Tobacco firms get partial win over claims on smoking effects (Update)

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America's largest tobacco companies must inform consumers that cigarettes were designed to increase addiction, but not that they lied to the public about the dangers of smoking, a federal appeals court ruled on Friday.

The ruling from the U.S. Court of Appeals for the District of Columbia Circuit is a partial win for cigarette makers in the long-running legal fight that began in the Clinton administration in 1999. In this latest round, the companies objected to running court-ordered advertisements that would have branded themselves as liars.

The ads would have begun with a preamble statement that the companies "deliberately deceived the American public." The ads stem from a 2006 court ruling ordering the companies to admit they had lied for decades about the dangers of smoking.

The companies called that statement overbroad and misleading. But government lawyers argued that the language was meant to provide context for the public.

The appeals court ruled that the language must focus on preventing future violations, not past misconduct. Writing for the three-judge panel, Judge David Tatel said the preamble language in the ads about past deception went beyond the remedies allowed under federal racketeering laws.

But Tatel said other language in the ads that stated the companies intentionally designed cigarettes with enough nicotine "to create and sustain addiction" was within the bounds of the law. The appeals court also approved statements that said the companies "intentionally designed cigarettes to make them more addictive."

The companies in the case include Richmond, Virginia-based Altria Group Inc., owner of the biggest U.S. tobacco company, Philip Morris USA; No. 2 cigarette maker, R.J. Reynolds Tobacco Co., owned by Winston-Salem, North Carolina-based Reynolds American Inc.; and No. 3 cigarette maker Lorillard Inc., based in Greensboro, North Carolina.

In 1999, the Justice Department filed a lawsuit that alleged the tobacco companies violated racketeering laws by conspiring to deceive the public about the health consequences and addictiveness of smoking cigarettes. After hearing testimony from 162 witnesses over nine months, U.S. District Judge Gladys Kessler found in 2006 that the companies had engaged in a massive fraud campaign.

The judge ordered the companies to take out ads addressing the negative health effects of smoking, nicotine manipulation, the health impact of secondhand smoke and the truth about "light" and "low-tar" brands. The ads would appear in newspapers, on TV, websites and cigarette pack inserts.

While the appeals court struck down the preamble to the ads, it left the remaining content largely intact.

The case now goes back to the district court for further proceedings.

Matthew Myers, president of the advocacy group Campaign for Tobacco-Free Kids, called the ruling "a resounding victory for public health," though he said he was disappointed the companies would not be required to admit they deceived the public.

"This decision provides a path for forcing the companies to finally tell the truth about their product," said Myers, whose group was a party in the case. "It should not take long to translate this decision into a workable order, assuming the tobacco industry does not try to further delay."

Altria spokesman Brian May said the company was pleased that the court struck down the preamble language, which he called "the critical part of the appeal."