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IN ASSEMBLY

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Introduced by M. of A. FAHY, LUPARDO, MAGNARELLI, GLICK, GOTTFRIED, BRONSON, L. ROSENTHAL, STECK, McDONALD, DICKENS, REYES, SIMON, GUNTHER, SEAWRIGHT, PHEFFER AMATO, NIOU, COLTON, GRIFFIN, FALL, GALEF, ZINERMAN, BURKE, HUNTER, WOERNER, J. RIVERA, MAMDANI, JACKSON, FORREST, THIELE, B. MILLER, CLARK, HEVESI, BLANKENBUSH, JEAN-PIERRE, KIM, WALLACE, CARROLL, LUNSFORD, BURDICK, GALLAGHER, JACOBSON, BURGOS, GIBBS, KELLES, GONZALEZ-ROJAS, ZEBROWSKI, ENGLEBRIGHT, STERN -- Multi-Sponsored by -- M. of A. BRAUNSTEIN, DAVILA -- read once and referred to the Committee on Consumer Affairs and Protection -- recommitted to the Committee on Consumer Affairs and Protection in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- reported and referred to the Committee on Rules -- Rules Committee discharged, bill amended, ordered reprinted as amended and recommitted to the Committee on Rules

AN ACT to amend the general business law, in relation to the sale of digital electronic equipment and providing diagnostic and repair information

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "digital fair repair act".

3 § 2. The general business law is amended by adding a new section 399-
4 nn to read as follows:

5 § 399-nn. Sale of digital electronic equipment; diagnostic and repair
6 information. 1. Definitions. For the purposes of this section, the
7 following terms shall have the following meanings:

8 (a) "Authorized repair provider" means an individual or business who
9 has an arrangement with the original equipment manufacturer under which
10 the original equipment manufacturer grants to the individual or business

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

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1 a license to use a trade name, service mark, or other proprietary iden-
2 tifier for the purposes of offering the services of diagnosis, mainte-
3 nance, or repair of digital electronic equipment under the name of the
4 original equipment manufacturer, or other arrangement with the original
5 equipment manufacturer to offer such services on behalf of the original
6 equipment manufacturer. An original equipment manufacturer who offers
7 the services of diagnosis, maintenance, or repair of its own digital
8 electronic equipment, and who does not have an arrangement described in
9 this subdivision with an unaffiliated individual or business, shall be
10 considered an authorized repair provider with respect to such equipment.

11 (b) "Digital electronic equipment" or "equipment" means any product
12 with a value over ten dollars, adjusted annually by the rate of change
13 in the consumer price index as reported by the bureau of labor statis-
14 tics of the United States department of labor, that depends for its
15 functioning, in whole or in part, on digital electronics embedded in or
16 attached to the product.

17 (c) "Documentation" means any manual, diagram, reporting output,
18 service code description, schematic diagram, security codes, passwords,
19 or similar kinds of information used in effecting the services of diag-
20 nosis, maintenance, or repair of digital electronic equipment.

21 (d) "Fair and reasonable terms" means making available parts, tools,
22 or documentation as follows:

23 (i) With respect to documentation, that such documentation is made
24 available by the original equipment manufacturer at no charge, except
25 that, when the documentation is requested in physical printed form, a
26 charge may be included for the reasonable actual costs of preparing and
27 sending the copy.

28 (ii) With respect to tools, that such tools are made available by the
29 original equipment manufacturer at no charge and without requiring
30 authorization or internet access for use or operation of such tool, or
31 imposing impediments to access or use of the tool to diagnose, maintain,
32 or repair and enable full functionality of digital electronic equipment,
33 or in a manner that impairs the efficient and cost-effective performance
34 of any such diagnosis, maintenance, or repair, except that, when such
35 tool is requested in physical form, a charge may be included for the
36 reasonable, actual costs of preparing and sending such tool.

37 (iii) With respect to parts, that such parts are made available by the
38 original equipment manufacturer, either directly or through an author-
39 ized repair provider, to independent repair providers and owners at
40 costs and terms that are equivalent to the most favorable costs and
41 terms under which an original equipment manufacturer offers the part to
42 an authorized repair provider and which:

43 A. accounts for any discount, rebate, convenient and timely means of
44 delivery, means of enabling fully restored and updated functionality,
45 rights of use, or other incentive or preference the original equipment
46 manufacturer offers to an authorized repair provider, or any additional
47 cost, burden, or impediment the original equipment manufacturer imposes
48 on an owner or independent repair provider;

49 B. is not conditioned on or imposing a substantial obligation or
50 restriction that is not reasonably necessary for enabling the owner or
51 independent repair provider to engage in the diagnosis, maintenance, or
52 repair of digital electronic equipment made by or on behalf of the
53 original equipment manufacturer; and

54 C. is not conditioned on an arrangement described in paragraph (a) of
55 this subdivision.

1 (iv) Such parts, tools, and documentation shall be made available to
2 an authorized repair provider, and shall further be made available by an
3 authorized repair provider to any independent repair provider or owner,
4 provided that such authorized repair provider is contractually and prac-
5 tically permitted by the original equipment manufacturer to sell such
6 parts, tools, and documentation to any independent repair provider or
7 owner, and provided further that such original equipment manufacturer
8 shall not:

9 A. retaliate against or hinder the ability of any authorized repair
10 provider to sell such parts, tools, or documentation through any means,
11 including advertising restrictions or product allocation limitations
12 unrelated to legitimate product shortages; or

13 B. condition or impose a substantial obligation or restriction that is
14 not reasonably necessary for enabling the owner or independent repair
15 provider to engage in the diagnosis, maintenance, or repair of digital
16 electronic equipment made by or on behalf of the original equipment
17 manufacturer.

18 (e) "Independent repair provider" means an individual or business
19 operating in this state, that does not have an arrangement described in
20 paragraph (a) of this subdivision with an original equipment manufactur-
21 er, and who is engaged in the services of diagnosis, maintenance, or
22 repair of digital electronic equipment.

23 (f) "Manufacturer of motor vehicle equipment" means a business engaged
24 in the business of manufacturing or supplying components that are used
25 in the manufacture, maintenance, or repair of a motor vehicle.

26 (g) "Medical device" means an instrument, apparatus, implement,
27 machine, contrivance, implant, or other similar or related article,
28 including a component part, or accessory, as defined in the federal
29 Food, Drug and Cosmetic Act, 21 USC, Section 321 (h) as amended from
30 time to time, which is intended for use in the diagnosis of disease or
31 other conditions, or in the cure, mitigation, treatment, or prevention
32 of disease, in man or other animals.

33 (h) "Motor vehicle" means a vehicle that is designed for transporting
34 persons or property on a street or highway and is certified by the
35 manufacturer under all applicable federal safety and emissions standards
36 and requirements for distribution and sale in the United States.

37 (i) "Motor vehicle dealer" means an individual or business who, in the
38 ordinary course of business, is engaged in the business of selling or
39 leasing motor vehicles to an individual or business pursuant to a fran-
40 chise agreement, has obtained a license under the vehicle and traffic
41 law, and is engaged in the services of diagnosis, maintenance, or repair
42 of motor vehicles or motor vehicle engines pursuant to such franchise
43 agreement.

44 (j) "Motor vehicle manufacturer" means a business engaged in the manu-
45 facturing or assembling of motor vehicles.

46 (k) "Original equipment manufacturer" means any individual or business
47 that, in the normal course of business, is engaged in the business of
48 selling or leasing digital electronic equipment manufactured by or on
49 behalf of itself, to any individual or business.

50 (l) "Owner" means an individual or business that owns or leases
51 digital electronic equipment purchased or used in this state.

52 (m) "Part" means any replacement part, either new or used, made avail-
53 able by an original equipment manufacturer for purposes of effecting the
54 services of maintenance or repair of digital electronic equipment manu-
55 factured or sold by the original equipment manufacturer.

(n) "Tool" means any software program, hardware implement, or other apparatus used for diagnosis, maintenance, or repair of digital electronic equipment, including software or other mechanisms that provide, program, or pair a part, calibrate functionality, or perform any other function required to bring the equipment or part back to fully functional condition, including any updates.

(o) "Repair" means any act needed to restore digital electronic equipment or equipment to fully working order.

(p) "Maintenance" means any act necessary to keep currently working digital electronic equipment or equipment in fully working order.

(q) "Diagnosis" means the process of identifying the issue or issues that cause digital electronic equipment or equipment to not be in fully working order.

(r) "Modifications" or "modify" means any alteration to digital electronic equipment that is not maintenance and not a repair.

2. Requirements. (a) For digital electronic equipment and parts for such equipment that are sold or used in this state, an original equipment manufacturer shall make available to any independent repair provider and owner of digital electronic equipment manufactured by or on behalf of or sold by such original equipment manufacturer, on fair and reasonable terms, any documentation, parts, and tools required for the diagnosis, maintenance, or repair of such digital electronic equipment and parts for such equipment. Such documentation, parts, and tools shall be made available either directly by such original equipment manufacturer or via an authorized repair provider.

(b) For equipment that contains an electronic security lock or other security-related function, the original equipment manufacturer shall make available to any owner and independent repair provider, on fair and reasonable terms, any special documentation, tools, and parts needed to access and reset the lock or function when disabled in the course of diagnosis, maintenance, or repair of such equipment. Such documentation, tools, and parts may be made available through appropriate secure release systems.

3. Limitations. (a) Nothing in this section shall be construed to require an original equipment manufacturer to divulge any trade secret to any owner or independent service provider.

(b) Nothing in this section shall be construed to alter the terms of any arrangement described in paragraph (a) of subdivision one of this section in force between an authorized repair provider and an original equipment manufacturer, including, but not limited to, the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an original equipment manufacturer pursuant to such arrangement, except that any provision in such terms that purports to waive, avoid, restrict, or limit the original equipment manufacturer's obligations to comply with this section shall be void and unenforceable.

(c) Nothing in this section shall be construed to require an original equipment manufacturer or an 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 pursuant to the terms of an arrangement described in paragraph (a) of subdivision one of this section.

(d) Nothing in this section shall be construed to require an original equipment manufacturer or authorized repair provider to make available any parts, tools or documentation for the purposes of modifying or making modifications to any digital electronic equipment.

1 (e) Nothing in this section shall be construed to require an original
2 equipment manufacturer or authorized repair provider to make available
3 any parts, tools, or documentation required for the diagnosis, mainte-
4 nance, or repair of public safety communications equipment, the intended
5 use of which is for emergency response or prevention purposes by an
6 emergency service organization such as a police, fire or emergency
7 medical services agency.

8 (f) Nothing in this section shall be construed to require any original
9 equipment manufacturer or authorized repair provider to make available
10 any parts, tools, or documentation required for the diagnosis, mainte-
11 nance, or repair of digital electronic equipment in a manner that is
12 inconsistent with or in violation of any federal law, such as gaming and
13 entertainment consoles, related software and components.

14 (g) Nothing in this section shall be construed to require any original
15 equipment manufacturer or authorized repair provider to make available
16 any parts, tools, or documentation required for the diagnosis, mainte-
17 nance, or repair of any home appliance that has a digital electronic
18 product embedded within it, including, but not limited to, refrigera-
19 tors, ovens, microwaves, air conditioning and heating units, including
20 any related software and components.

21 4. Exclusions. Nothing in this section shall apply to:

22 (a) a motor vehicle manufacturer, manufacturer of motor vehicle equip-
23 ment, or motor vehicle dealer acting in such capacity, or to any product
24 or service of a motor vehicle manufacturer, manufacturer of motor vehi-
25 cle equipment, or motor vehicle dealer acting in such capacity;

26 (b) a medical device, as defined in this section, or a digital elec-
27 tronic product found in a medical setting including diagnostic, monitor-
28 ing, or control equipment or any product or service that they offer; or

29 (c) a manufacturer, distributor, importer, or dealer of any off-road
30 (non-road) equipment, including but not limited to, farm and utility
31 tractors, farm implements, farm machinery, forestry equipment, indus-
32 trial equipment, utility equipment, construction equipment, compact
33 construction equipment, mining equipment, turf, yard and garden equip-
34 ment, outdoor power equipment (including portable generators), marine,
35 all-terrain sports and recreational vehicles (including racing vehi-
36 cles), stand-alone or integrated stationary or mobile internal
37 combustion engines, other power sources, (including without limitation,
38 generator sets, electric/battery and fuel cell power), power tools, and
39 any tools, technology, attachments, accessories, components and repair
40 parts for any of the foregoing.

41 5. No original equipment manufacturer or authorized repair provider
42 shall be liable for any damage or injury caused to any digital electron-
43 ic equipment by an independent repair provider or owner which occurs
44 during the course of repair, diagnosis, maintenance, or modification,
45 including but not limited to, any indirect, incidental, special or
46 consequential damages; any loss of data, privacy or profits; or any
47 inability to use, or reduced functionality of, the digital electronic
48 equipment.

49 6. Enforcement by the attorney general. (a) Whenever the attorney
50 general shall believe from evidence satisfactory to the attorney general
51 that any person, firm, corporation or association or agent or employee
52 thereof has engaged in or is about to engage in any acts or practices in
53 violation of this section, the attorney general may bring an action in
54 the name and on behalf of the people of the state of New York to enjoin
55 such unlawful acts or practices and to obtain restitution of any moneys
56 or property obtained directly or indirectly by any such acts or prac-

1 tices in violation of this section. In such proceeding preliminary
2 relief may be granted under article sixty-three of the civil practice
3 law and rules.

4 (b) Except as provided herein, before any violation of this section is
5 sought to be enjoined, the attorney general shall give such person,
6 firm, corporation, or association against whom such proceeding is
7 contemplated notice and an opportunity to show in writing, within five
8 business days after the delivery of such notice, why proceedings should
9 not be instituted against such person, firm, corporation, or associ-
10 ation. Such notice by the attorney general shall be delivered by certi-
11 fied mail and by first-class mail with proof of mailing. In any proceed-
12 ing in which the attorney general seeks preliminary relief, such notice
13 shall not be required upon a finding by the attorney general that such
14 notice and opportunity is not in the public interest.

15 (c) In connection with any proposed proceeding under this section, the
16 attorney general is authorized to take proof and make a determination of
17 the relevant facts, and to issue subpoenas in accordance with the civil
18 practice law and rules.

19 (d) This subdivision shall apply to all acts or practices declared to
20 be in violation of this section, whether or not subject to any other law
21 of this state, and shall not supersede, amend or repeal any other law of
22 this state under which the attorney general is authorized to take any
23 action or conduct any inquiry.

24 (e) Any person, firm, corporation or association or agent or employee
25 thereof who engages in any acts or practices in violation of this
26 section shall be liable to a civil penalty of not more than five hundred
27 dollars for each violation, which shall accrue to the state of New York
28 and may be recovered in a civil action brought by the attorney general.

29 (f) Except in the instance of a dispute arising between an original
30 equipment manufacturer and an authorized repair provider related to
31 either party's compliance with an existing authorized repair agreement,
32 an authorized repair provider shall have all the rights and remedies
33 provided in this section.

34 § 3. This act shall take effect one year after it shall have become a
35 law.