

U.S. Supreme Court Grants Unanimous Decision for Susman Godfrey Client in Vitamin C Price-Fixing Class Action

The United States Supreme Court has issued a rare unanimous 9-0 decision in favor of a Susman Godfrey LLP client in its long-running price-fixing class action lawsuit against Chinese manufacturers of vitamin C. In its ruling, the Supreme Court provided much-needed clarification as to how much deference U.S. federal courts must show statements made by foreign governments regarding the application of their domestic laws.

"This decision provides welcome clarity for our clients, and for all American litigants, about how much weight the courts must place on the word of foreign governments about their laws," said [James T. Southwick](#), the Susman Godfrey partner who has led the firm's work on this matter since the original case was filed. "It is clear from the opinion that courts must only provide reasonable deference in these matters, and not take the word of foreign governments as an absolute."

Susman Godfrey was one of three firms that originally brought the antitrust and price-fixing class action lawsuit on behalf of American direct purchasers of vitamin C against two Chinese vitamin C manufacturers, Hebei Welcome Pharmaceutical Co. Ltd. and North China Pharmaceutical Group Corp. In 2013, the direct purchasers won a \$148 million judgment from the U.S. District Court for the Eastern District of New York.

The win came after the case survived a motion to dismiss by the Chinese manufacturers who argued that they were shielded from liability because the Chinese government forced them to fix the price for wholesale vitamin C. The Chinese government filed a motion in support of the manufacturers, but the U.S. direct purchasers then argued there was no such Chinese law. The trial court agreed with the purchasers and allowed the trial to proceed.

After the \$148 million judgment, the Chinese manufacturers appealed to the Second Circuit, which reversed the trial court, saying that federal courts are "bound to defer" to a foreign government's interpretation of its own law.

Today's Supreme Court decision vacates and remands the Second Circuit ruling on the grounds that the Second Circuit "did not consider the shortcomings" of the Chinese government's representation of its laws.

In addition to Southwick, the Susman Godfrey team on this matter includes partner [Shawn L. Raymond](#). The two other firms involved in the case are Boies Schiller Flexner LLP and Hausfeld.