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Getting Serious about Palcohol: Powdered Alcohol

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"Imagine a Margarita on a counter. And then imagine if you could snap your fingers and it would turn into powder. That's Palcohol....without the magic."

So says Mark Phillips, the creator of Palcohol. Phillips created Palcohol, a witty play on "Powdered Alcohol," so that he could have a drink while "hiking, biking, camping and kayaking" without carrying a heavy bottle around. According to the product's website, "Palcohol is just a powder version of vodka, rum and three cocktails....with the same alcoholic content." The powder is available in vodka, rum, cosmopolitan, "powderita" and lemon drop flavors. The site discusses applications in medicine, energy, hospitality, the military, and manufacturing. Phillips' company, Lipsmark, says the product is expected to hit store shelves later this summer.

Palcohol is sold in a flat 1-ounce pouch measuring approximately 4 inches by 6 inches. Consumers would mix this powder into a glass of water, soda or juice to create an instant mixed drink. Critics warn that the product's main feature — how easy it is to store and carry — is also its biggest flaw. For example, Dr. Pat Charles, the Superintendent of Middletown, CT Schools stated, in support of a Connecticut ban of the product, "[t]he ability to conceal powdered alcohol is problematic for schools and law enforcement. The ease of transporting it and the flavors proposed also make me concerned that it would lead to abuse, not just by young people but even for those of age. This product must not be allowed to come into our state."

After federal regulators approved Palcohol nationally in March, a number of states also moved to regulate Palcohol. According to the National Conference of State Legislatures, 39 states and Washington, D.C. have either passed bills or have bills under debate to restrict powdered alcohol.

"With packets small enough to fit into a child's pocket, it will be harder for schools and parents to identify and confiscate this substance from our youth," said Grace Barnett, spokeswoman for Texans Standing Tall, at a House Licensing and Administrative Procedures Committee hearing in March. Texans Standing Tall is a nonprofit that advocates against youth drug and alcohol use. Educators are fearful that youth may abuse powdered alcohol. For example, NASPA, Student Affairs Administrators in Higher Education, recently hosted a series of seminars titled, "Addressing Palcohol: Comprehensive Prevention Tactics for Novel Alcohol and Substance Abuse Concern."

State regulators have voiced concerns over the ease in which Palcohol can be inconspicuously sprinkled onto food or snuck into venues such as concert halls and stadiums. Vermont Liquor Control director Bill Goggins recently expressed this in an interview with a New York news station, adding that this feature adds to the appeal of powdered alcohol to underage individuals.

Senator Chuck Schumer (D, N.Y.) has even asked the Food and Drug Administration for an outright ban on the substance, calling it "the Kool-Aid of teenage binge drinking," and said the product "is nearly guaranteed to promote unsafe drinking among teenagers and young adults, among others."

Concertgoers, underage students, spiking drinks, snorting powder - can somebody please tell me what does any of that has to do with insurance?

In a post-palcohol world, consider whether any of the following are far-fetched:

- What coverage exists for a concert venue when a concertgoer is injured by someone who ingested Palcohol that security did not confiscate, and sues the arena. Does it matter that it is nearly impossible to

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control covert smuggling?

- What claims will arise if a school finds that teens bring Palcohol to school to get intoxicated in class? Are any of them covered?

Palcohol may be a paradigm shifting product. Society is all too aware of the methods and problems of underage drinking and excessive drinking among adults. All these current problems with alcohol are based upon a highly regulated liquid that is also hard to conceal in any material quantity. Palcohol, and certainly additional products that will mimic Palcohol's design, disrupts that model. With this disruption arrives new realities of unexpected liability for companies, municipalities, schools and others. We all know where they will turn next.

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