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Contact: Jenna Thompson, 949.246.1620, jenna@paschalroth.com

Online Marketplace Legislation Levels Playing Field Between Amazon, eBay, Etsy and Brick & Mortar Competitors

Consumer Advocates Lead the Charge to Hold Online Marketplaces Accountable for Consumer Injuries

Sacramento, CA – Today, Assemblymember Mark Stone (D - Monterey Bay) introduced AB 1182 to hold online marketplaces accountable to California’s longstanding product liability laws. This legislation will level the playing field and hold online marketplaces, like Amazon, Etsy and eBay to the same strict product liability standard as traditional brick and mortar businesses when they place dangerous mass-manufactured products in the stream of commerce.

The tragic stories of consumers who suffer losses at the hands of negligent online marketplaces demonstrate the urgent need for a solution. In 2016, the Carpenter family of Santa Rosa, CA, watched in horror as their home burned to the ground from a fire caused by a hoverboard they purchased on Amazon.com for their 12-year-old daughter. The device spontaneously combusted while charging in her bedroom, and within minutes a raging fire ensued that destroyed the Carpenter family home, killed their two dogs and devastated the family. Due to current products liability laws in California, the Carpenters have so far been unsuccessful in their lawsuit against Amazon for damages sustained in the fire.

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.”¹

“AB 1182 is crucial legislation to protect California’s consumers as more and more people are buying their goods online,” said **Doug Saeltzer, Vice President, Consumer Attorneys of California**. “Longstanding product liability law ensures that consumers are

¹ <https://www.cnn.com/2020/05/15/this-breakdown-of-retail-sales-data-shows-why-amazon-is-leading-the-stock-market.html>

protected when a dangerous or defective product sold in a physical store injures a consumer, but those laws aren't the same to products that are sold and distributed online. Californians must be able to rely on their products' safety regardless of where they bought it. CAOC is proud to support this legislation, so online marketplaces are held to the same standards as other businesses."

"California's consumers have been able to rely on the fact that the products they are buying from retail stores won't kill, poison, or maim themselves or their kids for decades," said **Jim Araby, director of strategic campaigns, United Food and Commercial Workers (UFCW) Local 5**. "But customers shopping online don't know that they don't receive the same protections when they buy products online. AB 1182 is common-sense legislation to stop the Amazons of the world from shifting the costs of easily preventable injuries to its customers when even the smallest California brick and mortar business competitors would be liable. UFCW members applaud Assemblymember Stone for introducing this legislation to protect California's consumers."

AB 1182 updates California law to address the online sale of dangerous and defective goods, clarifying that the same longstanding strict product liability principles that apply to brick-and-mortar retailers and distributors also apply to online marketplaces. By doing so, AB 1182 will protect consumers from dangerous and defective products, and help level the playing field for all types of retailers and distributors.

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