
E-Retailers May be Affected by State Gift Certificate Statutes

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Clients who offer gift certificates for products sold over the internet should be aware that several states have specific statutes governing the use and appearance of gift certificates. Moreover, several states have pending legislation governing gift certificates. Under these statutes, any violation — however minor — can give rise to a claim by the purchaser or holder, including claims that carry multiple damages and attorneys' fees. In addition, such claims can be brought as class actions.

In several states, a violation of the gift certificate statute also constitutes a violation of the state's consumer protection law. These consumer protection statutes carry the potential for class action law suits, multiple damages, fee shifting and, in some cases, enforcement and penalties by the attorney general.

The number of class action suits based on alleged violation of gift certificate statutes is on the rise. It is therefore particularly important for e-retailers to be aware of the various state laws governing gift certificates. Our recent [Products Litigation Bulletin](#) sets out the requirements of the statutes currently in place for California, Hawaii, Massachusetts, New Hampshire, New Jersey, New York, Oklahoma, and Rhode Island. It also details the pending legislation in Kansas, Michigan, Nebraska, Pennsylvania, and Tennessee.

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