleading label to imply that its Ron Zacapa 23 Centenario line was aged for 23 years when it is actually a blend of rums aged between six and 23 years.

The consumers argue in their complaint, filed Thursday in the Central District of California, that current federal regulations require any age statement made on a bottle of distilled liquor to list the age of the youngest spirit in the product rather than the oldest.

Instead, the consumers say, the company labeled the bottles with the age of the oldest liquor.

"Indeed, numbers displayed on the packaging of distilled spirits commonly indicate how many years the product has been aged," the complaint says, adding later that "Reasonable consumers would not believe that a rum which contains a blend of ages spanning from 6 years to 23 years is of the same quality as a rum that is entirely aged for 23 years."

Had the customers not reached this conclusion, they either would not have purchased the rum or would have been only willing to pay significantly less per bottle, the complaint says.

Ron Zacapa 23 is distilled in Zacapa, Guatemala, and marketed, distributed and sold by Diageo in the United States. The rum is made using the "solera" aging and blending method, which, according to the complaint. involves "stacking multiple layers of aging barrels (called 'criaderas') on top of each other, with each layer progressively topping up the next one down and blending with it year after year."

The packaging and bottle label that sparked the consumer complaint has the phrase "sistema solera" in a stylized font immediately adjacent to the number 23.

A guide by the Treasury Department's Alcohol and Tobacco Tax and Trade Bureau expands on the labeling requirement referenced by the consumers, stating that a liquor labeler may list the age of each blended liquor by percentage — writing, for example, that a blended rum is "25% Rum 4 Years Old, 35% Rum 5 Years Old, and 40% Rum 6 Years Old."

Neither the distillery nor the complaint lists the liquor age proportions used in the blend for Ron Zacapa 23.

The complaint lists claims of unjust enrichment, as well as state-law violation claims tied to California and North Carolina consumer protection laws.

The consumers are seeking an order requiring Diageo to change the Ron Zacapa 23 label and engage in a public information campaign "to inform members of the classes as to its prior practices." They also seek several forms of monetary relief, including restitution to class members for any money they spent due to an act deemed unlawful by the court in this suit.

Representatives for Diageo North America did not respond to a request for comment on Friday.

The proposed consumer class is represented by Benjamin Heikali, Joshua Nassi and Ruhandy Glezakos of <u>Faruqi and Faruqi LLP</u> and Melissa S. Weiner of <u>Pearson Simon</u> and Warshaw LLP.

Counsel information for Diageo North America was not available on Wednesday.

The case is Fischer v. Diageo North America, Inc, case number <u>2:21-cv-07249</u>, in the <u>U.S.</u> District Court for the Central District of California.

--Editing by Rich Mills.

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