

## FOOD & BEVERAGE LITIGATION UPDATE

### CONTENTS

#### Legislation, Regulations and Standards

Bipartisan Coalition Contests EU Restrictions on Dairy Product Names . . .	1
Industry Groups Submit Comments to FDA <i>Trans</i> -Fat Docket . . . . .	1
FDA to Discuss EIS for Proposed Produce Standards . . . . .	2
FDA Issues Final Rule on Use of Vitamin D <sub>2</sub> Bakers Yeast . . . . .	2
NOSB Meeting to Address National List Changes . . . . .	3
European Parliament Rejects Nano Labeling Regulations . . . . .	3
EFSA Requests Brominated Flame Retardant Monitoring . . . . .	4
EFSA Seeks Data on Food Additives . . . . .	4
AquaBounty Seeks Approval to Sell GM Fish in Canada . . . . .	4
OEHHA Proposes Reforms to Prop. 65 Warnings . . . . .	5
Maryland Proposal Would Ban Sale of Energy Drinks to Minors . . . . .	5
Hawaii Court Restrains County from Enforcing GE Crop Registration Rule . . . . .	6

#### Litigation

Court Dismisses ECJ Claims Against Amy's Kitchen . . . . .	6
Court Applies De Minimis Defense to Wage-and-Hour Claim Against Starbucks . . . . .	7
Snyder's-Lance Seeks Dismissal of "Natural" Class Action Complaint . . . . .	8
Court Conducts <i>Daubert</i> Hearing in Criminal Case Against Peanut Co. Owner . . . . .	8
CSPI Sues FDA for Delay in Response to Mercury-Labeling Petition . . . . .	9
Settlement Reached in Coverage Dispute for Four Loko Maker . . . . .	9
GM Wheat Litigation to Enter Mediation . . . . .	10

#### Legal Literature

<i>A.L.R.</i> Publishes on <i>Trans</i> Fat Labeling/Promotions Litigation . . . . .	10
--	----

#### Other Developments

NEPC Report Faults Policymakers for Failing to Curb School Marketing . . . . .	10
--	----

#### Scientific/Technical Items

UK Study Reports Bread, Cereal Major Source of Salt in Children's Diets . . . . .	11
---	----



## LEGISLATION, REGULATIONS AND STANDARDS

### Bipartisan Coalition Contests EU Restrictions on Dairy Product Names

U.S. Sens. Charles Schumer (D-N.Y.) and Pat Toomey (R-Pa.) have written a March 11, 2014, [letter](#) to the U.S. Trade Representative (USTR) and U.S. Department of Agriculture (USDA), urging the agencies to reject the European Union's (EU's) request that product names such as feta, parmesan and muenster be reserved as "geographical indicators." As part of ongoing Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations, the EU has reportedly claimed that common cheese names "can only be appropriately displayed on products made in certain areas of Europe." To this end, it has apparently used free trade agreements (FTAs) with other countries to restrict U.S. exports "under the guise of protection for its geographical indicators."

But the U.S. dairy industry has vociferously criticized the proposal, noting that names like cheddar and provolone are familiar to consumers and widely accepted on the global market. Signed by more than 50 senators, the letter asks USTR and USDA "to push back against the EU's efforts to restrict our cheese exports, particularly to nations with which we already have free trade agreements." It also contends that the United States will reject any TTIP proposal that "would restrict in any way the ability of U.S. producers to use common cheese names."

"This trade-damaging practice is concerning anywhere, but it is most deeply troubling where the U.S. has an established FTA or has been actively in the process of negotiating a new agreement," concludes the letter. "For example, Canada agreed as part of its recently concluded FTA with the EU to impose new restrictions on the use of 'feta' and other common cheese names... These restrictions not only threaten harm to the companies currently involved in the Canadian market, but they would also impair market access for U.S. dairy products that we are now attempting to secure under ongoing trade negotiations."

### Industry Groups Submit Comments to FDA *Trans*-Fat Docket

The National Association of Margarine Manufacturers (NAMM) and American Bakers Association (ABA) have submitted comments to the U.S. Food and Drug Administration's (FDA's) rulemaking docket about the agency's tentative determination to remove partially hydrogenated oils from the generally

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

SHB offers expert, efficient and innovative representation to clients targeted by food lawyers and regulators. We know that the successful resolution of food-related matters requires a comprehensive strategy developed in partnership with our clients.

For additional information on SHB's Agribusiness & Food Safety capabilities, please contact

**Mark Anstoetter**

816-474-6550

manstoetter@shb.com



or

**Madeleine McDonough**

816-474-6550

202-783-8400

mmcdonough@shb.com



If you have questions about this issue of the Update, or would like to receive supporting documentation, please contact Mary Boyd (mboyd@shb.com) or Dale Walker (dwalker@shb.com); 816-474-6550.

recognized as safe (GRAS) list. NAMM contends that “the great majority of margarine products no longer contain partially hydrogenated oils (PHOs), the source of trans fat, and that margarine is not a significant contributor of trans fats to the American diet.” In fact, NAMM suggested that margarine, with two-thirds less saturated fat than butter, 25-percent fewer calories than butter, no cholesterol (compared to 30 mg. in butter), and no *trans* fat, is a healthier alternative.

The ABA, meanwhile, [commented](#) that “bakers face unique challenges in removing remaining low levels of trans fat containing PHOs from certain bakery products.” It also found FDA’s tentative determination flawed, including its burdens of proof and failure to “account for probable consumption levels of trans fat, as well as inaccurately [take] into account cumulative effect[s] of trans fat.” See *NAMM Press Release*, March 11, 2014; *ABA Press Release*, March 12, 2014.

### FDA to Discuss EIS for Proposed Produce Standards

The U.S. Food and Drug Administration (FDA) will convene an April 4, 2014, [public meeting](#) in College Park, Maryland, to discuss “the scope of the Environmental Impact Statement (EIS) for the proposed rule to establish standards for the growing, harvesting, packing and holding of produce for human consumption (the produce safety proposed rule).” The agency has also extended the comment period for the EIS scoping period to April 18, 2014, to incorporate meeting input.

Having discovered a number of areas where potential environmental impacts are likely, FDA notes that alternatives have been identified for the following key provisions: (i) “microbial standard for agricultural water used during growing activities for covered produce (other than sprouts) using a direct water application method”; (ii) “minimum application intervals for biological soil amendments of animal origin”; (iii) “measures related to animal grazing and animal intrusion”; and (iv) “scope of proposed rule and implications to land use and land management.” The agency seeks comments on whether other issues and related alternatives should be considered. Additional details about the EIS appear in Issue [495](#) of this *Update*. See *Federal Register*, March 11, 2014.

### FDA Issues Final Rule on Use of Vitamin D<sub>2</sub> Bakers Yeast

The U.S. Food and Drug Administration (FDA) has [rejected](#) objections filed after publishing its final rule amending “the food additive regulations authorizing the use of vitamin D<sub>2</sub> bakers yeast as a source of vitamin D<sub>2</sub> and as a leavening agent in yeast-leavened baked products at levels not to exceed 400 International Units (IU) of vitamin D<sub>2</sub> per 100 grams (g) in the finished food.” According to the agency, “the objections do not provide any basis for us to

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

reconsider our decision to issue the final rule,” and thus FDA has made no changes to it. *See Federal Register*, March 11, 2014.

### NOSB Meeting to Address National List Changes

The U.S. Department of Agriculture’s National Organic Standards Board (NOSB) has [announced](#) an April 29-May 2, 2014, public meeting in San Antonio, Texas, to discuss the work of its six subcommittees and receive input on proposed changes to the National List of Allowed and Prohibited Substances (National List), which governs what may be used in organic handling and production.

Among other things, the [meeting](#) will address several petitions proposing the addition, extension or deletion of substances scheduled for reassessment under the National List’s sunset review rules. In particular, petitioners have requested (i) a National List extension for streptomycin—slated to expire October 14, 2014—to allow “adequate time for the transition from strep over to non-antibiotic, biological alternatives for fire blight control”; (ii) revisions to provisions governing the use of synthetic methionine in poultry feed; (iii) the addition of several synthetic substances used in aquaculture production; and (iv) the removal of synthetic glycerin—which is used in a wide variety of food products—from the National List now that “there is [] sufficient quantity of organically produced glycerin” on the market. NOSB will accept oral comment requests and written public comments on the agenda topics through April 8. *See Federal Register* and *NOSB Press Release*, March 10, 2014.

### European Parliament Rejects Nano Labeling Regulations

The European Parliament has reportedly rejected draft rules mandating the labeling of engineered nanomaterials used in food. According to a March 13, 2014, press release, MEPs voted to scrap the proposed measure over concerns that the European Commission’s definition of nanomaterial “would exempt nano-sized food additives already on the market.”

In particular, MEPs noted that although the European Union currently defines engineered nanomaterials “as any intentionally produced material whose size is under 100 nanometres,” the commission’s draft rules stipulated that “a nanomaterial should consist of at least 50% of particles having a size between 1-100 nanometres,” an increase over the European Food Safety Authority’s recommended threshold of 10 percent.

“The EP has repeatedly called for proper nano-labeling and it is highly surprising that the Commission even tried to weaken what has been decided by both Parliament and the Council,” MEP Carl Schlyter was quoted as saying. “Consumers have the right to know and make their own choice. They do not want the Commission to do that for them. That is why today’s vote is important.” *See European Parliament Press Release*, March 12, 2014.

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

### EFSA Requests Brominated Flame Retardant Monitoring

The European Food Safety Authority (EFSA) has [asked](#) member states “to monitor the presence of brominated flame retardants (BFRs) in food over the next two years.” In light of six scientific opinions published by the Scientific Panel on Contaminants in the Food Chain between September 2010 and September 2012, EFSA has requested additional information on the following BFR classes and their presence in human food: (i) polybrominated diphenyl ethers; (ii) hexabromocyclododecanes; (iii) tetrabromobisphenol A and its derivatives; (iv) brominated phenols and their derivatives; and (v) emerging and novel brominated flame retardants. In addition, the agency noted that “levels of [BFRs] in food of animal origin could be related to the presence of these substances in animal feed, therefore, based on the first results of the monitoring of food in 2014, a recommendation as regards the monitoring of animal feed could follow in 2015.”

### EFSA Seeks Data on Food Additives

The European Food Safety Authority (EFSA) has [issued](#) a call for data from member states and other stakeholders on a third batch of food additives, including tertiary-butyl hydroquinone, agar, carrageenan, and xanthan gum, used in food and beverages. The action follows Commission Regulation No. 257/2010 of the European Parliament and the Council on Food Additives, requiring re-evaluation of substances permitted in the EU before January 2009. Specifically, the agency seeks (i) “figures from industry on the amounts of these additives they report using in their products”; and (ii) “data derived from analyses indicating actual levels of these additives found in foods and drinks from national food authorities, research institutions, academia, food industry and other stakeholders.” EFSA will accept data submissions until July 31, 2014, and will reportedly publish further calls for similar data later this year.

### AquaBounty Seeks Approval to Sell GM Fish in Canada

The company that has developed a genetically modified (GM) salmon has reportedly filed an application with Health Canada seeking its approval to market the fish for human consumption. AquaBounty received the approval of Environment Canada in November 2013 to produce GM salmon fish eggs at its Prince Edward Island hatchery—a decision that has been challenged by three environmental groups—and is still awaiting U.S. approval before its fish and eggs can be sold there. The company said that it “currently expects to market AquaAdvantage Salmon in the United States, Canada, Argentina, Chile, and China following receipt of required regulatory approvals in the applicable jurisdiction.” See *The Canadian Press*, March 11, 2014.

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

### OEHHA Proposes Reforms to Prop. 65 Warnings

California EPA's Office of Environmental Health Hazard Assessment (OEHHA) has scheduled an April 14, 2014, [public workshop](#) to discuss "a possible regulatory action to change the existing regulation governing Proposition 65 warnings."

The Safe Drinking Water and Toxic Enforcement Act of 1986 (Prop. 65) requires manufacturers to warn consumers if their products contain any substances known to the state to cause cancer or reproductive toxicity. Failure to provide such warnings exposes manufacturers to enforcement actions filed by private entities or state prosecuting authorities and the possibility of significant fines.

While the draft proposed changes hyperlinked to the meeting announcement could change before OEHHA takes any final action, they were developed on the basis of public input provided in 2013, after the agency conducted a pre-regulatory workshop, and respond to the governor's proposal to reform Prop. 65 to, among other things, "require more useful information to the public on what they are being exposed to and how they can protect themselves."

As to the proposed warnings changes, OEHHA is considering three to five required elements: (i) use of the word "WARNING;" (ii) use of the word "expose;" (iii) inclusion of the international pictogram for toxic hazards ("only for consumer products other than foods, occupational and environmental warnings"), (iv) disclosure of the names of up to 12 commonly known chemicals that require warnings—such as lead and mercury—in the warning text, and (v) a link to a new agency Website with more information about the warning, "including additional chemicals, routes of exposure, and if applicable, any actions that individuals could take to reduce or avoid exposure."

The proposal would also include provisions giving small retailers the opportunity "to cure certain minor warning violations within 14 days and avoid any private enforcement whatsoever," tailoring "language for specific warning contexts (e.g. alcohol, drugs, medical devices, parking garages, hotels, apartments, and theme parks)," and recognizing "warnings covered by existing court-approved settlements." According to an OEHHA timeline, the final changes could be adopted by early summer 2015. Written comments on the draft pre-regulatory warning regulation are requested by May 14. *See OEHHA News Release*, March 7, 2014.

### Maryland Proposal Would Ban Sale of Energy Drinks to Minors

Maryland lawmakers have proposed legislation ([H.B. 1273](#)) that would prohibit the sale of energy drinks to youth younger than age 18. Defining energy drink as a "beverage, an energy shot, or a powdered drink mix that contains 71 milligrams or more of caffeine per 12-ounce serving and the

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

ingredients taurine, guarana, panax ginseng, inositol, or L-Carnitine in any amount," the bill would also prohibit minors from possessing such drinks and prohibit their sale in vending machines.

In a related development, Maryland lawmakers have also proposed legislation ([H.B. 1255](#)) that would prohibit the inclusion of "any beverage other than bottled water or low-fat milk in a fixed-priced children's menu or meal." See *BaltimoreCBSLocal.com*, March 7, 2014.

### Hawaii Court Restrains County from Enforcing GE Crop Registration Rule

According to a news source, the Hilo, Hawaii, Circuit Court has granted the request of an anonymous papaya farmer to stay the March 5, 2014, deadline imposed by Hawaii County for growers of genetically engineered (GE) crops to register or face a \$1,000 penalty per day. *Doe v. Cnty. Of Hawaii*, No. 14-1-0094 (Hawaii Cir. Ct., order entered March 7, 2014). According to the farmer, who is among those raising GE papaya, which resists a devastating ringspot virus, the registration requirement "provides a roadmap for extremists who wish to target GE growers, identifying exactly who to target and where to target them." The farmer contends that he and other GE farmers in Hawaii County "have been the target of a highly disturbing pattern of vandalism, intimidation, and extremism" and that the perpetrators "have destroyed hundreds of thousands of dollars of GE crops." See *Law360*, March 10, 2014.

## LITIGATION

---

### Court Dismisses ECJ Claims Against Amy's Kitchen

A federal court in Florida has dismissed, without prejudice, a putative state-wide class action filed against Amy's Kitchen, alleging that the company misleads consumers by identifying the sugar in its products as "evaporated cane juice" (ECJ). *Reilly v. Amy's Kitchen, Inc.*, No. 13-21525 (U.S. Dist. Ct. S.D. Fla., order entered March 7, 2014). The court agreed with the company that, because the court had previously dismissed claims as to products the representative plaintiff had not purchased, the plaintiff could not, at the time she filed the complaint, meet the Class Action Fairness Act's (CAFA's) jurisdictional threshold of \$5 million. Information about the court's earlier ruling appears in [Issue 507](#) of this *Update*.

While jurisdictional facts are assessed at the time of removal, and post-removal events do not deprive courts of subject matter jurisdiction under CAFA, "if a claim of the required jurisdictional amount is made in good faith, the claim controls unless it appears 'to a legal certainty that the claim is really for less than the jurisdictional amount,'" the court said. Citing cases from the Third and Sixth Circuits, the court distinguished between "subsequent events



## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

that change the amount in controversy and subsequent revelations that, in fact, the required amount was [never] in controversy at the commencement of the action.”

According to the company, Florida sales of the three products the plaintiff purchased during the class period totaled \$1,045,993—well below the threshold—making the court’s earlier ruling a subsequent revelation. The court agreed, finding that the plaintiff had “improperly included claims related to the 57 products she did not purchase in calculating the amount in controversy” and thus “dismissal of this case for lack of subject matter jurisdiction is proper unless it appears to a ‘legal certainty’ that Plaintiff’s remaining claims meet CAFA’s \$5 million jurisdictional minimum.” And, while the court agreed with the plaintiff that it could take injunctive relief into account in calculating the amount in controversy, the plaintiff failed to place a value on such recovery. The court also found that the plaintiff and class members could “simply refuse to purchase Defendant’s products which contain ECJ in the future and thus would receive no value from the proposed injunction.”

The court also agreed with the plaintiff that attorney’s fees and costs available under the state’s deceptive and unfair trade practices statute could be considered in calculating the amount in controversy. Still, because “she has once again failed to place any dollar amount on this figure,” the court determined that it lacked subject matter jurisdiction over the dispute.

### **Court Applies De Minimis Defense to Wage-and-Hour Claim Against Starbucks**

A federal court in California has determined that the tasks an employee performed only when working the closing shift for Starbucks Corp. consumed a de minimis amount of time and thus dismissed his claims that the company violated the state Labor Code by failing to pay him for that time. *Troester v. Starbucks Corp.*, No. 12-7677 (U.S. Dist. Ct., C.D. Cal., order entered March 7, 2014).

According to the court, the software Starbucks used during the relevant time period required an employee to clock out before initiating the store closing procedure, which involved setting the store alarm and locking the door, tasks that took no more than one to two minutes. Other tasks the employee undertook included walking employees to their cars or staying with them until they were picked up, placing forgotten patio furniture indoors, or even re-entering the store to retrieve an employee’s personal belongings. In the court’s view, “[e]ven assuming all of this time otherwise would be compensable ‘work,’ it generally totaled less than four minutes, and nearly always was less than 10 minutes,” a span of time found by other courts to be de minimis—a defense to wage claims asserted under the California Labor Code.

Because the employee’s other claims were derivative of the claim for unpaid wages, the court found that they too failed as a matter of law.

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

### Snyder's-Lance Seeks Dismissal of "Natural" Class Action Complaint

Snack maker Snyder's Lance, Inc. has filed a motion to dismiss an amended class complaint filed by representative plaintiffs alleging that the company misleads consumers by labeling its products as "natural" when they contain genetically modified ingredients. *Barron v. Snyder's Lance, Inc.*, No. 13-62496 (U.S. Dist. Ct., S.D. Fla., Miami Div., motion filed March 10, 2014). Among other matters, the company argues that the plaintiffs' "premium price" theory of harm is not plausible, they lack standing to seek injunctive relief and their failure to address their understanding of the term "natural" is fatal to their claims.

As to the price theory, Snyder's-Lance contends that the plaintiffs' claims require the court to assume that price differences between its products and those of "rival brands" are based solely on the "natural" labeling. According to the company, the alleged price differential could be due to any number of other factors, such as better taste, more appealing advertising and packaging, better shelf placement, or the company's cost-structure demands. The representative plaintiffs also apparently failed to allege the prices for rival products in the stores in which they purchased the company's products.

Among additional challenges the company raises is that the complaint fails to state a plausible claim for relief as to non-genetically modified ingredients, because each of the purported artificial and synthetic ingredients is disclosed on the products' packaging. Snyder's-Lance also argues that the plaintiffs lack standing to sue as to snacks they did not purchase or products they do not yet know about.

### Court Conducts *Daubert* Hearing in Criminal Case Against Peanut Co. Owner

A federal court in Georgia presiding over a criminal action against the owner and employees of the now-defunct Peanut Corp. of America, purportedly involved in a 2009 nationwide *Salmonella* outbreak, conducted a hearing on March 13, 2014, to determine whether the expert testimony proffered as to owner Stewart Parnell's ability to form the intent to commit the alleged crimes is admissible under *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993).

According to defense expert Joseph Conley, a clinical psychologist, Parnell has an Attention Deficit Hyperactivity Disorder (ADHD) condition. Defense counsel claims that Conley's testimony will show that Parnell did not commit the alleged crimes because he did not factually acquire the knowledge necessary to form an intent about the actions the government has alleged. Conley would testify that Parnell's ADHD is so severe that he likely never read, nor understood the significance of, many of the emails on which the government's case relies.



## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

The prosecution filed a report prepared by Johns Hopkins University School of Medicine Professor David Schretlen, a potential expert witness, who challenges the reliability of Conley's principles and methods, claiming that he failed to secure sufficient information, including grade school performance and childhood diagnoses, or administer tests that would support the defense's argument. Schretlen observes that "both his cognitive test performance and his own written replies show that Mr. Parnell can pay attention to details, think and respond quickly, and grasp the significance of communiqués about product safety. Thus, I do not believe that neuropsychological expertise will help the trier of fact better understand evidence about whether Mr. Parnell had sufficient knowledge to commit the alleged crimes."

Details about the criminal charges arising from the outbreak that sickened more than 700 people appear in Issue [472](#) of this *Update*. The court did not issue a ruling at the conclusion of the hearing.

### CSPI Sues FDA for Delay in Response to Mercury-Labeling Petition

The Center for Science in the Public Interest (CSPI) and Mercury Policy Project have sued the U.S. Food and Drug Administration (FDA), seeking a declaration that the agency's delay in responding to their citizen petition on labeling fish with high levels of mercury is unreasonable and violates the Administrative Procedure Act and Federal Food, Drug, and Cosmetic Act. [CSPI v. FDA, No. 14-0375 \(U.S. Dist. Ct., D.D.C., filed March 10, 2014\)](#). Further details about the petition, which seeks labeling on seafood packaging and point-of-purchase signage, appear in Issue [401](#) of this *Update*. The plaintiffs also seek an order compelling the agency to issue a final response by a court-imposed deadline.

According to the complaint, the plaintiffs submitted the petition to FDA in July 2011 and received a tentative response from the agency beyond the 180-day limit required by FDA regulations. The plaintiffs claim that they have not received any communication from FDA since then either granting or denying the petition, providing additional reasons for its failure to issue a decision, or "any information on when it intends to take final action on the Petition." The plaintiffs claim that seafood contaminated with mercury "presents serious health risks to hundreds of thousands of children in the United States," and that research shows consumers are unaware of the risks of mercury exposure from eating seafood.

### Settlement Reached in Coverage Dispute for Four Loko Maker

The company that makes Four Loko, a caffeinated malt liquor beverage allegedly responsible for the deaths of five consumers, has reached a settlement with two Liberty Mutual Insurance Co. units which had sought a declaration that a policy exclusion freed them from defending or indemnifying the

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

beverage maker in the underlying lawsuits. *The Netherlands Ins. Co. v. Phusion Projects, Inc.*, No. 12-7968 (U.S. Dist. Ct., N.D. Ill., stipulation of dismissal filed March 11, 2014). The settlement terms have not been disclosed. Details about a Seventh Circuit ruling on the insurance carriers' duty to defend appear in Issue [508](#) of this *Update*.

### GM Wheat Litigation to Enter Mediation

Wheat farmers who sued Monsanto Co. over losses they allegedly sustained after genetically modified (GM) wheat was discovered in an Oregon farmer's field have reportedly decided to attempt to mediate the dispute. *In re Monsanto Co. GE Wheat Litig.*, MDL No. 2473 (U.S. Dist. Ct., D. Kan.). Details about the consolidation of a number of related cases before a multidistrict litigation (MDL) court appear in Issue [500](#) of this *Update*. The GM wheat discovery prompted Japan and South Korea to suspend imports of soft white wheat from the United States, and the farmers contend that they lost money as a result. Monsanto denies any wrongdoing—it field tested GM wheat more than 10 years ago in Oregon—and calls the event an isolated incident. The MDL court had scheduled a March 10, 2014, status conference, but canceled the hearing and has stayed the litigation. See *The National Law Journal*, March 7, 2014.

## LEGAL LITERATURE

---

### A.L.R. Publishes on *Trans Fat Labeling/Promotions Litigation*

*American Law Reports (A.L.R.)* has published an annotation titled "Liability of Food Manufacturer Based on Statement in Product Labeling or Promotion Relating to, or Inconsistent with Presence of, Trans Fat in Product." 92 *A.L.R.* 6<sup>th</sup> 141 (2014). It "collects and analyzes all the federal and state cases discussing the liability, when not precluded by federal preemption, of a food manufacturer based on an allegedly untrue or misleading statement, in the labeling or promotion of a food product, relating to the presence or absence of trans fat in the product or a statement that, while not referring itself to trans fat, is allegedly inconsistent with the presence of trans fat in the product." Most of the nearly 30 cases were filed in federal district courts in the Ninth Circuit.

## OTHER DEVELOPMENTS

---

### NEPC Report Faults Policymakers for Failing to Curb School Marketing

The National Education Policy Center (NEPC) has published a March 2014 [report](#) titled *Schoolhouse Commercialism Leaves Policymakers Behind*, which claims that the education system and its policymakers continue "to grant

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

corporate marketers ‘widespread access to students’... through mechanisms that range from delivering marketing messages through appropriated school space and property to a variety of other strategies.”

Authored by University of Colorado researchers, the 16th annual report seeks to map “the legislative landscape relative to school commercialism,” relying on legislative and non-legislative databases, interviews, media reports, and other sources to gather information on new forms of school marketing, the reactions of policymakers to school marketing arrangements, and the position of education policy organizations toward these arrangements.

In particular, the report finds that little state or federal legislation related to school marketing was passed in 2012 or 2013. In previous years, notes the report, legislators have responded to school marketing by passing bills that (i) “permit any or all marketing activities,” (ii) “prohibit and/or restrict outright all or certain types of marketing activity,” (iii) “delegate to some other entity, such as a school board, the authority to determine which marketing activities, if any, will be permitted,” and (iv) “require that school boards engage in specific processes for considering a marketing activity before it can be approved or implemented.” But even as interest in curbing marketing activities has seemingly waned among lawmakers and educators alike, outside advocacy groups have reportedly increased their focus on school commercialism – “particularly where nutrition and personal privacy are concerned.”

The report ultimately argues, however, that this outside interest has done little to curtail advertising in schools because corporate-educator partnerships are widely viewed as beneficial from a funding standpoint. To this end, NEPC maintains that any financial benefit of school commercialism must be weighed against its alleged effect on student health and educational well-being. As the authors thus conclude, “Given the threats that marketing poses to the health and well-being of students and to the integrity of schools’ educational programs, we call upon policymakers to ban commercializing activities in schools outright unless an independent, disinterested, publically funded, entity certifies that a proposed commercializing activity will cause no harm to children or otherwise undermine the quality of their education.”

## SCIENTIFIC/TECHNICAL ITEMS

---

### UK Study Reports Bread, Cereal Major Source of Salt in Children’s Diets

A recent study has reportedly concluded that cereal and bread are major sources of dietary salt intake for children and adolescents in the United Kingdom. Naomi Marrero, et al., “Salt Intake of Children and Adolescents in South London: Consumption Levels and Dietary Sources,” *Hypertension*, March

## FOOD & BEVERAGE LITIGATION UPDATE

ISSUE 517 | MARCH 14, 2014

2014. After analyzing the urinary sodium levels of 340 children ages 5 to 17, researchers reported that 70 percent of all participants consumed more salt than the maximum recommended amount for their age group.

In particular, the results purportedly showed that “salt intake increased with age and was also higher in boys than in girls for the 5- to 6- and 13- to 17-year age groups.” With 66 percent of the 5- to 6-year-olds, 73 percent of the 8- to 9-year-olds, and 73 percent of the 13- to 17-year-olds exceeding daily salt recommendations, the researchers also noted that cereal and cereal products contributed 36 percent of the salt in children’s diets, followed by meat products (18 percent) and milk and milk products (11 percent).

“Bread alone accounted for 15 percent of salt intake in our study population,” concluded the study’s authors. “Although many manufacturers have made significant reductions in the sodium content of their bread, a survey in 2011 showed huge variations between brands. The sodium content of the bread with the highest value was 350% higher than that of the lowest. Further reductions in the salt content of bread alone would have a major effect on salt intake.”

### OFFICE LOCATIONS

**Geneva, Switzerland**  
+41-22-787-2000  
**Houston, Texas**  
+1-713-227-8008  
**Irvine, California**  
+1-949-475-1500  
**Kansas City, Missouri**  
+1-816-474-6550  
**London, England**  
+44-207-332-4500  
**Miami, Florida**  
+1-305-358-5171  
**Philadelphia, Pennsylvania**  
+1-215-278-2555  
**San Francisco, California**  
+1-415-544-1900  
**Seattle, Washington**  
+1-425-765-0650  
**Tampa, Florida**  
+1-813-202-7100  
**Washington, D.C.**  
+1-202-783-8400

### FOOD & BEVERAGE LITIGATION UPDATE

Shook, Hardy & Bacon is widely recognized as a premier litigation firm in the United States and abroad. For more than a century, the firm has defended clients in some of the most substantial national and international product liability and mass tort litigations.

SHB attorneys are experienced at assisting food industry clients develop early assessment procedures that allow for quick evaluation of potential liability and the most appropriate response in the event of suspected product contamination or an alleged food-borne safety outbreak. The firm also counsels food producers on labeling audits and other compliance issues, ranging from recalls to facility inspections, subject to FDA, USDA and FTC regulation.

SHB lawyers have served as general counsel for feed, grain, chemical, and fertilizer associations and have testified before state and federal legislative committees on agribusiness issues.

