

Suit Alleges Sephora Discriminated Against Online Customers

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The beauty goods company Sephora USA, Inc., discriminated against thousands of online customers of perceived Chinese or Asian heritage, and those using China-based web domains, by barring them from participating in an annual sale in an effort by the company to prevent purchases intended for resale, [a proposed class action alleges](#).

Four plaintiffs of Chinese descent and who use Chinese domains—New York resident Xiao Xiao; Jiali Chen, of Columbus, Ohio; Man Xu, of Philadelphia; and Tiantian Zou, of New York—alleged in a complaint, filed Nov. 18, that Sephora blocked or deactivated their customer loyalty rewards accounts based on “the ill-founded and discriminatory belief that all Chinese/Asian customers abuse discount sales to engage in bulk purchasing for re-sale.”

The women, all members of Sephora’s “Beauty Insider” program, allege they were barred from the five-day, 20 percent discount sale, available in stores and online, according to *Xiao v. Sephora* in U.S. District Court for the Southern District of New York.

None of the four plaintiffs had previously purchased more than \$1,000 worth of products in a year, the complaint alleges, demonstrating their status as ordinary consumers, not resellers, the complaint contends.

When the sale commenced on Nov. 6, the website crashed. On its Facebook page, Sephora blamed “certain entities” who “take advantage of promotional opportunities” to purchase large amounts of products on sale, then resell them elsewhere at a profit thanks to the discount. The decision to deactivate accounts was made, the message said, to ensure a supply of products for legitimate customers and to protect them from higher prices or goods handled or stored improperly.

Hundreds of outraged customers with Chinese names or domains flooded Sephora’s Facebook page with complaints, according to the complaint. The company set up a “hotline” for those who couldn’t access their accounts, but the plaintiffs said their attempts to have theirs reactivated fell flat; one plaintiff received a Nov. 9 email stating the company was not unblocking any accounts.

The plaintiffs allege they each lost at least 350 rewards points they had earned through earlier Sephora purchases, which reward one point for every dollar spent.

They allege Sephora engaged in alienage discrimination in violation of federal civil rights statutes 42 U.S.C. 1981 and 1982, along with breach of contract.

The plaintiffs ask for permanent injunctions barring Sephora from engaging in civil rights violations and to affirmatively remedy the effects of such violations, as well as compensatory and punitive damages.

Plaintiffs’ attorneys are with the firms Wigdor LLP and Imbesi Christensen.