

Litigation Alert

January 5, 2017

Key Points

- The U.S. Court of Appeals for the 9th Circuit joined the 6th, 7th, and 8th Circuits in declining to adopt an “administrative feasibility” requirement for plaintiffs seeking to certify a class under Federal Rule of Civil Procedure 23 (“Rule 23”). In doing so, the 9th Circuit expressly declined to follow the approach adopted by the 3d Circuit and cited by several other circuit courts.
- Although the 9th Circuit’s ruling precludes class action defendants from challenging class certification based on an independent administrative feasibility requirement, the decision leaves the door open for defendants to make similar arguments through Rule 23’s enumerated requirements.
- The 9th Circuit also noted that it has not expressly adopted an “ascertainability” requirement for class certification.
- The 9th Circuit’s ruling increases the likelihood that the Supreme Court will weigh in on this hot-button issue in class action jurisprudence.



The 9th Circuit Declines to Adopt Administrative Feasibility Requirement for Class Certification

On Tuesday, in a widely anticipated ruling, the U.S. Court of Appeals for the 9th Circuit added its voice to the federal circuit split over whether plaintiffs moving for class certification under Rule 23 must demonstrate an “administratively feasible” means of identifying absent class members. In *Briseno v. ConAgra Foods, Inc.*, No. 15-55727 (Jan. 3, 2017), the 9th Circuit affirmed the district court’s class certification decision in a putative class action brought against ConAgra Foods by consumers who purchased Wesson-brand cooking oil products labeled “100% Natural,” holding that Rule 23 neither expressly provides nor implies that administrative feasibility is a prerequisite to class certification. The 9th Circuit joined the 6th, 7th, and 8th Circuits in declining to adopt an administrative feasibility requirement.

Background

Plaintiffs filed putative class actions against ConAgra in 11 states, alleging that ConAgra falsely and misleadingly marketed its Wesson-brand cooking oil products as “100% Natural” when, in fact, those products are made from bioengineered ingredients. After the cases were consolidated, plaintiffs moved to certify classes consisting of all consumers who purchased Wesson cooking oils during the relevant class

period. ConAgra opposed class certification, arguing that there would be no administratively feasible method to identify members of the proposed classes. The district court granted plaintiffs' motion in part and certified 11 statewide classes under Rule 23(b)(3). The 9th Circuit granted ConAgra's Rule 23(f) petition for immediate review.

On appeal, ConAgra argued that, in addition to satisfying the four requirements for class certification expressly enumerated in Rule 23(a), plaintiffs must also demonstrate the administrative feasibility of determining class membership. Specifically, ConAgra argued that there was no administratively feasible means for determining class membership because consumers do not generally save grocery receipts and are unlikely to remember details of cooking-oil purchases over a multiyear period. Plaintiffs, on the other hand, argued that administrative feasibility is not required for class certification and that class members could be identified through claim forms submitted by putative class members.

The 9th Circuit's Opinion

In affirming class certification, the 9th Circuit ruled that plaintiffs do not need to demonstrate an administratively feasible method for identifying absent class members at the class certification stage. In so ruling, the 9th Circuit sided with the 6th, 7th, and 8th Circuits, and expressly rejected the 3d Circuit's holding that administrative feasibility is a prerequisite to class certification.

Applying traditional canons of statutory construction, the court reasoned that the drafters of Rule 23 had established four express prerequisites for class certification under Rule 23(a), commonly known as numerosity, commonality, typicality and adequacy. The court concluded that the drafters' omission of a separate administrative feasibility requirement from Rule 23(a) can be considered intentional. In addition, the court reasoned that Rule 23(b)(3), which requires plaintiffs to prove that a class action for damages would be "superior" to other methods for adjudicating the controversy, does not limit the matters that courts may consider in making this determination. According to the court, reading an administrative feasibility requirement into Rule 23(a) would also render superfluous the language in Rule 23(b)(3)(D), which requires courts to consider "the likely difficulties in managing a class action."

The court also reasoned that imposing an administrative feasibility requirement would run afoul of *Amchem Products, Inc. v. Windsor*, 521 U.S. 591 (1997), in which the Supreme Court held that federal courts may not substitute or create requirements for class certification. Notably, the 9th Circuit reaffirmed that it has never expressly adopted an "ascertainability" requirement for class certification.

The 9th Circuit went on to address the 3d Circuit's contrary interpretation of Rule 23. First, the court disagreed that requiring administrative feasibility would be necessary to "mitigate the administrative burdens" of trying a Rule 23(b)(3) class action, emphasizing that courts may consider such burdens in connection with the superiority requirement. The 9th Circuit also stated that requiring administrative feasibility to address manageability concerns conflicts with the "well-settled presumption" that courts should deny class certification due to manageability concerns and would leave no realistic alternative in cases involving inexpensive consumer goods.

Second, the 9th Circuit addressed the 3d Circuit's explanation that an administrative feasibility requirement is necessary to protect absent class members and to prevent fraud. With respect to protecting absent class members, the 9th Circuit stated that there is no requirement that potential class members be given actual notice, that classes usually have significantly less than full participation and that lack of notice carries a minimal risk of harm to absent class members. With respect to concerns that the absence of an administrative feasibility requirement would lead to submission of illegitimate claims, the 9th Circuit considered the risk to be small, especially in class actions involving low-cost consumer goods, because consumers are unlikely to risk perjury charges for small economic gain, and there are other processes to minimize fraud.

Finally, the 9th Circuit responded to the 3d Circuit's reasoning that the administrative feasibility requirement is necessary to allow defendants to challenge and defend individual claims. As the court explained, defendants can still mount individual challenges to the claims of the named class representatives throughout the litigation, and they may challenge the claims of absent class members at the claims administration phase.

Accordingly, the 9th Circuit affirmed the lower court's class certification decision.

Takeaways

In a long-anticipated decision, the 9th Circuit finally weighed in on the federal circuit split over whether plaintiffs must demonstrate administrative feasibility as a prerequisite to obtaining class certification under Rule 23, joining the 6th, 7th, and 8th Circuits in declining to adopt an administrative feasibility requirement. In so ruling, the 9th Circuit expressly rejected the 3d Circuit's approach, which has been cited but not expressly adopted by several other circuit courts. Notably, the 9th Circuit also stated that it has not expressly adopted an ascertainability requirement for class certification, explaining that it has instead addressed ascertainability issues through analysis of Rule 23's enumerated requirements.

While the 9th Circuit's ruling precludes class action defendants in the 9th Circuit from challenging class certification based on an independent administrative feasibility requirement, the decision leaves the door open for defendants to make similar arguments through Rule 23's enumerated requirements. In particular, the 9th Circuit concluded that "Rule 23's enumerated criteria already address the interests that motivated the 3d Circuit and, therefore, . . . an independent administrative feasibility requirement is unnecessary." Ultimately, the 9th Circuit's ruling increases the likelihood that the Supreme Court will weigh in on this hot-button issue in class action jurisprudence.

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