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Yahoo must face class action over text messages: U.S. judge

BY JONATHAN STEMPEL















Yahoo CEO Marissa Mayer speaks during her keynote address at the annual Consumer Electronics Show (CES) in Las Vegas, Nevada January 7, 2014.

Yahoo Inc was ordered by a Chicago federal judge on Monday to face a class action lawsuit accusing the Internet company of sending unsolicited text messages to Sprint Corp cellphone users in violation of the Telephone Consumer Protection Act.

U.S. District Judge Manish Shah said the users could sue as a group over messages sent in March 2013 because their claims had enough in common.

- Shah rejected Yahoo's arguments that a class action could subject it to damages that were disproportionate to the alleged harm, promote "piecemeal" litigation covering other time periods and phone carriers, and thwart Congress' desire that claims be brought individually in small claims court.
- More than 500,000 cellphone users could be part of the class, court papers show.
- The plaintiffs accused Yahoo of sending them automated "welcome" messages when other users sent them separate messages via the Yahoo Messenger service.
- They said the welcome messages constituted unauthorized advertising for Yahoo services, violating the federal TCPA and subjecting the Sunnyvale, California-based company to damages of up to \$1,500 per message if the violations were willful.

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The case was brought by Rachel Johnson, an Illinois resident who claimed to receive a welcome message from Yahoo after being sent a spam text message from another user advertising a means to reduce high-cost debt.

Shah declined to certify a separate class of T-Mobile US Inc cellphone users for welcome messages sent in April 2014. He said the proposed plaintiff in that part of the case had consented to receiving welcome messages.

Yahoo did not immediately respond to requests for comment.

Keith Keogh, a lawyer for Johnson, said: "We appreciate the court's thorough analysis."

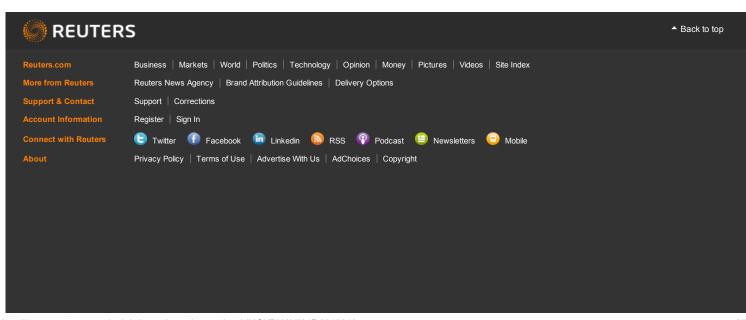
The case is Johnson et al v. Yahoo Inc, U.S. District Court, Northern District of Illinois, Nos. 14-02028. 14-02753.

(Reporting by Jonathan Stempel in New York; Editing by Steve Orlofsky)

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