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California Court of Appeals Holds that Plaintiff Has Standing to Pursue Pricing-Discount Class Action



A California appeals court has allowed a putative-class-action complaint to proceed against an online retailer based on a consumer's allegation that the retailer falsely advertised price discounts and that the consumer would not have purchased the items if he knew he was not receiving a discount.

In *Hansen v. Newegg.com Americas Inc.*, Case No. B271477, the Fifth Appellate District of the California Court of Appeals reversed the lower court. The lower court had dismissed for lack of standing, reasoning that plaintiff received exactly what he paid for. The Court of Appeals held, however, that the plaintiff had established standing because he claimed the "list prices" (which were crossed out and next to a lower, actual price) were inflated and that he would not have purchased his items if he had known the list prices were misrepresented. This was enough to establish injury to "money or property," as required by California law. The opinion discussed both California Supreme Court and Ninth Circuit precedent interpreting California's Unfair Competition Law and False Advertising Law. **Takeaway:** Companies will want to carefully monitor compliance with pricing laws as pricing and discount class actions will continue to be filed in California.

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