



CONSUMER ATTORNEYS OF CALIFORNIA

Seeking Justice for All

Bill OKed to treat web sellers like the corner store

AB 3262 holds Amazon to same liability standard as traditional merchants.

SACRAMENTO (August 18, 2020) – A measure that seeks to hold online marketplaces like Amazon to the same legal standard as the corner store when they sell dangerous products that injure or kill won approval today from a key legislative panel.

The Senate Judiciary Committee approved Assembly Bill 3262, authored by Asm. Mark Stone (D-Monterey Bay) and backed by Consumer Attorneys of California, as a way to level the playing field between traditional brick-and-mortar stores and online retailers.

AB 3262 was spawned because online retailers claim that California's longstanding consumer protection law holding businesses in the supply chain responsible when products cause harm does not apply to web-based commerce.

With online purchases topping 15% of total sales even before the COVID-19 pandemic pushed more retail onto the web, the rejection of that strict product liability law leaves a ballooning number of consumers devoid of any remedy if they are injured by a dangerous product sold online. In addition, it gives online retailers an unfair competitive advantage over traditional storefront retailers.

While the product liability law has for years pushed traditional brick-and-mortar stores to ensure the safety of the products they put on shelves, many online products are untested and dangerous items manufactured in countries with lax safety protocols. At least 40% of Amazon's third-party suppliers that sell more than \$1 million annually are based in China. In some cases the dangerous products are toys, such as a hoverboard that burst into flames.

An investigation by *The Wall Street Journal* described the firm's retail listings as "a minefield" littered with unsafe, illegal, and deceptively marketed products. Examples include:

- 43 listings for a pain reliever that lacked FDA labels warning against use on children under 2
- 80 listings for infant sleeping wedges the FDA has warned can cause suffocation
- 52 listings for supplements containing illegally imported prescription drugs
- Toys with amounts of lead that exceed federal government standards
- 1,412 electronics listings falsely claiming to meet voluntary industry safety standards.

Angela Bolger, a licensed EMT and anesthesia technician, in 2016 purchased a replacement batter for her home laptop. Three months later the battery exploded like a bomb. Flaming battery shrapnel went everywhere, setting her bed and floor on fire and badly burning the young woman. She was hospitalized for two weeks, receiving skin grafts at a San Diego burn unit. She still suffers aftereffects.

“I trusted Amazon to stand behind the products they sell, but they betrayed that trust,” Bolger told the committee. “Consumers like me trust and believe the products we buy online from e-commerce giants are safe and when they’re not, we believe that companies like Amazon will take responsibility for injuries that happen to its customers, As long as Amazon and other companies like it are allowed to evade legal liability, horrific events like mine will continue to occur.”

“With all of us shopping more and more on the web due to the pandemic, e-commerce retailers need to be held to the same standards as mom-and-pop stores more than ever,” said CAOC President Micha Star Liberty. “This bill will help prevent injuries and save lives endangered by faulty products by leveling the playing field for all retailers, whether online or on Main Street.”

AB 3262, which is co-sponsored by CAOC, California Teamsters Public Affairs Council and United Food and Commercial Workers Union Western States Council, now goes to the Senate floor for consideration.

Consumer Attorneys of California is a professional organization of plaintiffs’ attorneys representing consumers seeking accountability against wrongdoers in cases involving personal injury, product liability, environmental degradation and other causes.

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