
OLR Bill Analysis

sHB 6602 (as amended by House "A")*

AN ACT CONCERNING THIRD-PARTY DELIVERY SERVICES FOR RESTAURANTS.

SUMMARY

This bill prohibits third-party food delivery services (e.g., GrubHub, UberEats, and DoorDash) from:

1. falsely suggesting a relationship (i.e., sponsorship, endorsement, or affiliation) with a food service establishment by using the establishment's (a) likeness, (b) registered trademark, or (c) intellectual property, and
2. using their proprietary marketplace (e.g., mobile application) to take orders and arrange for the delivery of a food service establishment's products without first obtaining the establishment's written consent.

The bill allows a food service establishment to bring an action in Superior Court to recover the greater of \$5,000 or actual damages when its likeness is used by a third-party delivery service or appears on a third-party proprietary marketplace in violation of the bill. It allows the court to award punitive damages and equitable relief as it deems appropriate.

Finally, the bill bars contracts between third-party delivery services and food service establishments, entered into on and after October 1, 2021, from including a provision, clause, or covenant requiring an establishment to hold harmless the delivery service or its independent contractors or agents for any damages or harm they cause.

Under the bill, "third-party delivery service" means a company, organization, or entity, outside of a food establishment's operation that facilitates online ordering or delivery services to customers. A

“marketplace” is a third-party's proprietary online communication platform where customers can (1) view and search food service establishments' menus and (2) place delivery orders for establishments' products through the third-party's website or mobile application that are fulfilled by the establishment, third-party delivery service, or the service's independent contractors.

*House Amendment "A" (1) removes provisions allowing the Department of Consumer Protection commissioner to impose civil penalties for violating the bill's requirements, (2) makes the contract prohibitions applicable only to contracts entered into on and after October 1, 2021, and (3) makes minor and technical changes.

EFFECTIVE DATE: October 1, 2021

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/16/2021)

Appropriations Committee

Joint Favorable

Yea 32 Nay 16 (05/03/2021)