



HOUSE BILL 599: Unfair Advertising/Food Delivery Platforms.

2023-2024 General Assembly

Committee:	House Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 1, 2023
Introduced by:	Reps. White, Pike	Prepared by:	Brad Krehely
Analysis of:	PCS to First Edition H599-CSR-20		Committee Co-Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 599 would prohibit food delivery platforms, without the express written authorization of a restaurant, from 1) advertising that the restaurant has partnered with it or 2) using the restaurant's likeness, trademark, or other intellectual property.*

Engaging in the prohibited conduct would be an unfair and deceptive trade practice entitling the affected restaurant to seek injunctive relief and treble damages, calculated on the basis of the actual damages to the restaurant or profits of the food delivery platform resulting from the violation, whichever is greater. The PCS uses the term "restaurant" instead of "establishment" and provides a definition for "restaurant."

BILL ANALYSIS: House Bill 599 would enact new G.S. 75-44 applicable to food delivery platforms, defined as an online business acting as an intermediary between consumers and restaurants by sending food orders to the restaurant and arranging for the orders to be delivered to consumers.

The PCS would prohibit a food platform from advertising that implies that there is a partnership between it and any restaurant, or from using any likeness, trademark, or other intellectual property belonging to the restaurant, unless it has obtained the restaurant's express written authorization to do so.

A violation of these requirements would constitute an unfair and deceptive trade practice under G.S. 75-1.1, and the restaurant whose express authorization was required would be authorized to bring a civil action seeking injunctive relief and treble damages, which would be based on the greater of the restaurant's actual damages resulting from the violation or the food delivery platform's profits arising from the violation.

EFFECTIVE DATE: This act would become effective October 1, 2023.

*Bill Patterson, Staff Attorney for the Legislative Analysis Division, contributed substantially to this summary.

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