



Production of Beck's moved to St. Louis from Germany in 2012, according to the suit against AB InBev. The suit alleged that phrases featured on Beck's packaging, such as "German Quality" beer and "Originated in Bremen, Germany," gave consumers a false impression about where the beer was made, in violation of state consumer protection laws.

"We've looked at other cases, and don't think they have the same merit we brought here," said Tucker Ronzetti, lead attorney at Kozyak Tropin, which filed a separate suit against AB InBev's Kirin brand. "We hope the change we have brought through this settlement leads to better practices throughout the market."

Brewers like AB InBev shifted production of imports to the U.S. after foreign auto makers did the same in recent years without losing prestige or the "import" label for brands like BMW BMW -2.24 % and Mercedes.

If a BMW could make an X3 or X5 in South Carolina and sell it for the same price, why couldn't brewers do the same? "That opened a window," MillerCoors spokesman Pete Marino said Wednesday. MillerCoors made the decision to move production of Foster's to the U.S. about five years ago. The move was largely driven by costs, Mr. Marino said. The Australian brand comes in 25-ounce cans, which are heavy and expensive to ship. Foster's is now produced from MillerCoors's brewery in Fort Worth. The company employs an Australian brewmaster and imports yeast to make the beer taste like a Foster's made in Australia.

MillerCoors still makes its premium imports, Peroni and Pilsner Urquell, in Italy and the Czech Republic, respectively. But it charges about 20% more for those beers than it does for Foster's, which is about 15% more than a domestic beer like Miller Lite.

AB InBev made a similar calculation with Beck's, reasoning it could reduce costs and provide fresher beer without hurting sales, according to evidence presented in the suit. Imported Beck's used exclusively German ingredients, including barley, water and hops, while domestic Beck's uses local water, barley and some domestic hops, according to the suit.

Despite those changes, the company believed the "labeling, packaging and marketing of Beck's has always been truthful, transparent and in compliance with all legal requirements," said Jorn Socquet, Anheuser-Busch vice president of marketing.

Brewers say it is difficult—but not impossible—to make the same tasting beer in two different countries, provided the brewer replicates conditions and uses ingredients from the same source. Brewers are able to "manipulate" the mineral content of water, said Randy Mosher, author of the book "Tasting Beer." But North American barley is considered "bland" than European barley, said Mr. Mosher, who teaches brewing at the Siebel Institute of Technology.

Imported beers remain a small but fast-growing part of the market. Imports in the first four months of 2015 surged 11.3% to 10.4 million barrels from a year earlier, according to the Beer Institute. Over the same period, domestic volumes fell an estimated 2.7% to 55.4 million barrels, the industry group estimated.

About two-thirds of beer imports this year have come from Mexico, followed by the Netherlands, Belgium, Canada and Ireland. Germany, home of Beck's, is a distant sixth.

Corona, the top-selling imported beer, is still brewed in Mexico, even though its U.S. manufacturing and distribution rights are owned by Constellation Brands Inc., a company based in Victor, N.Y.

Heineken, HEINY -2.63 % the No. 2 import, was the first foreign beer to arrive in the U.S. after Prohibition ended in 1933 and continues to be shipped from the Netherlands.

Dutch brewer Heineken NV also ships its other brands to the U.S. from abroad, including Dos Equis, which is brewed in Mexico.

A spokeswoman said that using ocean freight also has lowered the brand's carbon footprint because its distribution network can tap into 16 U.S. ports. Outdoor advertisements in 2012 touted Heineken as "imported, which is rare for an import."

In the Beck's settlement, class members include consumers who have purchased the beer in the U.S. since May 2011. Once it is completed, they will be able to fill out an online form to claim a refund. Beck's drinkers can get 10 cents back for every individual bottle purchased; 50 cents for a six-pack or \$1.75 per 20-pack.

As part of the settlement, Anheuser-Busch agreed to make labeling adjustments.

A statement on the bottle saying the beer is made in the U.S.A. will become more visible. The green boxes in which the bottles are packaged also will specify that the beer is made in America.

AB InBev faced a similar class action involving the marketing of its Kirin beer. In that case, which settled late last year in a Florida circuit court, the claim was that consumers were led to believe the beer was from Japan.