

Daily Journal

VERDICTS & SETTLEMENTS

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THURSDAY, DECEMBER 30, 2010

TORTS

FRAUD

Truth-In-Lending

SETTLEMENT: \$5,000,000.

CASE/NUMBER: Kelsea Baggett, on behalf of himself and all others similarly situated v. Hewlett-Packard Company, a Delaware corporation; and James Young, on behalf of himself and all others similarly situated v. Hewlett-Packard Company, a Delaware corporation / SACV 07-0667 AG (RNBx) and SACV 09-00315 AG.

COURT/DATE: USDC Central / Nov. 24, 2010.

JUDGE: Hon. Andrew J. Guilford.

ATTORNEYS: Plaintiff - Brian S. Kabateck, Richard L. Kellner, Alfredo Torrijos (Kabateck, Brown & Kellner, LLP, Los Angeles); Patrick McNicholas (McNicholas & McNicholas, Los Angeles); Michael V. Storti (Law Offices of Michael V. Storti, Carlsbad); Darren T. Kaplan, Gregory E. Keller (Chitwood, Harley & Harnes, Atlanta, Ga.).

Defendant - Samuel G. Liversidge, Daniel L. Weiss (Gibson, Dunn & Crutcher, LLP, Los Angeles); Neal S. Salisian (Salisian Lee, LLP, Los Angeles); J. Gordon Cooney Jr., Kristofor T. Henning, Daniel E. McGuire, Robert A. Particelli, John F. Schultz, Paul D. Weller (Morgan, Lewis & Bockius, LLP, Philadelphia, Pa.).

FACTS: A class action was filed against Hewlett-Packard Co. alleging that the company designed certain of its color LaserJet printers and print cartridges to prevent further printing even though toner remains in the print cartridge that could be used to print additional pages.

PLAINTIFF'S CONTENTIONS:

Plaintiffs alleged that the design flaw prevented purchasers from using all of the usable toner. Plaintiffs further alleged that HP failed to properly disclose that the cartridges included an "override" mechanism that permitted a user to continue printing after any interruption or termination of printing caused by the toner being erroneously represented as "empty."

RESULT: A settlement has been reached, pending court approval, whereby HP has agreed to contribute \$5 million in e-credits to be distributed to class members who purchased, leased, received as a gift, or otherwise acquired certain printers listed on its website. Class members will reportedly receive up to a \$13.00 e-credit per affected printer.

In addition, HP has agreed to post on its site a description of the operation of the affected models and the "override" function.

A Settlement Fairness Hearing will be held in January 2011.