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**Courts Find Amazon, Online Marketplaces Must Take Responsibility
For Selling Dangerous Products that Injure Consumers**

***Groundbreaking Court Ruling Confirms California Strict Product Liability to Apply to All
Online Companies That "Squarely Place" Themselves Between Sellers And Consumers***

Sacramento, CA – In a landmark victory for consumer protection, Kisha Loomis, the owner of a defective hoverboard, manufactured in China, and purchased on Amazon.com that burst into flames and caused severe burns, won her court case against the online giant this week. The court's decision is one of the first to establish Amazon and other online retailers that place themselves squarely between sellers and customers must play by the same rules of responsibility that apply to brick and mortar stores. The court held where Amazon and other online retailers that serve as a "direct link" between buyers and sellers are responsible for product safety and can be held accountable when those products are defective and cause harm. The court reasoned that Amazon profited from the enterprise, had direct contact with the manufacturers and was in the best position to influence those manufacturers to make safe products. The court also noted that oftentimes the manufacturers are in a foreign jurisdiction that are beyond accountability to injured U.S. consumers. In such cases online retailers such as Amazon are the only member in the distribution chain available for an injured consumer to recover damages.

Until now, online marketplaces would exploit the uncertainty in the state's product liability law to deny injured consumers justice or force them into years of litigation. The court's ruling comes after Assemblymember Mark Stone (D-Santa Cruz) introduced AB 1182, legislation that would have clarified California's product liability laws to include these online retailers.

"Our member attorneys have heard many tragic stories of consumers like Kisha Loomis who suffer losses at the hands of dangerous products manufactured in China and sold on online marketplaces," said **Doug Saeltzer, Vice President, Consumer Attorneys of California**. "The court's ruling today finally levels the playing field, finding that online retailers like Amazon need to play by the same rules as other businesses who sell products such as Costco or Walmart. This is an important decision for the consumers of California. Assemblymember Mark Stone has always stood with us on the frontlines of the fight to protect consumers from online retailers, and we are extremely grateful for the work he has done this year to advance that cause."

Online marketplaces have seen a dramatic rise in sales during the past three years and the COVID-19 pandemic has only increased the amount of consumers who purchase products online. Before the COVID-19 pandemic, 40% of everything bought online went through Amazon, accounting for 5% of all retail sales in the United States. Now, "Amazon said that net sales jumped 26% year over year to \$75.5 billion as people flocked to its site."

"This groundbreaking court ruling will level the playing field between our neighborhood businesses and online marketplaces like Amazon, eBay and Etsy," said **Amber Baur, Executive Director, United Food and Commercial Workers Western States Council**, a co-sponsor of the bill. "More and more consumers are buying products online without knowing they won't receive the same protections against products purchased from a brick and mortar store. Now consumers can have peace of mind that regardless of where they buy their products from, they'll be protected and corporations can't shift the costs of easily preventable injuries to their customers."

On the heels of the court's decision, Assemblymember Mark Stone announced his decision to designate AB 1182 a two-year bill, allowing it to be revived, if necessary, based on future legal developments to ensure California's consumers are equally protected whether they buy their products from an online marketplace or brick and mortar one.

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