

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PEPSICO, INC.,

Defendant.

Case No. _____

**REDACTED VERSION OF
DOCUMENT SOUGHT TO BE
SEALED**

COMPLAINT FOR PERMANENT INJUNCTION

I. NATURE OF THE CASE

1. In 1936, Congress passed the Robinson-Patman Act (“RPA”) to help level a playing field that favored chain stores and other large enterprises over small businesses. The law prohibits price discrimination and other ways that large businesses may gain an unfair advantage. Section 2(d) of the RPA generally prohibits sellers of products or commodities from granting advertising and promotional allowances to their customers unless the same allowances are available to all competing customers on proportionally equal terms. Section 2(e) of the RPA generally prohibits sellers from furnishing services or facilities connected with the processing, handling, sale, or offering for sale of commodities upon terms not accorded to all purchasers on proportionally equal terms. Together, Sections 2(d) and 2(e) are intended to prevent sellers from evading prohibitions on price discrimination by using other methods, like promotional allowances or services, to favor large customers over smaller businesses.

2. Defendant PepsiCo, Inc. (“Pepsi”) is the second-largest beverage and processed food company in the world. For years, Pepsi has violated Sections 2(d) and 2(e) of the RPA by

working to advantage [REDACTED] over [REDACTED] competitors in the resale of Pepsi soft drinks.

3. Pepsi recognizes [REDACTED]. In its [REDACTED]
[REDACTED]
[REDACTED] To keep [REDACTED], Pepsi provides [REDACTED] with promotional payments, allowances, and services while failing to make similar benefits available to [REDACTED] competitors on proportionally equal terms.

4. This conduct has disadvantaged retailers who compete with [REDACTED] in the resale of Pepsi soft drinks across the United States, including family-owned neighborhood grocery stores, local convenience stores, mid-tier grocers, and independent retailers. The competition that these retail businesses provide is a critical component of the American economy and offers valuable alternatives that benefit consumers and communities. Pepsi's practice of providing promotional payments, allowances, and services to [REDACTED] without making those benefits available to [REDACTED] competitors on proportionally equal terms denies these other retailers the chance to compete fairly against [REDACTED] for the resale of Pepsi soft drinks.

5. Pepsi works with [REDACTED]
[REDACTED] and its competitors, or in other words, to give [REDACTED] than its competitors. The [REDACTED] is to provide [REDACTED] with an advantage over its brick-and-mortar competitors in the resale of Pepsi soft drinks to the consumer. Pepsi's ordinary course documents reflect a [REDACTED]:
"[REDACTED]" across Pepsi. As one internal Pepsi email explains, "[REDACTED]
[REDACTED]."

6. To [REDACTED], and advantage [REDACTED] in the resale of Pepsi soft drinks, Pepsi relies on several potential levers. Pepsi selectively (1) [REDACTED]
[REDACTED], (2) [REDACTED]
[REDACTED], and (3) [REDACTED].

7. [REDACTED] brick-and-mortar rivals thus are disadvantaged in competing with [REDACTED] for the resale of Pepsi soft drinks because when they [REDACTED], Pepsi may [REDACTED].

8. A concrete example of Pepsi using promotional payments and allowances to advantage [REDACTED] over its competitors in the resale of Pepsi soft drinks relates to [REDACTED] promotions. [REDACTED]
[REDACTED] intended to draw consumers to [REDACTED] stores and drive [REDACTED] sales volume. As stated by [REDACTED] CEO, [REDACTED] uses [REDACTED] promotions “[REDACTED]
[REDACTED]
[REDACTED]”

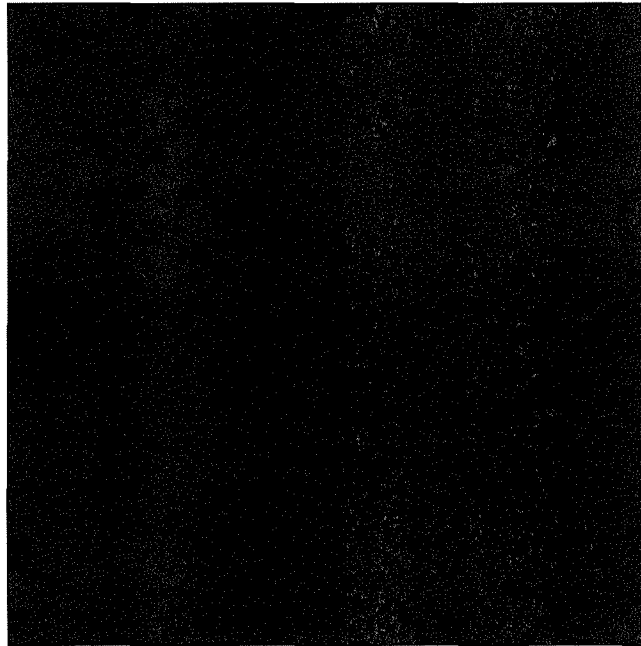
9. Pepsi supports [REDACTED] promotions by providing payments and allowances to fund [REDACTED] on Pepsi soft drinks. In exchange for these payments and allowances, [REDACTED] of the Pepsi soft drinks on its shelves. Describing what Pepsi expects in connection with the [REDACTED]

[REDACTED]

[REDACTED] Such displays may include dump bins (a freestanding container where customers can easily grab loose items), inline displays (displays integrated

directly onto the regular store shelves, highlighting specific products within the aisle), endcap displays (located at the end of aisles, these are highly visible and often used for showcasing new products or special promotions), gondola displays (shelving units that allow for displaying a variety of products across multiple levels), point-of-purchase displays (positioned to capture the attention of customers near a point of purchase), casestacker displays (designed to stack multiple cases of a product on top of each other, ideal for bulk items), shelf talkers (small signage attached to shelves to highlight promotions or product details), floor displays (free-standing displays that sit directly on the floor), and pallet displays (a large platform built on a pallet, used to showcase large quantities of a single product). [REDACTED] places Pepsi soft drinks in these displays with [REDACTED]

[REDACTED]:



10. Pepsi summarized its promotion-related efforts for [REDACTED] in 2018: “[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]”

11. Pepsi also provides [REDACTED] and other services to support [REDACTED] resale of Pepsi soft drinks. For example, [REDACTED]

[REDACTED]. When Pepsi learns of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12. For example, in 2019, Pepsi executives [REDACTED]

[REDACTED]. The Pepsi executives [REDACTED]

[REDACTED]. The Pepsi executives [REDACTED]

[REDACTED]

[REDACTED]:

“ [REDACTED]

[REDACTED]

[REDACTED]”

13. One of the executives wrote that [REDACTED]

[REDACTED]: “ [REDACTED]

[REDACTED]

[REDACTED]”

14. When Pepsi learns that other retailers [REDACTED], Pepsi sometimes [REDACTED]

██████████ in the resale of Pepsi soft drinks. Pepsi similarly will ██████████
██████████
██████████
██████████. In other words, to ██████████, Pepsi at times seeks to ██████████
██████████ for Pepsi soft drinks sold by ██████████ rivals.

15. An internal Pepsi email from 2019 acknowledges ██████████
██████████: “██████████
██████████
██████████
██████████” In an attached document, Pepsi describes ██████████
██████████: ██████████
██████████”

16. In short, Pepsi provides ██████████ with ██████████ services.
With one hand, Pepsi provides ██████████ with promotional payments and allowances meant to
assist ██████████ in selling Pepsi soft drinks ██████████. With the other hand,
Pepsi ██████████
██████████
██████████ for Pepsi soft drinks.

17. Pepsi’s willingness to ██████████
██████████ in the resale of Pepsi
soft drinks is especially pernicious because rather than simply ██████████
██████████, Pepsi’s actions have had the effect of *raising* prices for customers of competing retailers
by ██████████ for those retailers. Pepsi’s favoritism toward ██████████ harms

consumers who shop at those other retailers by forcing them to pay higher prices for Pepsi products, in violation of the RPA.

18. The Federal Trade Commission brings this action to ensure that Pepsi ceases its practice of advantaging ██████ in the resale of Pepsi soft drinks, including through the use of discriminatory promotional payments, allowances, and services, while ██████ other retailers and their customers. The FTC seeks an injunction that prohibits further discrimination by Pepsi against ██████ competitors in the sale of Pepsi products and that will require Pepsi to make its promotional payments, allowances, and services available to all customers and purchasers—including small, independent businesses and other disfavored retailers—on proportionally equal terms, as required by law.

II. THE PARTIES

19. Plaintiff Federal Trade Commission (“FTC”) is an independent administrative agency of the United States government established, organized, and existing pursuant to the FTC Act, 15 U.S.C. §§ 41 et seq., with its principal offices in Washington, D.C. The FTC is vested with authority and responsibility to enforce, inter alia, Section 5 of the FTC Act, 15 U.S.C. § 45, and Section 2 of the Clayton Act, 15 U.S.C. § 13, and is authorized under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to initiate federal court proceedings to enjoin violations of any law the FTC enforces, including Section 2 of the Clayton Act, as amended by the Robinson-Patman Act. Since its enactment in 1936, the FTC has brought over 1,400 actions to enforce the Robinson-Patman Act.

20. Defendant Pepsi is an American multinational snack, food, and beverage manufacturer incorporated in North Carolina and headquartered in Purchase, New York. Pepsi conducts its business throughout the United States and across state lines, with dozens of production and distribution locations across the country. Founded in 1898, Pepsi owns or

controls multiple iconic beverage and food brands worth over \$1 billion, including Pepsi-Cola, Frito Lay, Mountain Dew, Starbucks (under license), Gatorade, and Aquafina. In 2023, Pepsi reported global net revenues of over \$91 billion.

III. JURISDICTION AND VENUE

21. This complaint is filed and these proceedings are instituted under the provisions of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, 15 U.S.C. § 13, and Sections 5 and 13(b) of the Federal Trade Commission Act, 15 U.S.C. §§ 45 & 53(b).

22. This Court has subject matter jurisdiction over this action pursuant to Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) & 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

23. This Court has personal jurisdiction over Pepsi because Pepsi has the requisite constitutional contacts with the United States of America pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).

24. Pepsi's general business practices and the unfair methods of competition alleged herein are activities in or affecting "commerce" within the meaning of Section 4 of the FTC Act, 15 U.S.C. § 44, and Sections 1 and 2 of the Clayton Act, 15 U.S.C. §§ 12-13.

25. Pepsi is, and at all times relevant herein has been, a corporation, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

26. Venue in this district is proper under 15 U.S.C. § 22; Section 13(b) of the FTC Act, 15 U.S.C. § 53(b); and 28 U.S.C. §§ 1391(b), (c) and (d). Pepsi is found, resides, transacts business, and has agents in New York and in this District, and a portion of the affected commerce described herein has been carried out in New York and in this District. Pepsi has a significant presence throughout New York and this District.

IV. THE ROBINSON-PATMAN ACT

27. Subject to certain defenses, Section 2(d) of the Robinson-Patman Act, 15 U.S.C. § 13(d), makes it unlawful for a supplier engaged in commerce to pay or contract for the payment of anything of value, as compensation for any services or facilities, to one customer in connection with the resale of products or commodities unless such payments or allowances are “available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.” 15 U.S.C. § 13(d).

28. Section 2(e) of the Robinson-Patman Act, 15 U.S.C. § 13(e), also makes it unlawful for a supplier to discriminate in favor of one purchaser against another purchaser of a commodity bought for resale by furnishing any services or facilities connected with the resale of such commodity “upon terms not accorded to all purchasers on proportionally equal terms.” 15 U.S.C. § 13(e).

29. Each soft drink sold by Pepsi is a commodity within the meaning of Sections 2(d) and 2(e) of the Robinson-Patman Act, 15 U.S.C. § 13(d), (e).

30. As detailed below, Pepsi has engaged in commerce, as defined in the Clayton Act, to discriminate in promotional payments, allowances, and services as between [REDACTED] and [REDACTED] disfavored competitors—including small and independent retailers—in connection with the sale of Pepsi soft drinks of like grade and quality.

V. PEPSI’S BUSINESS ACTIVITIES

A. Pepsi Sells Soft Drinks to Retailers Across the Country

31. The manufacture and sale of non-alcoholic soft drinks in the United States is a \$150 billion industry. Soft drinks encompass two major categories of non-alcoholic beverages: (1) carbonated soft drinks (“CSD”) and (2) non-carbonated soft drinks (“NCSDs”). NCSDs

include functional beverages (e.g., energy drinks), juice, sports drinks or “isotonics,” dairy or dairy substitute drinks, tea, coffee, and bottled still water.

32. Pepsi is one of the largest manufacturers and marketers of soft drinks in the United States. Pepsi is organized into seven divisions, including PepsiCo Beverages North America (“PBNA”). PBNA operates Pepsi’s soft drink business in the United States and Canada. In 2023, PBNA generated \$27.6 billion in revenue. Pepsi distributes its soft drinks to retailers through its bottler network, which comprises Pepsi’s wholly owned bottling subsidiaries and several dozen franchise bottlers. Pepsi directly controls the wholesale pricing provided to its retailer customers by its wholly owned bottler subsidiaries.

33. Pepsi’s customers include retailers in several channels, such as grocery stores, drug stores, convenience stores, discount/dollar stores, mass merchandisers, and membership stores. Retailers purchase Pepsi products from Pepsi’s bottlers and then re-sell those products to consumers. Retailers within each channel compete with one another. Retailers in one channel also often compete with retailers in other channels in the sale of soft drinks.

34. Pepsi’s brand recognition is universal. Many food and beverage retailers consider Pepsi soft drinks important to carry. Failing to carry Pepsi soft drinks can put them at a competitive disadvantage to retailers that do carry Pepsi products.

35. On the other hand, Pepsi has recognized [REDACTED]
[REDACTED]
[REDACTED]. [REDACTED] uses its power as [REDACTED]
[REDACTED] supply agreements directly with soft drink
manufacturers, including Pepsi. To keep [REDACTED] happy, Pepsi provides [REDACTED] with a slew of

promotional payments, allowances, and services—benefits that Pepsi does not provide to [REDACTED] competitors on proportionally equal terms.

B. Pepsi Is [REDACTED] Over Other Retailers of Pepsi Soft Drinks

36. [REDACTED]

[REDACTED]. [REDACTED] seeks to attract customers with [REDACTED].

37. Pepsi has made a [REDACTED] [REDACTED] compared to other retailers reselling the same Pepsi products. As Pepsi's Senior Director of Revenue Growth Management wrote to other Pepsi executives in 2021: [REDACTED]

[REDACTED]. Evidence of Pepsi's and [REDACTED] [REDACTED].

38. Pepsi uses several tools to maintain [REDACTED]. First, Pepsi [REDACTED] as compared with prices of other retailers. When Pepsi perceives that [REDACTED], Pepsi seeks to [REDACTED]

[REDACTED]. Pepsi selectively (1) [REDACTED]

[REDACTED], (2) [REDACTED]

[REDACTED],

and (3) [REDACTED]

[REDACTED].

1. Pepsi Diligently

39. Pepsi continually [REDACTED] for Pepsi soft drinks relative to

competitors on a short- and long-term basis. Pepsi “ ” such as , but

40. [REDACTED] is an important metric that is regularly discussed within Pepsi. One Pepsi executive noted in an email [REDACTED]

[REDACTED] Pepsi tracks two primary metrics related to the [REDACTED]: (1) [REDACTED] and (2) [REDACTED]. [REDACTED]

[REDACTED]. Both metrics [REDACTED]
[REDACTED] “[REDACTED]” or “[REDACTED].” [REDACTED]” includes “[REDACTED]
[REDACTED]” or “[REDACTED]” [REDACTED]
[REDACTED]. In the course of its business with [REDACTED], Pepsi also provides [REDACTED]
with [REDACTED].

41. For example, in October 2020, [REDACTED] emailed [REDACTED] to complain that Pepsi “ [REDACTED]

_____ . The Pepsi _____ responded, “_____”

_____.” Pepsi shared that _____
_____:

42. Pepsi similarly _____ to
competing retailers resulting from _____ at those stores. As Pepsi’s _____
_____ means that “_____”
_____” and where _____ is “_____”
_____.”

43. In January 2023, Pepsi prepared _____
_____, writing that “_____”
_____. _____
_____. _____
_____.”

44. Certain retailers are _____
_____. _____, Pepsi refers _____ Pepsi and
_____.
_____. When Pepsi or _____ sees _____ by these retailers,
Pepsi _____.

45. The preferential [REDACTED] that Pepsi provides to [REDACTED] confers on [REDACTED] an advantage over the retailers it competes with in the resale of Pepsi soft drinks across the country.

46. Pepsi does not provide [REDACTED] for all other purchasers of its soft drinks on proportionally equal terms.

2. Pepsi [REDACTED] Promotional Payments and Allowances to [REDACTED]

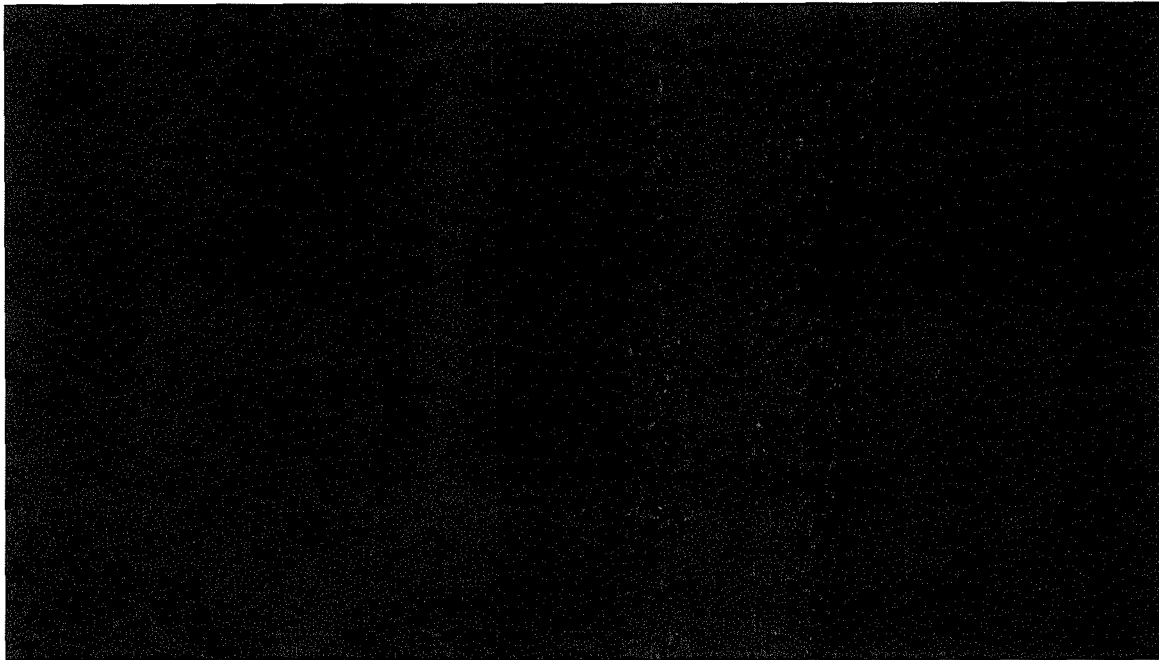
47. Pepsi provides [REDACTED] with promotional payments and allowances intended promote the resale of Pepsi soft drinks by [REDACTED] for Pepsi soft drinks compared to those of competing retailers. By their very nature, these payments and allowances from Pepsi [REDACTED] are not available to the competing retailers.

48. Pepsi [REDACTED] provides payments and allowances to [REDACTED] in connection with [REDACTED] promotions. These [REDACTED] promotions support [REDACTED] resale of Pepsi soft drinks and [REDACTED] relative to [REDACTED] competition in the resale of Pepsi soft drinks. [REDACTED] are a promotional tool involving eye-catching advertising displays, multimedia advertising, and advantaged in-store placement [REDACTED]. When Pepsi identifies [REDACTED] relating to its soft drinks, it may "[REDACTED]" by increasing the magnitude or duration of [REDACTED] promotional payments and allowances it gives to [REDACTED].

49. In exchange for these payments and allowances and to support the resale of Pepsi soft drinks, [REDACTED] typically will feature Pepsi's soft drinks in its stores with advertisements, flashy [REDACTED], and better placement. These promotional services and facilities from [REDACTED] have a substantial, measurable effect of driving the resale of Pepsi soft drinks to

consumers at [REDACTED] stores, as illustrated by the below [REDACTED]

[REDACTED]:



50. One example from December 2021 illustrates how Pepsi identifies [REDACTED]

[REDACTED], and responds with [REDACTED]

[REDACTED].

51. On [REDACTED] highlighted

[REDACTED]. He wrote

in an internal email: “[REDACTED]

[REDACTED].” As an example

of [REDACTED] wrote, “[REDACTED]

[REDACTED]

[REDACTED].” On [REDACTED]

[REDACTED] circulated [REDACTED]

[REDACTED].

52. The next day, Pepsi's [REDACTED] circulated [REDACTED]

[REDACTED]
[REDACTED]. [REDACTED]
[REDACTED]. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]. The [REDACTED] stated, among other things:

“ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]”

(emphasis added)

53. During the subsequent [REDACTED] meeting, [REDACTED]

[REDACTED]
[REDACTED]” Thus, Pepsi executives discussed “ [REDACTED]
[REDACTED]” [REDACTED]; in other words,
[REDACTED]
[REDACTED].

54. For Pepsi's [REDACTED]

[REDACTED], Pepsi's [REDACTED] proposed [REDACTED]
[REDACTED]: (1) [REDACTED], (2) [REDACTED]

[REDACTED], and (3) [REDACTED]
[REDACTED]
[REDACTED] “ [REDACTED]
[REDACTED] .”

55. As a result, in January 2022, Pepsi gave [REDACTED]
[REDACTED]
[REDACTED]. Pepsi emphasized internally
that “ [REDACTED]
[REDACTED]
[REDACTED] .”

56. To [REDACTED] in the
resale of Pepsi soft drinks, Pepsi also provides [REDACTED] with promotional payments and
allowances beyond those associated with [REDACTED], including but not limited to [REDACTED]
[REDACTED]
[REDACTED] .

57. Because Pepsi uses promotional payments and allowances to [REDACTED]
[REDACTED], Pepsi by definition cannot make the same
promotional payments and allowances available to all other retailers on proportionally equal
terms. But Pepsi goes further than simply providing these benefits disproportionately to
[REDACTED]
[REDACTED] .

58. An example of Pepsi [REDACTED]
[REDACTED] involves the [REDACTED] . [REDACTED]

[REDACTED]. In 2022, Pepsi
believed that [REDACTED]

[REDACTED] Pepsi characterized [REDACTED]
[REDACTED]

59. As a result of [REDACTED], Pepsi created a plan [REDACTED]
[REDACTED]
[REDACTED]. The plan advised that Pepsi
“[REDACTED].” The
plan included [REDACTED]
[REDACTED]
[REDACTED]:

- “[REDACTED]” to “[REDACTED]
[REDACTED]”;
- “[REDACTED],” for example, “[REDACTED]
[REDACTED]”;
- “[REDACTED]”;
- “[REDACTED]”; and
- “[REDACTED].”

60. In the end, Pepsi implemented a plan [REDACTED]
[REDACTED]
[REDACTED].

61. As of February 2023, Pepsi estimated that [REDACTED] was
[REDACTED] than the previous year, and it was projected to “[REDACTED].”

Nonetheless, even with these [REDACTED], Pepsi leadership continued to [REDACTED]

[REDACTED]

[REDACTED].”

VI. PEPSI’S DISFAVORED PURCHASERS AND CUSTOMERS COMPETE WITH [REDACTED] TO SELL PEPSI SOFT DRINKS

62. [REDACTED]

[REDACTED]

[REDACTED] purchases Pepsi soft drinks and resells them to consumers in substantially all of its stores.

63. [REDACTED] competes with brick-and-mortar retailers across the United States in the resale of Pepsi soft drinks. These retailers include national and regional chains such as [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED], in addition to numerous small and independent retailers.

64. [REDACTED] competes with these brick-and-mortar retailers (“Disfavored Retailers”) in the sale of Pepsi soft drinks of like grade and quality to consumers [REDACTED]

[REDACTED]. [REDACTED] and the Disfavored Retailers compete across the full range of Pepsi’s soft drink offerings, including Pepsi’s major brands such as Pepsi, Mountain Dew, Starry, Bubly, Aquafina, Lipton, Pure Leaf, Gatorade, Rockstar, and Starbucks. [REDACTED] and the Disfavored Retailers compete and have competed to sell Pepsi soft drinks to the same consumers in the same geographic areas at the same time.

65. Each of these Disfavored Retailers is a customer or purchaser of Pepsi soft drinks within the meaning of Sections 2(d) and (e) of the RPA.

66. Pepsi provides [REDACTED] with the promotional payments, allowances, and services alleged herein in connection with the sale or offering for sale of Pepsi soft drinks in an effort to promote [REDACTED] resale of Pepsi soft drinks and [REDACTED] [REDACTED] for those same products. Pepsi does not make promotional payments, allowances, and services available to all of the Disfavored Retailers on proportionally equal terms. Indeed, [REDACTED]

[REDACTED]

[REDACTED]

67. Pepsi provides these discriminatory promotional payments, allowances, and services [REDACTED] in the resale of Pepsi soft drinks, and not in a good faith attempt to meet the equally low price, payments, allowances, or services furnished by any competitor of Pepsi.

VII. PEPSI IS ENGAGED IN COMMERCE

68. In general and in connection with the unlawful conduct alleged herein, Pepsi has engaged and is now engaging in commerce as defined in the Clayton Act as amended by the RPA.

69. Pepsi is engaged in the production and sale of soft drinks in interstate commerce. Pepsi's soft drinks are generally made from concentrates containing raw ingredients drawn from all over the world. In an intricate manufacturing process, Pepsi purchases those raw ingredients, aluminum, polyethylene terephthalate ("PET"), and other materials from interstate and international suppliers, manufactures concentrate in facilities around the United States, and distributes the concentrate across state lines to its wholly owned and independent bottlers. Those bottlers mix the concentrate with water and bottle Pepsi's soft drinks in aluminum cans, PET bottles, and other containers before distributing Pepsi soft drinks locally and regionally to

retailers in each of the United States and the District of Columbia, in many cases across state lines, in a continuous flow of commerce to the more than [REDACTED] stores located [REDACTED] and to substantially all of [REDACTED] competitors in the sale of Pepsi soft drinks, including the Disfavored Retailers.

70. Pepsi has ultimate control over the prices and terms under which it sells and distributes its products. Pepsi often negotiates the terms of its sales, as well as the terms of promotional payments, allowances, and services for its customers, [REDACTED]. With regard to its dealings with [REDACTED], Pepsi's negotiations relating to the terms of its sales and promotional payments, allowances, and services typically take place [REDACTED].

71. [REDACTED] and many of the Disfavored Retailers engaged in the retail sale of Pepsi's soft drinks similarly are interstate chains that operate their businesses across state lines.

VIII. PEPSI'S DISCRIMINATORY PRACTICES HARM COMPETITION

72. By providing discriminatory promotional payments, allowances, and services to [REDACTED] while failing to make those benefits available to [REDACTED] competitors in the retail sale of Pepsi soft drinks on proportionally equal terms, Pepsi is engaged in conduct that violates Sections 2(d) and 2(e) of the RPA and is therefore *per se* illegal, regardless of its competitive impact.

73. Nevertheless, Pepsi's discriminatory conduct has resulted in harm to competition. As a result of Pepsi's favoritism toward [REDACTED], the Disfavored Retailers have sold lower volumes of Pepsi soft drinks than they would have sold in the absence of the discriminatory conduct and have made lower profits on the products they did sell. Pepsi's conduct has caused the Disfavored Retailers and the American consumers who are their customers to pay higher prices for Pepsi soft drinks over the course of years.

COUNT ONE

(Section 2(d) of the Robinson-Patman Act, 15 U.S.C. § 13(d))

74. Each of the allegations in paragraphs 1 through 73 is incorporated in this Count One as if fully set forth herein.

75. In consideration for promotional services and facilities furnished by [REDACTED] in connection with the sale and offering for sale of Pepsi soft drinks, Pepsi has provided [REDACTED] with the promotional payments and allowances alleged herein. These payments and allowances, intended to provide [REDACTED] with a [REDACTED] in the resale of Pepsi soft drinks, were not and are not made available on proportionally equal terms to all of the Disfavored Retailers, who compete and have competed with [REDACTED] in the sale and distribution of Pepsi soft drinks of like grade and quality at all relevant times. This discriminatory provision of promotional payments and allowances violates Section 2(d) of the RPA, 15 U.S.C. § 13(d).

76. Pepsi's violation of Section 2(d) of the RPA will continue in the absence of the relief herein requested.

COUNT TWO

(Section 2(e) of the Robinson-Patman Act, 15 U.S.C. § 13(e))

77. Each of the allegations in paragraphs 1 through 73 is incorporated in this Count Two as if fully set forth herein.

78. Pepsi has furnished [REDACTED] with services in connection with [REDACTED] sale and offering for sale of Pepsi soft drinks. Specifically, Pepsi has provided [REDACTED]
[REDACTED]
[REDACTED] as compared with [REDACTED] competitors in the resale of Pepsi soft drinks. Pepsi does not make and has not made these services available on proportionally equal terms to all of the

Disfavored Retailers, who compete and have competed with [REDACTED] in the sale and distribution of Pepsi soft drinks of like grade and quality at all relevant times. This discriminatory provision of services violates Section 2(e) of the RPA, 15 U.S.C. § 13(e).

79. Pepsi's violation of Section 2(e) of the RPA will continue in the absence of the relief herein requested.

COUNT THREE

(Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45)

80. Each of the allegations in paragraphs 1 through 79 is incorporated in this Count Three as if fully set forth herein.

81. The acts and practices of Pepsi set forth in paragraphs 1 through 79 above constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and will continue in the absence of the relief herein requested.

PRAYER FOR RELIEF

WHEREFORE, the FTC respectfully requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b); Section 16 of the Clayton Act, 15 U.S.C. § 26; and its own equitable powers:

1. Enter final judgment against Pepsi;
2. Grant the FTC permanent injunctive relief to prevent future violations of the RPA and the FTC Act by Pepsi;
3. Order Pepsi to cease and desist from unlawfully discriminating in favor of one purchaser against another within the meaning of Sections 2(d) and 2(e) of the RPA; and
4. Order such other and further relief as the Court deems just and proper.

Dated: January 17, 2025

Respectfully submitted,



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