

FINAL BILL REPORT

ESHB 1471

C 156 L 99

Synopsis as Enacted

Brief Description: Prohibiting deceptive telephone directory listings.

Sponsors: By House Committee on Commerce & Labor (Originally sponsored by Representatives Conway, Crouse, Wood, Poulsen, Kessler and Thomas).

House Committee on Commerce & Labor

Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background:

The Consumer Protection Act prohibits unfair methods of competition and unfair or deceptive practices in commerce. The act may be enforced by private legal action, or through a civil action brought by the attorney general. A court may award private individuals injured by an unfair or deceptive practice actual damages, court costs, and additional damages up to triple the actual damages amount. In addition, a court may order that the business refrain from conducting further unfair practices.

In state actions filed by the attorney general, damages may also be awarded if the state has been injured by unfair or deceptive practices. Otherwise, the state may seek a court order to restrain the business from further practices.

Washington courts have held that false advertising, false representations, and trademark or trade name infringements may constitute unfair and deceptive practices. One type of business activity that may violate the Consumer Protection Act is the practice of out-of-state firms pretending to be local businesses in the telephone directory and serving customers who think they are doing business with a local firm.

These firms list their names in local directories as local businesses and list local numbers. The firm may even use the name of local cities in their business names to indicate a local affiliation. However, customers who call the local number are forwarded to operators in another state who take their order. The firms bill these customers for processing and take a percentage off the top. They then contact local businesses to fill the order. The local businesses take their percentage and the customer receives goods worth the amount remaining after these charges.

Nine states have enacted laws classifying this type of business activity as an unfair business practice.

Summary:

The Consumer Protection Act is applied to certain business practices in the floral industry. Businesses that sell, deliver, or solicit cut or arranged flowers may not list a local phone number in a directory if calls to the number are forwarded outside the area covered by the directory and the listing does not disclose the business location. This limitation does not apply to toll-free and 900 telephone numbers.

In addition, businesses in the floral industry may not list in a directory a business name that misrepresents the location of the business without giving its actual location.

These requirements may be enforced according to the Consumer Protection Act.

Votes on Final Passage:

House 95 0

Senate 43 2

Effective: July 25, 1999