

HOUSE BILL ANALYSIS

HB 1471

Brief Description: Prohibiting deceptive telephone directory listings.

Sponsors: Conway and Crouse

Hearing: February 18, 1999

Brief Summary of Bill

Prohibits misrepresentation of a businesses geographic location in telephone directories making it an unfair trade practice.

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 damage amount. In addition, a court may enjoin a business from conducting further unfair practices.

State actions filed by the attorney general may also recover damages if the state has been injured by the unfair or deceptive practices. Otherwise, the state may seek an injunction to restrain the business from further practices. The Consumer Protection Act is enforced by the Consumer Protection Division of the Attorney General's office.

In various cases, Washington courts have held that false advertising, false representations, and trademark or trade name infringements may constitute unfair and deceptive practices. One type of such 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.

A firm (e.g., a florist) may list its name in a local directory as a local business and list a local number. The firm might even use the name of a local city in the business' name to

indicate a local affiliation. However, customers who call the local number are forwarded to operators in another state who take their order. The firm bills the customer for processing and takes a percentage off the top. They then contact a local business to fill the order. The local business takes their cut and the customer receives goods worth the amount remaining after these charges.

Connecticut, Oklahoma, and Virginia have enacted laws to classify this type of business activity as an unfair business practice.

SUMMARY OF BILL:

The Consumer Protection Act is applied to certain business practices. Businesses may not list a local phone number in a local directory if calls to the number are forwarded to a location outside the area covered by the directory and the listing does not disclose that location. This limitation does not apply to 800 or 900 telephone numbers.

In addition, businesses may not list in a directory a business name that misrepresents the location of the business without stating where the business is actually located.

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

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.