Press Release

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WLF Asks Appeals Court to Overturn Certification of Nationwide Class of Cellphone Purchasers

(*Stromberg v. Qualcomm Inc.*)

> **"Nationwide class actions are inappropriate under federal court rules when the claims of class members are subject to conflicting laws from 50 different States. The plaintiffs' bar should not be permitted to evade those limitations by filing suit in friendly jurisdictions and then convincing the judge to apply forum law to all claims, regardless of the State in which the claims arise."**
> **—Richard Samp, WLF Chief Counsel**

WASHINGTON, DC—Washington Legal Foundation (WLF) last evening urged the U.S. Court of Appeals for the Ninth Circuit to reverse a district court's nationwide class certification order in a lawsuit involving antitrust claims against Qualcomm, a computer chip manufacturer. The certified class consists of 250 million cellphone purchasers—in other words, a significant majority of all Americans. In an *amicus* brief filed in *Stromberg v. Qualcomm Inc.*, WLF argued that the class action's massive size renders it unmanageable, and that the California district court improperly applied California antitrust law to the claims of cellphone purchasers in all 50 States.

The plaintiffs allege that Qualcomm engaged in anticompetitive practices that forced cellphone manufacturers to pay inflated royalties to Qualcomm to license certain patents. They further allege that as a result of those inflated royalties, consumers paid more to purchase cellphones than they would have paid had Qualcomm charged reasonable royalties.

Federal antitrust law and the antitrust laws of 22 States provide that only those who have had direct dealings with an alleged antitrust violator may sue for damages. Cellphone purchasers have no direct dealings with Qualcomm (which does not make cellphones), and thus those 23 jurisdictions bar purchasers from filing antitrust claims against Qualcomm. But California is among the States that permits lawsuits by indirect purchasers. By directing the application of California law to the claims of purchasers nationwide, the district court enabled the filing of antitrust claims by cellphone purchasers whose claims would otherwise have been barred.

WLF's brief argued that each State has a strong interest in applying its own consumer protection laws to product sales occurring within the State. WLF urged the appeals court to respect that strong interest by eliminating from the class action all consumers residing in one of the 22 States that bar antitrust claims by indirect purchasers. WLF also argued that class certification should be reversed because the district court failed to create a plan for managing such a massive lawsuit—by far the largest class action in U.S. history.

Celebrating its 42nd year, WLF is America's premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.

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