

2002

## Consumer Protection Gaining Strength Under State Antitrust Suits

Amanda Strainis-Walker

Follow this and additional works at: <http://lawcommons.luc.edu/pilr>



Part of the [Antitrust and Trade Regulation Commons](#), and the [Consumer Protection Law Commons](#)

---

### Recommended Citation

Amanda Strainis-Walker, *Consumer Protection Gaining Strength Under State Antitrust Suits*, 7 Pub. Interest L. Rptr. 10 (2002).  
Available at: <http://lawcommons.luc.edu/pilr/vol7/iss3/6>

This News is brought to you for free and open access by LAW eCommons. It has been accepted for inclusion in Public Interest Law Reporter by an authorized administrator of LAW eCommons. For more information, please contact [law-library@luc.edu](mailto:law-library@luc.edu).

NEWS

# CONSUMER PROTECTION GAINING STRENGTH UNDER STATE ANTITRUST SUITS

By Amanda Strainis-Walker

The recent settlement between attorneys general from 44 states and Salton Inc., a manufacturer of the George Foreman Grill based in Lake Forest, Illinois, highlights the growing independence of multistate antitrust actions and the Illinois Antitrust Bureau's increasing prominence. *State v. Salton, Inc.*, S.D.N.Y. Compl. 02CIV7096.

"The Salton case is unique because it was developed, investigated, and prosecuted without federal assistance," said Blake Harrop, of the Illinois Attorney General's Antitrust Bureau.

The Salton settlement came the same day that 44 state attorneys general filed a civil complaint in New York federal court against Salton for five claims of antitrust violations, following a two-year investigation of the company's sales practices. The main claim focused on the allegation that Salton had coerced retailers to sell the grills at a minimum price that matched the company's selling price of the same product on the Internet and infomercials. While the suit was originally initiated by the New York Attorney General's Office after retailers called to complain about Salton's practices, the Illinois Attorney General's Office co-led the investigation because of the company's local headquarters.

"This is one of the few times that Illinois has taken a lead

role in a multistate antitrust case," said Spencer Weber Waller, Director of Loyola University Chicago School of Law Institute for Consumer Antitrust Studies. "The main reason the state took such a large role was due to the company's location."

*"The Salton case is unique because it was developed, investigated, and prosecuted without federal assistance."*

— Blake Harrop, Illinois Attorney General's Antitrust Bureau

Under the settlement, Salton is to pay \$8 million in damages over three years to the forty-four states involved in the suit, even though the company did not admit any wrongdoing. In addition to Illinois' share of the \$200,000 allocated for costs and attorneys' fees, estimates indicate that the state will receive \$360,000 for damages on behalf of Illinois citizens to be used for health and nutrition-related causes.

With 44 state attorneys general as named plaintiffs in the suit and several states allocating resources for the antitrust investigation of Salton, this case represents a multistate antitrust effort, a relatively new development in the history of modern antitrust enforcement. State attorneys

general did not receive the authority to seek monetary damages on behalf of their citizens until 1976, when Congress passed the Hart-Scott-Rodino Antitrust Improvements Act ("Act"). 15 U.S.C. § 4c (2002). The Act gave an explicit right to state attorneys general to use their *parens patriae* authority to represent the interests of consumers and seek injunctive relief on their behalf in federal court under the Sherman Act. 15 U.S.C. § 1 (2002).

In the years since the passage of the Act, state attorneys general have built up their antitrust enforcement systems, but have often used their resources in coordination with the Department of Justice or the Federal Trade Commission, the federal enforcement agencies, or private counsel. The state coordination of antitrust enforcement tools is the result of limited resources for antitrust enforcement and vast jurisdictional reach. To overcome these obstacles, states have turned to one another to investigate and prosecute antitrust cases, which often extend beyond state borders.

Even within the multistate approach of enforcement, state antitrust cases generally develop out of federal investigations or in coordination with one of the federal enforcement agencies. For example, a multistate civil action was filed against six major

*Continued on Page 19.*