



LAWSUIT REFORM ALLIANCE OF NEW YORK

OPPOSE

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| BILL NUMBER: | A.1812 (Dinowitz) |
| SUBJECT: | Authorizes Anti-Trust Class Action Lawsuits |
| DATE: | February 9, 2021 |
| CONTACT: | Tom Stebbins |

Summary:

This legislation amends the General Business Law to allow for private class action lawsuits against entities with a ‘dominant position in the conduct of any business, trade, or commerce’.

Why we oppose this legislation:

Would Stifle Innovation

- This proposal would jeopardize New York’s position as a global leader in innovation. The bill opens up businesses with a “dominant position” in any market to massive new liability. Any innovative new product by definition has a dominant position, therefore, any innovation would be subject to antitrust liability under this proposal.

Threatens New York’s Most Innovative Companies

- Pfizer, a New York company, was one of the first to develop a vaccine for COVID-19. Releasing any new drug involves significant liability risk, but under this proposal, liability is essentially guaranteed for any new medicine or innovation.

Punishes Those Who Serve the Underserved

- Sometimes a ‘dominant position’ in a marketplace is held by a business serving a market that is currently underserved. Currently, 750,000 New Yorkers live in ‘food deserts.’¹ This legislation would discourage serving the underserved, by opening up those who do to massive new liabilities.

There is a Better Way

- Public officials, not profit seeking attorneys, should thoroughly investigate any allegations of price-fixing or abuses that may lead to higher prices or inferior products. New York already leads the nation in certain class actions, with little benefit to the consumer. Enforcement efforts must be lead by public officials with the public interest at heart.

¹ Food Empowerment Project, “Food Deserts” <https://foodispower.org/access-health/food-deserts/>

² Perkins Coie, “Food Litigation Year in Review” February 2019

The Lawsuit Reform Alliance of New York is a not-for-profit association of businesses, healthcare professionals, membership organizations, and concerned citizens dedicated to reform of the legal system in order to foster a better business climate, promote job growth and address the growing cost of lawsuit abuse.