McDonald's Antitrust Suits Spotlight Risks Of AI Pricing Tools

By **Amy Vegari and Colleen Anderson** (November 10, 2026)



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The Oct. 15 Rossi v. McDonald's and the Oct. 2 Thomas v. McDonald's class action filings in the U.S. District Court for the Northern District of Illinois mark the latest in a series of cases targeting companies' use of algorithmic price tools to evaluate and allegedly set prices using consumer and competitor data.[1]

Private plaintiffs, regulators and legislators alike have increasingly criticized such practices as creating opportunities for companies to engage in anticompetitive behavior to the detriment of consumers and other market participants who are operating without the benefit of pricing tools.

This article examines the various theories under which antitrust challenges can arise when companies use artificial intelligence pricing tools and personalize prices through individual consumers.

McDonald's Menu Pricing System and the $18 Big Mac Meal

The two putative class action suits take aim at McDonald's use of an AI-driven internal pricing tool in connection with setting menu prices. Plaintiffs Meredith Rossi and Michael Thomas each allege in separate complaints in the Northern District of Illinois that McDonald's requires corporate-owned and franchisee-owned stores to submit pricing data, uses that data through its pricing tool to set menu prices accordingly, and pressures franchisees to follow the pricing tool's recommendations in doing the same.

According to the complaints, historically McDonald's menu prices largely tracked rising costs and inflation. The plaintiffs allege that changed in 2019, when McDonald's began developing a centralized pricing system through the acquisition of an AI company and the employment of third-party consultants Deloitte and Tiger Analytics.

The plaintiffs describe McDonald's new pricing system as an AI pricing tool managed by Tiger Analytics, with the Rossi complaint additionally alleging that Deloitte facilitates delivery of recommendations based on its outputs. McDonald's has a contractual right to gather and use restaurants' pricing data, which is fed into the pricing tool.

The tool, referred to in various parts of the complaints as the pricing analyzer or pricing engine, purportedly pools transaction-level data from all restaurants. Once the data is fed to the pricing tool, the complaints allege, McDonald's provides the rules and corporate targets that shape the tool's recommendations, such as focusing on items with no price increase in over two years and evaluating how large a price increase each restaurant's customers will tolerate based on area-specific data.

Franchisees can only access the data through the pricing tool — though it is not clear at what level of specificity — and may not disclose the data to anyone else without McDonald's approval.

McDonald's has stated publicly that franchises maintain control over their own pricing

decisions. However, based on public reporting by Reuters, the complaints allege that adherence to the pricing engine recommendations are tracked by McDonald's and fed into internal reviews, and that public statements by McDonald's executives suggest that adherence factors into whether a franchisee's license agreement is renewed.[2]

For instance, the Reuters article reports that McDonald's records in detail any deviations from the tool's price recommendations, and individual franchisees report calls from corporate officers to address such deviations.

Both complaints allege the pricing tool has produced tangible results for McDonald's. The Thomas complaint highlights a viral social media post taking aim at an $18 Big Mac meal.

The Thomas complaint says that a separate complaint initially filed in the U.S. District Court for the Eastern District of New York in 2024, by franchisee George Michell, alleges that the $18 meal was set in accordance with industry standard advisers, which the Thomas complaint pleads on information and belief to be a reference to McDonald's pricing tool.

The Rossi complaint provides a more analytical view, charting a consistent rise in prices each year since 2019. McDonald's average menu prices rose 40% from 2019 to 2024, while the prices for the broader industry rose only 29% during that period.

The complaints tie these increased prices to the implementation of the pricing tool, which enables coordinated pricing decisions based on nonpublic data.

Both complaints state claims under Section 1 of the Sherman Act for price-fixing and unlawful exchange of competitively sensitive information. The Thomas complaint additionally alleges claims under the Illinois Antitrust Act and the Illinois Consumer Fraud and Deceptive Business Practices Act.

Collaboration Among Competing Restaurants

Compared to other algorithmic pricing cases, these are somewhat unique in that they turn in part on the structure of the relationship between McDonald's and its franchisees. Under the U.S. Supreme Court's 1984 decision in Copperweld Corp. v. Independence Tube Corp.[3] there can be no conspiracy when defendants form a single entity.

The inquiry considers whether the involved entities are, as per the Supreme Court's 2010 decision in American Needle Inc. v. National Football League, "separate economic actors pursuing separate economic interests" or are "controlled by a single center of decision-making and control a single aggregation of economic power."[4]

The majority of McDonald's restaurants are franchises run by independent business owners responsible for the day-to-day business of the restaurant.

The McDonald's franchise disclosure agreement classifies the franchises as independent contractors and disclaims any agent or partner relationship, and also states that franchisees may face competition from other McDonald's restaurants owned either by the company or by other franchisees.

McDonald's explicit acknowledgment of the competitive relationship between restaurants would likely be significant in any single entity analysis.

Indeed, the Rossi complaint highlights the U.S. Court of Appeals for the Seventh Circuit's

2023 decision in Deslandes v. McDonald's, which treated McDonald's and its franchisees as competitors in assessing the legality of their no-poach employment clauses.[5]

Even without a single entity argument, McDonald's could argue that the collaboration between competing McDonald's establishments does not run afoul of antitrust law.

Deslandes, for instance, acknowledges that a competitor agreement ancillary to the success of a cooperative venture can be lawful if it makes the venture more competitive in the market and benefits consumers.

However, Deslandes teaches that assessing the legality of a horizontal agreement among competitors is a complex and fact-intensive inquiry.

The Latest in a Pattern of Algorithmic Pricing Challenges

The McDonald's lawsuits are hardly the first to take aim at purported information sharing and competitor coordination via AI pricing tools under Section 1 of the Sherman Act. For instance, RealPage has faced litigation initiated by state attorneys general, the U.S. Department of Justice, and private plaintiffs in connection with its own algorithmic pricing model.[6]

Its settlement with the DOJ limits the use of nonpublic competitor information in its pricing tool and prohibits competitors from setting maximum increases or decreases based on pricing recommendations.

Likewise, in In re: MultiPlan Health Insurance Provider Litigation, plaintiffs alleged that defendant financial technology companies collected data from defendant health insurers, allowing competitors access to each other's commercially sensitive data, and used it to provide recommendations for the price of out-of-network services.[7]

The Thomas complaint expressly draws upon MultiPlan, highlighting the DOJ's Statement of Interest there: "[A]ny formula used to fix benchmark, component, recommended, or 'starting point' prices — even if end prices ultimately vary" can violate the Sherman Act.

Overlap With Surveillance Pricing Challenges

The McDonald's complaints also reflect similarities to lawsuits challenging the use of AI pricing tools to set prices specific to certain consumers or groups of consumers (known as "surveillance pricing" or "personalized pricing").

On April 22 in the Eastern District of New York, a group of consumers filed a class action against JetBlue Airways over "dynamic surveillance pricing and the surreptitious use of consumer data in order to set pricing based on consumer behavior."

There, the claims were premised not on any alleged inherent illegality of personalized pricing or antitrust violation, but rather the collection and use of data without adequate consent.[8]

As with the McDonald's cases, a viral social media post sparked the initial outcry leading to Phillips v. JetBlue Airways Corp. — there, a JetBlue customer who complained about high flight prices after searching for travel options to a funeral and was told by a JetBlue social media account to try clearing their cookies. These anecdotes highlight a common theme of legal action following incidents on social media that trigger accusations of unfairness by

consumers.

Consumers are not alone in questioning the propriety of personalized pricing. The Senate Judiciary Committee held a hearing on the topic of surveillance pricing in August.[9]

Commentators observed that the issue seems to be a rare instance of bipartisan agreement, as senators from both sides of the aisle expressed criticism for the practice. Some states have moved to regulate the practice as well.

New York passed a law requiring any product with its price set using personalized pricing to print a message on the label, stating the price is set by an algorithm using personal data, and the National Retail Federation is currently appealing the dismissal of its lawsuit challenging the suit on First Amendment grounds.

Regulatory Outlook for Algorithmic Pricing Tools and Surveillance Pricing

The Federal Trade Commission has shown renewed interest in finding enforcement tools to challenge companies' pricing practices. It created a stir in the antitrust community by filing a suit against Southern Glazer's Wine & Spirits under the Robinson-Patman Act, which prohibits anticompetitive pricing practices, in 2024.

The agency described the settlement it reached on Oct. 2 as "a successful conclusion to the Commission's first enforcement action under the Robinson-Patman Act in a generation." While the FTC has not signaled any intent to apply the Robinson-Patman Act to surveillance pricing, the case suggests that the FTC is open to utilizing the enforcement tools at its disposal in creative ways to achieve its goals.[10]

And there's no doubt that pricing practices are a topic of interest for the FTC right now. During the Biden Administration, the FTC commissioned a study into surveillance pricing that was published in 2025.

Now, just weeks after the McDonald's suits were filed, the FTC issued orders under Section 6(b) of the FTC Act demanding information from nine companies on whether their pricing varies from person to person based on certain factors. The press release discussed its former pricing study, but claimed that the new orders are a shift in focus for the agency from the "middlemen" to "the businesses that actually set prices for services and products offered to consumers."

The FTC's shift in priority doesn't mean that creators and sellers of the pricing tools themselves are escaping scrutiny completely — private plaintiffs seem to be pursuing both the businesses and the purveyors of the actual tools.

For instance, the Rossi complaint also names Deloitte Consulting LLP as a defendant, alleging that Deloitte helped create and advised on the use of McDonald's pricing tool.

Instead, the timeline of private and government actions as a whole point to the need for businesses creating or using these tools to carefully evaluate the risks and monitor the rapid developments in this area of law

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[1] Rossi v. McDonald's Corp et al., 1:26-cv-12651 (N.D. Ill.); Thomas et al. v. McDonald's USA LLC et al., 1:26-cv-12149 (N.D. Ill.)

[2] https://www.reuters.com/business/inside-mcdonalds-push-have-ai-price-your-big-mac-2026-09-29/.

[3] Copperweld Corp. v. Indep. Tube Corp., 467 U.S. 752, 770 (1984).

[4] Am. Needle, Inc. v. Nat'l Football League, 560 U.S. 183, 194-95 (2010).

[5] Deslandes v. McDonald's USA, LLC, 81 F.4th 699, 703 (7th Cir. 2023).

[6] https://www.pbwt.com/publications/the-uncertain-fate-of-algorithmic-pricing-realpages-legal-battles-continue-with-antitrust-settlements-and-a-preliminary-injunction.

[7] https://www.law360.com/articles/2501127?ts_pk=6d2c5f3a-5ac4-4f5d-9ca6-af13300a8065&utm_source=user-alerts&utm.

[8] No. 1:26-cv-02405-PKC-RML (E.D.N.Y 2026).

[9] https://www.judiciary.senate.gov/committee-activity/hearings/your-data-their-profit-the-consumer-cost-of-ai-surveillance-pricing https://www.courthousenews.com/retailers-slam-surveillance-pricing-warning-label-in-second-circuit-appeal/.

[10] https://www.ftc.gov/news-events/news/press-releases/2026/10/ftc-secures-settlement-protects-small-businesses-illegal-price-discrimination.