## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 2326 Session of 2020

INTRODUCED BY A. DAVIS, HILL-EVANS, LEE, SCHLOSSBERG, T. DAVIS, FREEMAN, WARREN, YOUNGBLOOD, HOHENSTEIN, McCLINTON, DeLUCA, ROEBUCK, KAUFER AND COOK, APRIL 20, 2020

REFERRED TO COMMITTEE ON COMMERCE, APRIL 20, 2020

## AN ACT

- Providing for duties of original equipment manufacturers 1 relating to diagnosis, maintenance and repair of digital 2 electronic equipment and for enforcement by Attorney General. 3 4 The General Assembly of the Commonwealth of Pennsylvania 5 hereby enacts as follows: Section 1. Short title. 6 7 This act shall be known and may be cited as the Digital Fair 8 Repair Act.
- 9 Section 2. Definitions.
- 10 The following words and phrases when used in this act shall
- 11 have the meanings given to them in this section unless the
- 12 context clearly indicates otherwise:
- 13 "Authorized repair provider." The term includes:
- 14 (1) An individual or business that is unaffiliated with
- an original equipment manufacturer and has:
- 16 (i) an arrangement with the original equipment
- 17 manufacturer, for a definite or indefinite period, under
- 18 which the original equipment manufacturer grants to the

1 individual or business a license to use a trade name,

2 service mark or other proprietary identifier for the

3 purposes of offering the services of diagnosis,

4 maintenance or repair of digital electronic equipment

5 under the name of the original equipment manufacturer; or

- (ii) some other arrangement with the original
- 7 equipment manufacturer to offer the services under
- 8 subparagraph (i) on behalf of the original equipment
- 9 manufacturer.

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- 10 (2) An original equipment manufacturer that offers the
- 11 services of diagnosis, maintenance or repair of its own
- digital electronic equipment and does not have an arrangement
- described under paragraph (1) with an unaffiliated individual
- or business, with respect to the equipment.
- 15 "Digital electronic equipment." A product that depends for
- 16 its functioning, in whole or in part, on digital electronics
- 17 embedded in or attached to the product.
- "Documentation." A manual, diagram, reporting output,
- 19 service code description, schematic diagram or similar kind of
- 20 information provided to an authorized repair provider for
- 21 purposes of effecting the services of diagnosis, maintenance or
- 22 repair of digital electronic equipment by the authorized repair
- 23 provider.
- 24 "Embedded software." Programmable instructions provided on
- 25 firmware delivered with digital electronic equipment or with a
- 26 part for such equipment for purposes of equipment operation,
- 27 including all relevant patches and fixes made by the
- 28 manufacturer of the equipment or part for such purposes.
- 29 "Fair and reasonable terms." The term includes:
- 30 (1) For obtaining a part or tool or documentation, at

- 1 costs and terms, including convenience of delivery, and
- 2 including rights of use, equivalent to the most favorable
- 3 costs and terms offered by the original equipment
- 4 manufacturer to an authorized repair provider, using the net
- 5 costs that would be incurred by the authorized repair
- 6 provider in obtaining an equivalent part or tool or
- 7 documentation from the original equipment manufacturer,
- 8 accounting for any discounts, rebates or other incentive
- 9 programs in arriving at the actual net costs.
- 10 (2) In addition to the requirements under paragraph (1),
- 11 for documentation, including any relevant updates, at no
- charge, except that, when the documentation is requested in
- 13 physical printed form, a charge may be included for the
- 14 reasonable actual costs of preparing and sending the copy.
- 15 "Firmware." A software program or set of instructions
- 16 programmed on digital electronic equipment or on a part for such
- 17 equipment to allow the equipment or part to communicate with
- 18 other computer hardware.
- 19 "Independent repair provider." As follows:
- 20 (1) The term includes an individual or business that:
- 21 (i) operates in this Commonwealth;
- 22 (ii) does not have an arrangement described in the
- definition of "authorized repair provider" with an
- 24 original equipment manufacturer;
- 25 (iii) is not affiliated with any individual or
- business that has such an arrangement; and
- 27 (iv) is engaged in the services of diagnosis,
- 28 maintenance or repair of digital electronic equipment.
- 29 (2) An original equipment manufacturer or, with respect
- 30 to that original equipment manufacturer, an individual or

- 1 business that has an arrangement as described in the
- definition of "authorized repair provider" with the original
- 3 equipment manufacturer, or is affiliated with an individual
- 4 or business that has such an arrangement as described in the
- 5 definition of "authorized repair provider" with that original
- 6 equipment manufacturer, shall be considered an independent
- 7 repair provider for purposes of those instances in which it
- 8 engages in the services of diagnosis, maintenance or repair
- 9 of digital electronic equipment not manufactured by or sold
- 10 under the name of that original equipment manufacturer.
- "Manufacturer of motor vehicle equipment." A business
- 12 engaged in the business of manufacturing or supplying components
- 13 used in the manufacture, maintenance or repair of a motor
- 14 vehicle.
- 15 "Motor vehicle." A vehicle designed for transporting persons
- 16 or property on a street or highway and certified by the
- 17 manufacturer under all applicable Federal safety and emissions
- 18 standards and requirements for distribution and sale in the
- 19 United States. The term does not include:
- 20 (1) a motorcycle; or
- 21 (2) a recreational vehicle or an auto home equipped for
- 22 habitation.
- "Motor vehicle dealer." An individual or business that in
- 24 the ordinary course of business is engaged in the business of
- 25 selling or leasing new motor vehicles to an individual or
- 26 business under a franchise agreement, has obtained a license
- 27 from the Commonwealth and is engaged in the services of
- 28 diagnosis, maintenance or repair of motor vehicles or motor
- 29 vehicle engines under the franchise agreement.
- 30 "Motor vehicle manufacturer." A business engaged in the

- 1 business of manufacturing or assembling new motor vehicles.
- 2 "Original equipment manufacturer." A business engaged in the
- 3 business of selling or leasing new digital electronic equipment
- 4 manufactured by or on behalf of itself to an individual or
- 5 business.
- 6 "Owner." An individual or business that owns or leases
- 7 digital electronic equipment purchased or used in this
- 8 Commonwealth.
- 9 "Part." A replacement part, either new or used, made
- 10 available by an original equipment manufacturer for purposes of
- 11 effecting the services of maintenance or repair of digital
- 12 electronic equipment manufactured or sold by the original
- 13 equipment manufacturer.
- "Trade secret." The term has the meaning given in section
- 15 102 of the act of February 14, 2008 (P.L.6, No.3), known as the
- 16 Right-to-Know Law.
- 17 Section 3. Duties of original equipment manufacturers.
- 18 (a) Digital electronic equipment being diagnosed, maintained
- 19 or repaired.--
- 20 (1) For digital electronic equipment, and parts for
- 21 digital electronic equipment, sold or used in this
- 22 Commonwealth, an original equipment manufacturer shall make
- available, for the purposes of diagnosis, maintenance or
- 24 repair to an independent repair provider or to the owner of
- digital electronic equipment manufactured by or on behalf of
- or sold by the original equipment manufacturer on fair and
- 27 reasonable terms, any documentation, part or tool, including
- any update to information or embedded software.
- 29 (2) Nothing in this section may be construed to require
- 30 an original equipment manufacturer to make available a part

- 1 if the part is no longer available to the original equipment
- 2 manufacturer.
- 3 (b) Digital electronic equipment with electronic security
- 4 locks.--
- 5 (1) For equipment that contains an electronic security
- 6 lock or other security-related function, the original
- 7 equipment manufacturer shall make available to the owner and
- 8 to an independent repair provider, on fair and reasonable
- 9 terms, any special documentation, tool or part needed to
- 10 reset the lock or function when disabled in the course of
- diagnosis, maintenance or repair of the digital electronic
- 12 equipment.
- 13 (2) The documentation, tool or part may be made
- 14 available through an appropriate secure release system.
- 15 Section 4. Enforcement by Attorney General.
- A violation of a provision of this act is an unlawful
- 17 practice under the act of December 17, 1968 (P.L.1224, No.387),
- 18 known as the Unfair Trade Practices and Consumer Protection Law.
- 19 All remedies, penalties and authority granted to the Attorney
- 20 General by that act shall be available to the Attorney General
- 21 for the enforcement of this act.
- 22 Section 5. Construction.
- Nothing in this act may be construed to:
- 24 (1) Require an original equipment manufacturer to
- 25 divulge a trade secret to an owner or an independent repair
- 26 provider, except as necessary to provide any documentation,
- part or tool on fair and reasonable terms.
- 28 (2) Alter the terms of an arrangement described in the
- 29 definition of "authorized repair provider" in section 2 in
- 30 force between an authorized repair provider and an original

- 1 equipment manufacturer, including, but not limited to, the
- 2 performance or provision of warranty or recall repair work by
- an authorized repair provider on behalf of an original
- 4 equipment manufacturer under such arrangement, except that a
- 5 provision in the arrangement that purports to waive, avoid,
- 6 restrict or limit the original equipment manufacturer's
- 7 obligations to comply with this act shall be void and
- 8 unenforceable.
- 9 (3) Require an original equipment manufacturer or an
- 10 authorized repair provider to provide to an owner or
- independent repair provider access to information, other than
- documentation, that is provided by the original equipment
- manufacturer to an authorized repair provider under the terms
- of an arrangement described in the definition of "authorized"
- repair provider" except as necessary to comply with section
- 16 3.
- 17 Section 6. Exclusions.
- Nothing in this act applies to a motor vehicle manufacturer,
- 19 manufacturer of motor vehicle equipment or motor vehicle dealer,
- 20 acting in that capacity, or to a product or service of a motor
- 21 vehicle manufacturer, manufacturer of motor vehicle equipment or
- 22 motor vehicle dealer, acting in that capacity.
- 23 Section 7. Applicability.
- 24 This act applies with respect to equipment sold or in use on
- 25 or after the effective date of this act.
- 26 Section 8. Effective date.
- 27 This act shall take effect in 60 days.