

# STATE OF NEW YORK

171

2019-2020 Regular Sessions

## IN ASSEMBLY

(Prefiled)

January 9, 2019

Introduced by M. of A. CAHILL -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to preserving the integrity and safety of pharmaceutical drugs

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new section  
2 392-k to read as follows:

3 § 392-k. False labels and misrepresentations of pharmaceutical drugs.

4 1. A person, who with intent to defraud:

5 a. Puts upon a pharmaceutical drug, or upon a cask, bottle, stopper,  
6 vessel, case, cover, wrapper, package, band, ticket, label or other  
7 thing, containing or covering such pharmaceutical drug, or with which  
8 such a pharmaceutical drug is intended to be sold, or is sold, any false  
9 description or other indication of or respecting the type of pharmaceu-  
10 tical substance or compound, kind, number, quantity, weight or measure  
11 of such substance, or any part thereof, or the place or country where it  
12 was manufactured or produced or the quality or grade of any such  
13 substance, if the quality or grade thereof is required by law to be  
14 marked, branded or otherwise indicated on or with such pharmaceutical  
15 drug; or

16 b. Sells or offers for sale a pharmaceutical drug, which to his or her  
17 knowledge is falsely described or indicated upon any such package, or  
18 vessel containing the same, or label thereupon, in any of the partic-  
19 ulars specified; or

20 c. Distributes, sells or exposes for sale any goods in bulk to which  
21 no name or trademark shall be attached, and orally or otherwise repres-  
22 ents that such pharmaceutical drugs are the manufacture or production of  
23 some other than the actual manufacturer or producer; or

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 d. Removes or conceals or who shall cause to be, wholly or in part,  
2 removed or concealed from or upon a pharmaceutical drug the mark of  
3 origin; or who sells or causes to be sold an article of merchandise from  
4 or upon which to his or its knowledge, or to the knowledge of his or its  
5 agents, servants or employees there has been in whole or in part,  
6 removed or concealed the mark of origin, or who sells or causes to be  
7 sold a pharmaceutical drug from the inspection of which such knowledge  
8 could have been obtained, shall be guilty of a misdemeanor, provided  
9 that it shall not be deemed a violation of this section if at the time  
10 of sale said article of merchandise and the immediate and outer contain-  
11 er or containers thereof shall be marked, stamped, tagged, branded or  
12 labeled in legible and conspicuous English words with said mark of  
13 origin or the concealment thereof shall have completely ceased, in a  
14 case where the punishment for such offense is not specially provided for  
15 otherwise by statute, is guilty of a misdemeanor.

16 2. For the purposes of this section, the following words shall have  
17 the following definitions:

18 a. "Person" shall be deemed to include a firm, partnership, associ-  
19 ation or corporation.

20 b. "Sell" shall be deemed to include offer to sell, expose for sale,  
21 and possess with intent to dispose of or to sell.

22 c. "Pharmaceutical drug" shall be deemed to include a cask, bottle,  
23 stopper, vessel, case, cover, wrapper, package, band, ticket, label or  
24 other thing containing or covering a pharmaceutical, or with which a  
25 pharmaceutical drug is intended to be sold, or is sold.

26 d. "Remove" shall be deemed to include deface, alter and obliterate.

27 e. "Conceal" shall be deemed to include the original placing of a mark  
28 of origin upon an article of merchandise in any manner whatsoever, or  
29 the arranging or combining of two or more articles of merchandise into a  
30 single unit whereby the mark of origin is removed from open view, or is  
31 rendered illegible or inconspicuous.

32 f. The terms "remove" and "conceal" are not to be deemed mutually  
33 exclusive.

34 3. Whenever there shall be a violation of this section, an application  
35 may be made by the attorney general in the name of the people of the  
36 state of New York to a court or justice having jurisdiction by a special  
37 proceeding to issue an injunction to enjoin and restrain the continuance  
38 of such violations; and if it shall appear to the satisfaction of the  
39 court or justice that the defendant has, in fact, violated this article,  
40 an injunction may be issued by such court or justice enjoining and  
41 restraining any further violation, without requiring proof that any  
42 person has, in fact, been injured or damaged thereby. In any such  
43 proceeding, the court may make allowances to the attorney general as  
44 provided in paragraph six of subdivision (a) of section eighty-three  
45 hundred three of the civil practice law and rules, and direct restitu-  
46 tion. Whenever the court shall determine that a violation of this  
47 section has occurred the court may impose a civil penalty of not more  
48 than five hundred dollars for each violation. For the purposes of this  
49 section each group of identical items shall constitute a single  
50 violation. In connection with any such proposed application, the attor-  
51 ney general is authorized to take proof and make a determination of the  
52 relevant facts and to issue subpoenas in accordance with the civil prac-  
53 tice law and rules.

54 4. Before any violation of this section is sought to be enjoined, the  
55 attorney general shall be required to give the person against whom such  
56 proceeding is contemplated notice by certified mail and an opportunity

1 to show in writing within five business days after receipt of notice why  
2 proceedings should not be instituted against him, unless the attorney  
3 general shall find, in any case in which he seeks preliminary relief,  
4 that to give such notice and opportunity is not in the public interest.

5 5. In any such action it shall be a complete defense that the actor  
6 practice is, or if in interstate commerce would be, subject to and  
7 complies with the rules and regulations of, and the statutes adminis-  
8 tered by, the federal food and drug administration or any official  
9 department, division, commission or agency of the United States as such  
10 rules, regulations or statutes are interpreted by the federal food and  
11 drug administration or such department, division, commission or agency  
12 or the federal courts.

13 § 2. This act shall take effect immediately.