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COVID-19 Class Action Lawsuits

**Coronavirus Related
Legal Trends**



The coronavirus pandemic has reshaped the world in ways we never could have expected. Even as many individuals and families were forced to put their lives on hold and hunker down at home, many companies have had to make quick decisions aimed at preserving profit or even thriving in the new economic reality.

Each day brings new headlines about how workers, consumers, shareholders, and others are being affected by these corporate decisions over COVID-19. Although many people are still struggling just to cope with their current situations, legal professionals are predicting that corporate wrongdoing during this unprecedented time will not go unnoticed. COVID-19 class action lawsuits are popping up in industries across the board, with savvy plaintiffs' lawyers sounding the alarm on companies that have misled, lied to, cheated, or otherwise harmed people.

At Consultwebs, we strive to [help our law firm clients](#) stay at the forefront of legal trends. The following are some of the initial COVID-19 class actions that we are seeing.



COVID-19 Class Action Lawsuits for Workers



Some workers are risking their lives to keep essential businesses operating, while others are shifting to working from home or seeking re-employment after layoffs. During these stressful times, employers may open themselves up to a range of claims based on employee safety, mass layoffs, wage and hour issues related to remote work, medical privacy claims, and issues over sick pay, Kent Schmidt and Jaime Stilson, partners at Dorsey & Whitney LLP, explained in a [recent webinar](#).

Already, two COVID-19 class action lawsuits have been filed against Uber and Lyft (*Verhines v. Uber Technologies, Inc.*, and *Rogers v. Lyft, Inc.*) in California, claiming that rideshare drivers should be considered employees so drivers are eligible for state-mandated sick pay. The ramifications of denying the drivers sick pay could affect public health, advocates say. "If an Uber driver gets sick and continues working because they can't afford to stay home, that's harm to that driver and harm to the public because they're risking spreading the disease to the public," [argues Shannon Liss-Riordan](#), the attorney in the case against Uber.



In another class action, the [American Federation of Government Employees](#) is suing the government, claiming the workers should get hazard pay and protections for work that exposes them to the coronavirus.

As “essential businesses” continue to operate, attorneys will be keeping a close eye on how they treat and protect employees.



COVID-19 Class Action Lawsuits For Travel Industry



Across the United States and around the world, people’s travel plans came to a grinding halt due to COVID-19 stay-at-home orders, event cancellations, amusement park closures, and border shutdowns. Although many companies have policies on non-refundable deposits and issuing vouchers instead of refunds, consumers and advocates are demanding that these companies do the right thing.



For example, a passenger has filed a [class action against United Airlines](#) after his flight was cancelled due to the COVID-19 outbreak. The airline refused his request for a refund and offered a voucher instead, following a policy change it instituted in March 2020.

In another COVID-19 class action lawsuit, EF Institute for Cultural Exchange, an international education company, is accused of unfair business practices after refusing to refund deposits and fees paid in advance on a high school tour that was cancelled due to coronavirus. Essentially, the claim “argues that the contract cancellation policies conflict with consumer protection laws,” the [ABA Journal reports](#).



COVID-19 Class Action Lawsuits for Event Cancellation

Like travel plan cancellations, event cancellations and postponements have led to an outcry from financially strapped consumers who are demanding refunds rather than vouchers and credits. One man in Wisconsin has filed a \$5 million [class action against StubHub](#) over alleged breach of contract and misrepresentation after the ticket resale company refused to give him a refund when a hockey game was suspended due to coronavirus. Similar to United, StubHub changed its refund policy in March as it realized how the coronavirus would be affecting business.

“Dumping promised refunds for expiring coupons during the time of greatest financial suffering in recent history is cruel and wrong,” plaintiff’s attorney Nick Coulson said. “Especially because people have no idea if they’ll even be able to use the coupons □ we don’t know what the next 12 months are going to look like.”



COVID-19 Price-Gouging Class Actions

Price gouging laws vary by state, but across the U.S., attorneys general have been working to identify and stop unscrupulous sellers from [price gouging during the pandemic](#).

It is no secret that toilet paper and hand sanitizer, in particular, have been hot commodities in the coronavirus economy. Amazon is facing [a class-action lawsuit](#) in Florida by a plaintiff alleging the online retailer charged “unconscionable” prices for toilet paper (36 rolls for \$99) and Purell hand sanitizer (two 1-liter bottles for \$199) after a state of emergency was declared.



COVID-19 Product Class Actions

Some companies have been bold enough to advertise products for preventing or curing COVID-19. With hand sanitizer in high demand, the makers of both Germ-X (Vi-Jon, Inc.) and Purell (GOJO Industries) are facing class actions over claims of their products’ effectiveness. [GOJO Industries](#) is accused of making “false and misleading” claims that its product kills “99.99% of illness causing germs,” as well as advertising other statistics without a scientific base. [Vi-Jon](#) went so far as to advertise that Germ-X can provide “coronavirus/flu prevention,” a claim that is not supported by scientific data, the plaintiffs allege.

As the Food and Drug Administration (FDA) and state attorneys general crack down on product manufacturers that are crossing the line and looking to profit off consumer fear, more COVID-19 class action lawsuits are expected to follow.



COVID-19 Membership Class Actions

Many Americans have automatic payments set up to cover monthly membership dues at places that are now closed, such as gyms. In Massachusetts, members of [Boston Sports Club](#) have filed a class-action lawsuit against the gym's parent company, Town Sports International, saying the company is still charging gym fees even though the facilities are closed due to COVID-19. Members of [LA Fitness and 24-Hour Fitness](#) are pursuing similar complaints.



COVID-19 Investor Class Actions

The plunge in stock prices has taken a toll on people's investment portfolios, and many of those losses could be viewed as unavoidable due to the pandemic. However, investors are right to question what actions companies took to prevent significant losses and whether they tried to deceive investors.

Norwegian Cruise Line is facing a class action after investors say the company lied to them as well as passengers, downplaying the risk of the virus to people's health and to the business. Salespeople were urged to push nervous passengers to book with lines like: "The Coronavirus can only survive in cold temperatures, so the Caribbean is a fantastic choice for your next cruise," [The Miami Herald reported](#). When news of the desperate and dangerous sales tactics broke, the cruise line's stock plummeted more than 50 percent.



In another investor class action, [Inovio Pharmaceuticals](#) CEO J. Joseph Kim is accused of capitalizing on coronavirus fears by stating in an interview on Fox Business News and in a televised meeting with President Trump that the company had developed a COVID-19 vaccine “in a matter of about three hours.” The statements fueled a massive jump in the company’s stock price before Citron Research, via Twitter, asked the Securities and Exchange Commission to investigate “the ludicrous and dangerous claim,” prompting the stock to rollercoaster back down.



More To Come

As the pandemic continues to unfold, we expect to see more lawyers on the front lines, fighting for the rights of those who have been taken advantage of or harmed by corporate greed and negligence. To learn how Consultwebs can help your firm get ahead of the COVID-19 litigation trends and connect with clients, [contact us now](#).