## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

## No. 1817 Session of 1999

INTRODUCED BY ROONEY, GEORGE, SCHULER, WILT, BELARDI, MASLAND, PISTELLA, SOLOBAY, SHANER, BELFANTI, READSHAW, CORRIGAN, FREEMAN, DALEY, PETRARCA, LAUGHLIN, GRUCELA, WALKO, WOJNAROSKI, SEYFERT, STABACK, McCALL, BISHOP, JOSEPHS, SERAFINI, TRELLO, MELIO, YOUNGBLOOD, HARHAI, TRAVAGLIO AND RAMOS, AUGUST 30, 1999

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, AUGUST 30, 1999

## AN ACT

- 1 Providing for rights of purchasers of defective computer
- devices, for protection from warranty abuses and effective
- 3 warranty repairs; imposing certain recordkeeping
- 4 requirements; and establishing a right of action.
- 5 The General Assembly of the Commonwealth of Pennsylvania
- 6 hereby enacts as follows:
- 7 Section 1. Short title.
- 8 This act shall be known and may be cited as the Computer
- 9 Lemon Law.
- 10 Section 2. Definitions.
- 11 The following words and phrases when used in this act shall
- 12 have the meanings given to them in this section unless the
- 13 context clearly indicates otherwise:
- 14 "Brand new computer." A computer device which is recently
- 15 assembled, unused and contains no reconditioned parts.
- 16 "Computer device." A central processing unit or terminal
- 17 display screen, including all circuitry and connective devices,

- 1 a printer, modem, scanner or other device used with a computer
- 2 or any programming for a computer, whether preinstalled or
- 3 purchased separately.
- 4 "Date of sale or lease." The date when a computer device is
- 5 first delivered to a purchaser.
- 6 "Manufacturer." A person or for-profit entity engaged in the
- 7 business of manufacturing or assembling computers or computer
- 8 software or accessories.
- 9 "Nonconformity." A defect, condition or malfunction which
- 10 impairs the use of a computer device or causes it to operate in
- 11 a manner not intended.
- 12 "Notice." The means by which a purchaser advises a
- 13 manufacturer of a nonconformity, whether transmitted by any of
- 14 the following: certified mail, registered mail, return receipt
- 15 requested, facsimile transmission, electronic, e-mail or any
- 16 means provided for in the manufacturer's warranty or service
- 17 materials.
- 18 "Purchaser." A person who is a resident or temporary
- 19 resident of this Commonwealth or business entity that has fewer
- 20 than 30 personal computers acting either in concert with a
- 21 network or as stand-alone machines and who obtains a computer
- 22 device by lease, retail sale, Internet sale, gift, special
- 23 contract or other transaction, whether delivered or currently
- 24 located in this Commonwealth.
- 25 Section 3. Notice to purchaser.
- 26 (a) Statement of purchaser's rights.--A purchaser shall be
- 27 provided at the time of sale or lease with an accurate statement
- 28 of the purchaser's rights established by this act in 14-point
- 29 boldface type. The manufacturer shall secure from the purchaser
- 30 a signed acknowledgment that the rights have been explained and

- 1 are understood. Unless a signed acknowledgment of rights is
- 2 secured, the time limits specified in section 4 shall be tolled.
- 3 (b) Disclosure of programs.--At the time of sale, the
- 4 manufacturer of a computer device must conspicuously disclose
- 5 the name of all software programs and or combinations of
- 6 programs, by version number, which will cause or may be likely
- 7 to cause, operating problems with the device. It shall be the
- 8 burden of the manufacturer to prove in any claim brought under
- 9 this act that such disclosure was made.
- 10 Section 4. Coverage and coverage period.
- 11 (a) Right to repair. -- A purchaser of a computer device shall
- 12 be entitled to effective repairs by the manufacturer for any
- 13 nonconformity which shall arise during the first 24 months of
- 14 use, at no cost to the purchaser, except that if the
- 15 manufacturer has issued a warranty or service contract, the
- 16 coverage period shall be the greater of the term specified in
- 17 the warranty or service contract or 24 months from the date of
- 18 purchase.
- 19 (b) Manufacturer duty to repair.--
- 20 (1) Within five business days after receiving notice
- 21 from a purchaser of a nonconformity, plus reasonable time for
- 22 shipping of not more than three business days, the
- 23 manufacturer shall repair any computer device and return it
- 24 to the purchaser as follows:
- 25 (i) If onsite service is provided for in the
- 26 warranty, repairs shall be made at the purchaser's
- 27 location without charge.
- 28 (ii) If onsite service is not specified in the
- warranty, the manufacturer shall arrange and pay for the
- 30 cost of shipping from the purchaser's location.

- (iii) A purchaser who at the manufacturer's

  direction conducts diagnostic, troubleshooting or

  attempted repairs, including, but not limited to, partial

  disassembly, shall for the purposes of this act be

  considered the same as if the repairs were attempted by

  the manufacturer itself.
- 7 (iv) All repairs shall be guaranteed by the 8 manufacturer for a term of two years.
- 9 (c) Second opportunity for repair.--If the repair is
  10 ineffective, the manufacturer shall, upon notice from the
  11 consumer, have a second opportunity to make an effective repair
  12 at the purchaser's physical location, provided that the repair
  13 is completed within three business days. The purchaser shall not
  14 be required to ship the unit back to the manufacturer for the
  15 final repair opportunity regardless of the manufacturer's
- 17 (d) Right to refund.--

willingness to pay for the cost of same.

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- (1) If the second repair is ineffective or if the manufacturer fails to timely respond to the purchaser as required under this section, the purchaser may elect:
  - (i) a refund of the full purchase price paid at the time of sale or the full value of the lease, as the case may be, plus finance and collateral charges; or
    - (ii) delivery of a brand new computer device from the manufacturer, of equal or greater value than the original price paid at the time of acquisition, without charge or offset for use.
- 28 (2) If more than one nonconformity has been subject to 29 repair, no second repair attempt shall be required before 30 seeking the remedies provided in this act.

- 1 (e) Return of unrepaired computer device. -- A manufacturer
- 2 may, at its discretion, request return of the unrepaired
- 3 computer device at cost, if the manufacturer has replaced the
- 4 unit or refunded the purchase price.
- 5 (f) Resale prohibited. -- No computer device returned under
- 6 this section may be resold in this Commonwealth. A violation of
- 7 this subsection shall be a violation of the act of December 17,
- 8 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and
- 9 Consumer Protection Law, entitling any subsequent purchaser to
- 10 treble the purchase price paid by that purchaser.
- 11 (g) Breach of warranty. -- Notwithstanding subsections (e) and
- 12 (f), a manufacturer who refuses to honor the terms of any
- 13 warranty booklet or materials delivered to the purchaser at,
- 14 prior to or after the delivery of the computer device shall be
- 15 in violation of the Unfair Trade Practices and Consumer
- 16 Protection Law, entitling the purchaser to treble the purchase
- 17 price paid for the device.
- 18 Section 5. Recordkeeping.
- 19 A manufacturer shall retain records of all contacts,
- 20 communications, notice transmissions or customer service
- 21 dialogues between itself and a purchaser and shall maintain a
- 22 list, by serial number, of all refunds or replacements made
- 23 pursuant to this act. Copies shall be made available to the
- 24 purchaser upon demand, regardless of whether the manufacturer
- 25 utilizes the services of a third party to manage purchaser
- 26 claims. Failure to comply with this section shall be a violation
- 27 of the act of December 17, 1968 (P.L.1224, No.387), known as the
- 28 Unfair Trade Practices and Consumer Protection Law, entitling
- 29 the purchaser to treble the purchase price paid for the device.
- 30 Section 6. Civil actions.

- 1 (a) Right of action. -- If the manufacturer of a computer
- 2 device violates any provision of this act, the purchaser may
- 3 initiate an action to recover as damages any and all remedies
- 4 specified in section 4.
- 5 (b) Additional award.--In addition to refund or replacement
- 6 of the computer device under section 4, a prevailing purchaser
- 7 shall be entitled to the following:
- 8 (1) \$1,500, if judgment is obtained from a district
- 9 justice or municipal court judge;
- 10 (2) \$3,000, if judgment is obtained from a common pleas
- 11 court panel of arbitration; or
- 12 (3) \$6,000, if judgment is obtained from a common pleas
- 13 court.
- 14 (c) Corporate witness.--If a purchaser initiates an action
- 15 in this Commonwealth for a violation of this act, the
- 16 manufacturer shall produce at each and every court proceeding in
- 17 such action a corporate representative who shall be fully aware
- 18 of the facts and circumstances of the case and have available
- 19 for the court's review a copy of all data generated under the
- 20 provisions of this section.
- 21 Section 7. Attorney fees.
- 22 If a purchaser prevails in a claim under this act, the
- 23 manufacturer shall pay the purchaser's reasonable attorney fees,
- 24 costs and expert expenses in resolving and, if necessary,
- 25 litigating an action under section 6, regardless of the cost of
- 26 the computer device.
- 27 Section 8. Prohibited defenses.
- 28 It shall not be a defense under this act that a nonconformity
- 29 was caused by a software programming problem:
- 30 (1) If the software was preinstalled by the

- 1 manufacturer.
- 2 (2) Unless the manufacturer produces an expert witness
- 3 at the proceedings who examined the computer device and can
- 4 specify the exact cause and correction of the problem.
- 5 (3) Unless the manufacturer has strictly complied with
- 6 the notice provisions of section 3(b).
- 7 Section 9. Expert witness.
- 8 A purchaser who seeks relief under this act shall not be
- 9 required to retain the opinion of an expert to prevail against a
- 10 manufacturer under any circumstances.
- 11 Section 10. Application of Unfair Trade Practices and Consumer
- 12 Protection Law.
- 13 A violation of any provision of this act shall also be a
- 14 violation of the act of December 17, 1968 (P.L.1224, No.387),
- 15 known as the Unfair Trade Practices and Consumer Protection Law.
- 16 Section 11. Rights preserved.
- 17 Nothing in this act shall limit the purchaser from pursuing
- 18 any other rights or remedies under any other law, contract or
- 19 warranty.
- 20 Section 12. Nonwaiver of act.
- 21 The provisions of this act may not be waived by a purchaser.
- 22 Section 13. Applicability.
- 23 This act shall apply to all computer devices purchased,
- 24 leased or delivered to a purchaser after the effective date of
- 25 this act.
- 26 Section 14. Effective date.
- 27 This act shall take effect in 60 days.