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# Diageo faces lawsuit over alleged mislabeling of Casamigos and Don Julio tequilas as 100 percent agave

Consumers claim premium tequila brands contain non-agave alcohols, seeking damages and changes to labeling practices in federal court

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A lawsuit filed in federal court in Brooklyn on Monday accuses Diageo, the world's largest spirits company, of misleading U.S. consumers about the purity of its popular tequila brands. The complaint alleges that Diageo falsely labels bottles of Casamigos as "Tequila 100% Agave Azul" and Don Julio as "100% de Agave," despite the products containing significant amounts of alcohol derived from sources other than agave.

The plaintiffs, a group of consumers and a restaurant, claim that laboratory investigations revealed both Casamigos and Don Julio tequilas include substantial concentrations of cane or other non-agave alcohols. According to the lawsuit, these findings mean the products do not meet regulatory standards in either the United States or Mexico for being labeled as "100% agave." The suit argues that consumers paid premium prices for what they believed were pure agave tequilas and would have chosen different brands or paid less if they had known the true contents.

Diageo responded to the allegations by calling them "meritless" and stated it intends to defend itself vigorously in court. The company is a major player in the U.S. spirits market, selling billions of dollars' worth of tequila and Canadian whisky annually.

Steve Berman, one of the lead attorneys for the plaintiffs, said the legal action aims to ensure truthful marketing for one of Mexico's most valued exports. The lawsuit seeks class action status for purchasers in New York and New Jersey, damages exceeding $5 million, and a court order to stop Diageo from what it describes as false advertising.

The complaint highlights that tequilas made from 100% Blue Weber Agave command higher prices because the agave plant takes years to mature and is more labor-intensive to harvest compared to other sources of alcohol. Spirits that are not made entirely from agave are often referred to as "mixto" tequilas and are typically labeled simply as "tequila," rather than "100% agave."

The case is titled Avi Pusateri et al v. Diageo North America and is being heard in the U.S. District Court for the Eastern District of New York under case number 1:25-cv-02482-LDH-RML. Attorneys Steve Berman of Hagens Berman Sobol Shapiro and Robert Tolchin of The Berkman Law Office represent the plaintiffs. Diageo has not yet entered an appearance in court.

This legal challenge comes at a time when U.S.-Mexico trade relations are under scrutiny, with President-elect Donald Trump planning tariffs on Mexican imports that could impact tequila sales by companies like Diageo. The outcome of this lawsuit could have significant implications for labeling practices in the spirits industry and for consumer trust in premium tequila brands sold across the United States.