

6214

I N S E N A T E

January 13, 2012

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to protecting the purchasers of defective computer equipment

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 article
2 16-A to read as follows:

3 ARTICLE 16-A
4 COMPUTER LEMON LAW

5 SECTION 266. SHORT TITLE.

6 267. DEFINITIONS.

7 268. NOTICE TO PURCHASER.

8 269. COVERAGE AND COVERAGE PERIOD.

9 269-A. RECORDS.

10 269-B. CIVIL ACTIONS.

11 269-C. ATTORNEY FEES.

12 269-D. PROHIBITED DEFENSES.

13 269-E. EXPERT WITNESS.

14 269-F. APPLICATION.

15 269-G. RIGHTS PRESERVED.

16 269-H. NON-WAIVER.

17 269-I. APPLICABILITY.

18 S 266. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
19 THE "COMPUTER LEMON LAW".

20 S 267. DEFINITIONS. AS USED IN THIS ARTICLE:

21 (A) "BRAND NEW COMPUTER" MEANS A COMPUTER DEVICE WHICH HAS BEEN
22 RECENTLY ASSEMBLED, IS UNUSED, AND CONTAINS NO RECONDITIONED PARTS.

23 (B) "COMPUTER DEVICE" MEANS A CENTRAL PROCESSING UNIT OR TERMINAL
24 DISPLAY SCREEN, INCLUDING ALL CIRCUITRY AND CONNECTIVE DEVICES; A PRINT-
25 ER; A MODEM; A SCANNER; OR ANY OTHER DEVICE USED WITH A COMPUTER OR ANY
26 PROGRAMMING FOR A COMPUTER, WHETHER PREINSTALLED OR PURCHASED SEPARATE-
27 LY.

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

LBD06438-01-1

1 (C) "DATE OF SALE OR LEASE" MEANS THE DATE WHEN A COMPUTER DEVICE IS
2 FIRST DELIVERED TO A PURCHASER.

3 (D) "MANUFACTURER" MEANS A PERSON OR FOR-PROFIT ENTITY ENGAGED IN THE
4 BUSINESS OF MANUFACTURING OR ASSEMBLING COMPUTERS OR COMPUTER SOFTWARE
5 OR ACCESSORIES.

6 (E) "NONCONFORMITY" MEANS A DEFECT, CONDITION, OR MALFUNCTION THAT
7 IMPAIRS THE USE OF A COMPUTER DEVICE OR CAUSES IT TO OPERATE IN A MANNER
8 NOT INTENDED.

9 (F) "NOTICE" MEANS THE METHOD BY WHICH A PURCHASER ADVISES A MANUFAC-
10 Turer OF A NONCONFORMITY. NOTICE MAY BE TRANSMITTED BY ANY OF THE
11 FOLLOWING MEANS: BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT
12 REQUESTED; BY FACSIMILE TRANSMISSION; ELECTRONICALLY; BY E-MAIL; OR BY
13 ANY MEANS PROVIDED FOR IN THE MANUFACTURER'S WARRANTY OR SERVICE MATERI-
14 ALS.

15 (G) "PURCHASER" MEANS A PERSON WHO IS A RESIDENT OR TEMPORARY RESIDENT
16 OF THE STATE OF NEW YORK OR A BUSINESS ENTITY THAT HAS FEWER THAN THIRTY
17 PERSONAL COMPUTERS ACTING EITHER IN CONCERT WITH A NETWORK OR AS STAND-
18 ALONE MACHINES AND WHO OBTAINS A COMPUTER DEVICE BY LEASE, RETAIL SALE,
19 INTERNET SALE, GIFT, SPECIAL CONTRACT, OR OTHER TRANSACTION, WHETHER
20 DELIVERED OR CURRENTLY LOCATED IN THIS STATE.

21 S 268. NOTICE TO PURCHASER. (A) AT THE TIME OF SALE OR LEASE OF A
22 COMPUTER DEVICE, A PURCHASER MUST BE PROVIDED AN ACCURATE WRITTEN STATE-
23 MENT OF THE PURCHASER'S RIGHTS ESTABLISHED BY THIS ARTICLE. THE STATE-
24 MENT MUST BE PRINTED IN FOURTEEN-POINT BOLDFACE TYPE. THE MANUFACTURER
25 MUST SECURE FROM THE PURCHASER A SIGNED ACKNOWLEDGMENT THAT THE MANUFAC-
26 Turer HAS EXPLAINED TO THE PURCHASER HIS OR HER RIGHTS AND THAT THE
27 PURCHASER UNDERSTANDS THOSE RIGHTS. UNLESS A SIGNED ACKNOWLEDGMENT OF
28 RIGHTS IS SECURED, THE TIME LIMITS SPECIFIED IN SECTION TWO HUNDRED
29 SIXTY-NINE OF THIS ARTICLE MUST BE TOLLED.

30 (B) AT THE TIME OF SALE OF A COMPUTER DEVICE, THE MANUFACTURER MUST
31 CONSPICUOUSLY DISCLOSE THE NAME AND VERSION NUMBER OF ALL SOFTWARE
32 PROGRAMS OR COMBINATIONS OF PROGRAMS THAT WILL OR MAY BE LIKELY TO CAUSE
33 OPERATING PROBLEMS WITH THE COMPUTER DEVICE. IN ANY ACTION BROUGHT UNDER
34 THIS ARTICLE, WHEN THERE IS A CLAIM THAT SUCH A DISCLOSURE WAS NOT MADE,
35 THE BURDEN IS ON THE MANUFACTURER TO PROVE THAT SUCH A DISCLOSURE WAS
36 MADE.

37 S 269. COVERAGE AND COVERAGE PERIOD. (A) A PURCHASER OF A COMPUTER
38 DEVICE IS ENTITLED TO EFFECTIVE REPAIRS BY THE MANUFACTURER FOR ANY
39 NONCONFORMITY THAT ARISES DURING THE FIRST TWENTY-FOUR MONTHS OF USE, AT
40 NO COST TO THE PURCHASER. HOWEVER, IF THE MANUFACTURER HAS ISSUED A
41 WARRANTY OR SERVICE CONTRACT, THE COVERAGE PERIOD MUST BE THE GREATER OF
42 THE TERM SPECIFIED IN THE WARRANTY OR SERVICE CONTRACT OR TWENTY-FOUR
43 MONTHS FROM THE DATE OF PURCHASE.

44 (B) WITHIN FIVE BUSINESS DAYS AFTER RECEIVING NOTICE FROM A PURCHASER
45 OF A NONCONFORMITY, PLUS REASONABLE TIME FOR SHIPPING OF NOT MORE THAN
46 THREE BUSINESS DAYS, THE MANUFACTURER MUST REPAIR ANY COMPUTER DEVICE
47 AND RETURN IT TO THE PURCHASER SUBJECT TO THE FOLLOWING CONDITIONS:

48 (1) IF ON-SITE SERVICE IS PROVIDED FOR IN THE WARRANTY, REPAIRS MUST
49 BE MADE AT THE PURCHASER'S LOCATION WITHOUT CHARGE.

50 (2) IF ON-SITE SERVICE IS NOT PROVIDED FOR IN THE WARRANTY, THE
51 MANUFACTURER MUST ARRANGE AND PAY FOR THE COST OF SHIPPING FROM THE
52 PURCHASER'S LOCATION.

53 (3) IF ON-SITE SERVICE IS CONDUCTED BY THE PURCHASER, WHO, AT THE
54 MANUFACTURER'S DIRECTION, PERFORMS DIAGNOSTIC TESTS OR TROUBLESHOOTING
55 PROCEDURES OR ATTEMPTS REPAIRS, INCLUDING BUT NOT LIMITED TO PARTIAL

1 DISASSEMBLY, THE SERVICE IS CONSIDERED TO BE CONDUCTED BY THE MANUFAC-
2 TURER.

3 (4) ALL REPAIRS MUST BE GUARANTEED BY THE MANUFACTURER FOR A TERM OF
4 TWO YEARS.

5 (C) IF THE REPAIR IS INEFFECTIVE, THE MANUFACTURER MUST HAVE, UPON
6 NOTICE FROM THE PURCHASER, A SECOND OPPORTUNITY TO MAKE AN EFFECTIVE
7 REPAIR AT THE PURCHASER'S PHYSICAL LOCATION, PROVIDED THAT THE REPAIR IS
8 COMPLETED WITHIN THREE BUSINESS DAYS. THE MANUFACTURER MAY NOT REQUIRE
9 THE PURCHASER TO SHIP THE UNIT BACK TO THE MANUFACTURER FOR THE FINAL
10 REPAIR OPPORTUNITY REGARDLESS OF THE MANUFACTURER'S WILLINGNESS TO PAY
11 FOR SHIPPING COSTS.

12 (D) IF THE SECOND REPAIR IS INEFFECTIVE OR IF THE MANUFACTURER FAILS
13 TO TIMELY RESPOND TO THE PURCHASER AS REQUIRED UNDER THIS SECTION, THE
14 PURCHASER MAY ELECT TO DO EITHER OF THE FOLLOWING:

15 (1) RECEIVE FROM THE MANUFACTURER A REFUND OF THE FULL PURCHASE PRICE
16 PAID AT THE TIME OF SALE OR THE FULL VALUE OF THE LEASE, AS THE CASE MAY
17 BE, PLUS FINANCE AND COLLATERAL CHARGES.

18 (2) RECEIVE FROM THE MANUFACTURER DELIVERY OF A BRAND NEW COMPUTER
19 DEVICE OF EQUAL OR GREATER VALUE THAN THE ORIGINAL PRICE PAID AT THE
20 TIME OF ACQUISITION, WITHOUT CHARGE OR OFFSET FOR USE.

21 IF MORE THAN ONE NONCONFORMITY HAS BEEN SUBJECT TO REPAIR, NO SECOND
22 REPAIR ATTEMPT IS REQUIRED BEFORE THE PURCHASER MAY SEEK THE REMEDIES
23 PROVIDED IN THIS ARTICLE.

24 (E) A MANUFACTURER MAY, AT ITS DISCRETION, REQUEST RETURN OF THE UNRE-
25 PAIRED COMPUTER DEVICE AT COST, IF THE MANUFACTURER HAS REPLACED THE
26 UNIT OR REFUNDED THE PURCHASE PRICE.

27 (F) NO COMPUTER DEVICE RETURNED IN ACCORDANCE WITH THIS SECTION MAY BE
28 RESOLD IN THIS STATE. A VIOLATION OF THIS SUBDIVISION IS A VIOLATION OF
29 ARTICLE TWENTY-TWO-A OF THIS CHAPTER, AND IN ADDITION TO REMEDIES
30 PROVIDED BY SUCH ARTICLE, ANY SUBSEQUENT PURCHASER IS ENTITLED TO
31 DAMAGES IN THE AMOUNT OF TREBLE THE PURCHASE PRICE PAID BY THAT PURCHAS-
32 ER FOR THE DEVICE.

33 (G) NOTWITHSTANDING SUBDIVISIONS (E) AND (F) OF THIS SECTION, A
34 MANUFACTURER WHO REFUSES TO HONOR THE TERMS OF ANY WARRANTY BOOKLET OR
35 MATERIALS DELIVERED TO THE PURCHASER AT, PRIOR TO, OR AFTER THE DELIVERY
36 OF THE COMPUTER DEVICE IS IN VIOLATION OF ARTICLE TWENTY-TWO-A OF THIS
37 CHAPTER, AND IN ADDITION TO REMEDIES PROVIDED BY SUCH ARTICLE, THE
38 ORIGINAL PURCHASER IS ENTITLED TO DAMAGES IN THE AMOUNT OF TREBLE THE
39 PURCHASE PRICE PAID BY THAT PURCHASER FOR THE DEVICE.

40 S 269-A. RECORDS. A MANUFACTURER MUST RETAIN RECORDS OF ALL CONTACTS,
41 COMMUNICATIONS, NOTICE TRANSMISSIONS, OR CUSTOMER SERVICE DIALOGUES
42 BETWEEN ITSELF AND A PURCHASER AND MUST MAINTAIN A LIST, BY SERIAL
43 NUMBER, OF ALL REFUNDS OR REPLACEMENTS MADE UNDER THIS ARTICLE. COPIES
44 MUST BE MADE AVAILABLE TO THE PURCHASER UPON DEMAND, REGARDLESS OF
45 WHETHER THE MANUFACTURER USES THE SERVICES OF A THIRD PARTY TO MANAGE
46 PURCHASER CLAIMS. FAILURE TO COMPLY WITH THIS SECTION IS A VIOLATION OF
47 ARTICLE TWENTY-TWO-A OF THIS CHAPTER, AND IN ADDITION TO REMEDIES
48 PROVIDED BY SUCH ARTICLE, THE ORIGINAL PURCHASER IS ENTITLED TO DAMAGES
49 IN THE AMOUNT OF TREBLE THE PURCHASE PRICE PAID BY THAT PURCHASER FOR
50 THE DEVICE.

51 S 269-B. CIVIL ACTIONS. (A) IF THE MANUFACTURER OF A COMPUTER DEVICE
52 VIOLATES ANY PROVISION OF THIS ARTICLE, THE PURCHASER MAY INITIATE A
53 CIVIL ACTION TO RECOVER AS DAMAGES ANY AND ALL REMEDIES SPECIFIED IN
54 THIS ARTICLE.

1 (B) IN ADDITION TO REFUND OR REPLACEMENT OF THE COMPUTER DEVICE UNDER
2 SECTION TWO HUNDRED SIXTY-NINE OF THIS ARTICLE, A PREVAILING PURCHASER
3 IS ENTITLED TO AN ADDITIONAL AWARD OF SIX THOUSAND DOLLARS.

4 (C) IF A PURCHASER INITIATES AN ACTION IN THIS STATE FOR A VIOLATION
5 OF THIS ARTICLE, THE MANUFACTURER MUST PRODUCE AT EACH AND EVERY COURT
6 PROCEEDING IN THAT ACTION A CORPORATE REPRESENTATIVE WHO IS FULLY AWARE
7 OF THE FACTS AND CIRCUMSTANCES OF THE CASE AND HAS AVAILABLE FOR THE
8 COURT'S REVIEW A COPY OF ALL RECORDS REQUIRED BY SECTION TWO HUNDRED
9 SIXTY-NINE-A OF THIS ARTICLE.

10 S 269-C. ATTORNEY FEES. IF A PURCHASER PREVAILS IN A CLAIM UNDER THIS
11 ARTICLE, THE MANUFACTURER MUST PAY THE PURCHASER'S REASONABLE ATTORNEY
12 FEES, COSTS, AND EXPERT EXPENSES IN RESOLVING AND, IF NECESSARY, LITI-
13 GATING AN ACTION UNDER SECTION TWO HUNDRED SIXTY-NINE-B OF THIS ARTICLE,
14 REGARDLESS OF THE COST OF THE COMPUTER DEVICE.

15 S 269-D. PROHIBITED DEFENSES. IT IS NOT A DEFENSE UNDER THIS ARTICLE
16 THAT A NONCONFORMITY WAS CAUSED BY A SOFTWARE PROGRAMMING PROBLEM UNDER
17 THE FOLLOWING CONDITIONS:

18 (A) IF THE SOFTWARE WAS PRE-INSTALLED BY THE MANUFACTURER.

19 (B) UNLESS THE MANUFACTURER PRODUCES AN EXPERT WITNESS AT THE
20 PROCEEDINGS WHO EXAMINED THE COMPUTER DEVICE AND CAN SPECIFY THE EXACT
21 CAUSE AND CORRECTION OF THE PROBLEM.

22 (C) UNLESS THE MANUFACTURER HAS STRICTLY COMPLIED WITH THE NOTICE
23 PROVISIONS OF SUBDIVISION (B) OF SECTION TWO HUNDRED SIXTY-EIGHT OF THIS
24 ARTICLE.

25 S 269-E. EXPERT WITNESS. A PURCHASER WHO SEEKS RELIEF UNDER THIS ARTI-
26 CLE MUST NOT UNDER ANY CIRCUMSTANCES BE REQUIRED TO RETAIN THE OPINION
27 OF AN EXPERT TO PREVAIL AGAINST A MANUFACTURER.

28 S 269-F. APPLICATION. A VIOLATION OF ANY PROVISION OF THIS ARTICLE IS
29 ALSO A VIOLATION OF ARTICLE TWENTY-TWO-A OF THIS CHAPTER.

30 S 269-G. RIGHTS PRESERVED. NOTHING IN THIS ARTICLE LIMITS THE PURCHAS-
31 ER FROM PURSUING ANY OTHER RIGHTS OR REMEDIES UNDER ANY OTHER LAW,
32 CONTRACT, OR WARRANTY.

33 S 269-H. NON-WAIVER. THE PROVISIONS OF THIS ARTICLE MAY NOT BE WAIVED
34 BY A PURCHASER.

35 S 269-I. APPLICABILITY. THIS ARTICLE APPLIES TO ALL COMPUTER DEVICES
36 PURCHASED, LEASED, OR DELIVERED TO A PURCHASER ON OR AFTER THE EFFECTIVE
37 DATE OF THIS ARTICLE.

38 S 2. This act shall take effect on the first of January next succeed-
39 ing the date on which it shall have become a law.