

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2087

Session of
2007

INTRODUCED BY DePASQUALE, BOBACK, BELFANTI, CALTAGIRONE,
CARROLL, CRUZ, DALEY, FABRIZIO, HARKINS, HORNAMAN, JOSEPHS,
KORTZ, LENTZ, MARSHALL, McCALL, McILVAINE SMITH, R. MILLER,
MUNDY, PARKER, READSHAW, SABATINA, SAYLOR, SCAVELLO, SHAPIRO,
SIPTROTH, SURRA, WANSACZ, J. WHITE, YUDICHAK, LEACH,
GINGRICH, RUBLEY, McGEEHAN, FREEMAN, KULA, BENNINGTON,
GOODMAN, YOUNGBLOOD, GEIST, SWANGER, MELIO, RAMALEY, PALLONE,
CASORIO, CURRY, HELM, MACKERETH, THOMAS, MURT, TRUE, PETRONE,
WAGNER, K. SMITH, SCHRODER, DeLUCA AND MANN, DECEMBER 5, 2007

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, MARCH 18, 2008

AN ACT

1 Amending the act of December 17, 1968 (P.L.1224, No.387),
2 entitled "An act prohibiting unfair methods of competition
3 and unfair or deceptive acts or practices in the conduct of
4 any trade or commerce, giving the Attorney General and
5 District Attorneys certain powers and duties and providing
6 penalties," further providing for definitions; and adding
7 provisions relating to unsafe children's products.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The definition of "unfair methods of competition"
11 and "unfair or deceptive acts or practices" in section 2(4) of
12 the act of December 17, 1968 (P.L.1224, No.387), known as the
13 Unfair Trade Practices and Consumer Protection Law, reenacted
14 and amended November 24, 1976 (P.L.1166, No.260) and amended
15 December 4, 1996 (P.L.906, No.146), is amended and the section
16 is amended by adding a definition to read:

1 Section 2. Definitions.--As used in this act.

2 * * *

3 (4) "Unfair methods of competition" and "unfair or deceptive
4 acts or practices" mean any one or more of the following:

5 (i) Passing off goods or services as those of another;

6 (ii) Causing likelihood of confusion or of misunderstanding
7 as to the source, sponsorship, approval or certification of
8 goods or services;

9 (iii) Causing likelihood of confusion or of misunderstanding
10 as to affiliation, connection or association with, or
11 certification by, another;

12 (iv) Using deceptive representations or designations of
13 geographic origin in connection with goods or services;

14 (v) Representing that goods or services have sponsorship,
15 approval, characteristics, ingredients, uses, benefits or
16 quantities that they do not have or that a person has a
17 sponsorship, approval, status, affiliation or connection that he
18 does not have;

19 (vi) Representing that goods are original or new if they are
20 deteriorated, altered, reconditioned, reclaimed, used or
21 secondhand;

22 (vii) Representing that goods or services are of a
23 particular standard, quality or grade, or that goods are of a
24 particular style or model, if they are of another;

25 (viii) Disparaging the goods, services or business of
26 another by false or misleading representation of fact;

27 (ix) Advertising goods or services with intent not to sell
28 them as advertised;

29 (x) Advertising goods or services with intent not to supply
30 reasonably expectable public demand, unless the advertisement

1 discloses a limitation of quantity;

2 (xi) Making false or misleading statements of fact

3 concerning the reasons for, existence of, or amounts of price

4 reductions;

5 (xii) Promising or offering prior to time of sale to pay,

6 credit or allow to any buyer, any compensation or reward for the

7 procurement of a contract for purchase of goods or services with

8 another or others, or for the referral of the name or names of

9 another or others for the purpose of attempting to procure or

10 procuring such a contract of purchase with such other person or

11 persons when such payment, credit, compensation or reward is

12 contingent upon the occurrence of an event subsequent to the

13 time of the signing of a contract to purchase;

14 (xiii) Promoting or engaging in any plan by which goods or

15 services are sold to a person for a consideration and upon the

16 further consideration that the purchaser secure or attempt to

17 secure one or more persons likewise to join the said plan; each

18 purchaser to be given the right to secure money, goods or

19 services depending upon the number of persons joining the plan.

20 In addition, promoting or engaging in any plan, commonly known

21 as or similar to the so-called "Chain-Letter Plan" or "Pyramid

22 Club." The terms "Chain-Letter Plan" or "Pyramid Club" mean any

23 scheme for the disposal or distribution of property, services or

24 anything of value whereby a participant pays valuable

25 consideration, in whole or in part, for an opportunity to

26 receive compensation for introducing or attempting to introduce

27 one or more additional persons to participate in the scheme or

28 for the opportunity to receive compensation when a person

29 introduced by the participant introduces a new participant. As

30 used in this subclause the term "consideration" means an

1 investment of cash or the purchase of goods, other property,
2 training or services, but does not include payments made for
3 sales demonstration equipment and materials for use in making
4 sales and not for resale furnished at no profit to any person in
5 the program or to the company or corporation, nor does the term
6 apply to a minimal initial payment of twenty-five dollars (\$25)
7 or less;

8 (xiv) Failing to comply with the terms of any written
9 guarantee or warranty given to the buyer at, prior to or after a
10 contract for the purchase of goods or services is made;

11 (xv) Knowingly misrepresenting that services, replacements
12 or repairs are needed if they are not needed;

13 (xvi) Making repairs, improvements or replacements on
14 tangible, real or personal property, of a nature or quality
15 inferior to or below the standard of that agreed to in writing;

16 (xvii) Making solicitations for sales of goods or services
17 over the telephone without first clearly, affirmatively and
18 expressly stating:

19 (A) the identity of the seller;

20 (B) that the purpose of the call is to sell goods or
21 services;

22 (C) the nature of the goods or services; and

23 (D) that no purchase or payment is necessary to be able to
24 win a prize or participate in a prize promotion if a prize
25 promotion is offered. This disclosure must be made before or in
26 conjunction with the description of the prize to the person
27 called. If requested by that person, the telemarketer must
28 disclose the no-purchase/no-payment entry method for the prize
29 promotion;

30 (xviii) Using a contract, form or any other document related

1 to a consumer transaction which contains a confessed judgment
2 clause that waives the consumer's right to assert a legal
3 defense to an action;

4 (xix) Soliciting any order for the sale of goods to be
5 ordered by the buyer through the mails or by telephone unless,
6 at the time of the solicitation, the seller has a reasonable
7 basis to expect that it will be able to ship any ordered
8 merchandise to the buyer:

9 (A) within that time clearly and conspicuously stated in any
10 such solicitation; or

11 (B) if no time is clearly and conspicuously stated, within
12 thirty days after receipt of a properly completed order from the
13 buyer, provided, however, where, at the time the merchandise is
14 ordered, the buyer applies to the seller for credit to pay for
15 the merchandise in whole or in part, the seller shall have fifty
16 days, rather than thirty days, to perform the actions required
17 by this subclause;

18 (xx) Failing to inform the purchaser of a new motor vehicle
19 offered for sale at retail by a motor vehicle dealer of the
20 following:

21 (A) that any rustproofing of the new motor vehicle offered
22 by the motor vehicle dealer is optional;

23 (B) that the new motor vehicle has been rustproofed by the
24 manufacturer and the nature and extent, if any, of the
25 manufacturer's warranty which is applicable to that
26 rustproofing;

27 The requirements of this subclause shall not be applicable and a
28 motor vehicle dealer shall have no duty to inform if the motor
29 vehicle dealer rustproofed a new motor vehicle before offering
30 it for sale to that purchaser, provided that the dealer shall

1 inform the purchaser whenever dealer rustproofing has an effect
2 on any manufacturer's warranty applicable to the vehicle. This
3 subclause shall not apply to any new motor vehicle which has
4 been rustproofed by a motor vehicle dealer prior to the
5 effective date of this subclause[.];

6 (xxi) Knowingly selling or offering for sale a children's
7 product that has been identified as unsafe and listed in
8 accordance with section 9.4(b); and

9 [(xxi)] (xxii) Engaging in any other fraudulent or deceptive
10 conduct which creates a likelihood of confusion or of
11 misunderstanding.

12 (5) "Children's product" means a product that is designed or
13 intended for the care of or use by a child who is under twelve
14 years of age and the product is designed or intended to come
15 into contact with the child while the product is being used. For
16 the purpose of this act, the term does not include a product if
17 it may be used by or for the care of a child who is under twelve
18 years of age but was designed or intended for use by the general
19 population and not solely by a child under twelve years of age.
20 The term also does not include a medication, drug or food, or a
21 product designed to be ingested.

22 Section 2. The act is amended by adding a section to read:

23 Section 9.4. Unsafe Children's Products.--(a) A children's
24 product shall be deemed unsafe if it meets any of the following
25 criteria:

26 (1) It does not conform to all Federal laws and regulations
27 setting forth standards for that children's product, including
28 standards endorsed or established by the Consumer Product Safety
29 Commission or the American Society for Testing and Materials.

30 (2) It has been recalled by an agency of the Federal

1 Government or its manufacturer and the recall has not been
2 rescinded.

3 (3) An agency of the Federal Government or the product's
4 manufacturer has issued a warning that the product's intended
5 use constitutes a safety hazard and the warning has not been
6 rescinded.

7 (b) The Attorney General shall create or adopt by reference,
8 and shall maintain and update, a list of children's products
9 that have been deemed unsafe under subsection (a). The Attorney
10 General shall make the list available to the public at no cost
11 and shall post it conspicuously on the Attorney General's
12 Internet website. The Attorney General shall also provide links
13 on the Internet website to government agencies or organizations
14 that provide information regarding unsafe children's products.

15 (c) When the Consumer Product Safety Commission or the
16 manufacturer of a children's product issues a recall or warning
17 under subsection (a)(2) or (3), the manufacturer shall within
18 twenty-four hours:

19 (1) Notify each ~~customer~~ COMMERCIAL CUSTOMER, OTHER THAN END <—
20 CUSTOMERS, to whom the manufacturer sold the product of the
21 recall or warning and transmit to each COMMERCIAL customer a <—
22 copy of the recall notice or warning.

23 ~~(2) Place information conspicuously on its Internet website~~ <—
24 ~~regarding the recall or warning. The information shall include~~
25 ~~the following:~~

26 ~~(i) a description of the product;~~

27 ~~(ii) a picture of the product;~~

28 ~~(iii) the reason for the recall or warning;~~

29 ~~(iv) instructions regarding how the customer shall return~~
30 ~~the recalled product or implement the warning; and~~

1 ~~(v) a link to the recall notice or warning.~~

2 (2) PLACE CONSPICUOUSLY ON ITS INTERNET WEBSITE DETAILS
3 REGARDING THE RECALL OR WARNING, WHICH DETAILS SHALL INCLUDE:

4 (I) A LINK TO THE LIST ESTABLISHED UNDER SUBSECTION (B) ON
5 THE INTERNET WEBSITE OF THE ATTORNEY GENERAL;

6 (II) A LINK TO THE INTERNET WEBSITE MAINTAINED BY THE
7 FEDERAL GOVERNMENT FOR THE PURPOSE OF POSTING RECALLS OF OR
8 WARNINGS ABOUT CHILDREN'S PRODUCTS; OR

9 (III) THE FOLLOWING:

10 (A) A DESCRIPTION AND PICTURE OF THE PRODUCT;

11 (B) THE REASON FOR THE RECALL OR WARNING;

12 (C) INSTRUCTIONS REGARDING HOW THE CUSTOMER MAY RETURN THE
13 RECALLED PRODUCT OR IMPLEMENT THE WARNING; AND

14 (D) A LINK TO THE SPECIFIC RECALL NOTICE OR WARNING FOR THE
15 PRODUCT OTHER THAN THE LINKS IDENTIFIED UNDER SUBPARAGRAPH (I)
16 OR (II).

17 (d) When a retailer receives notice that a children's
18 product is the subject of a recall or a warning under subsection
19 (a)(2) or (3), the retailer shall:

20 (1) Within three business days, stop selling the product.

21 (2) Within thirty days, attempt to contact each purchaser of
22 the product for whom the retailer has a shipping address or e-
23 mail address to inform the purchaser that the product has been
24 recalled or is subject to a warning.

25 (3) Within five business days, place information
26 conspicuously on its Internet website regarding the recall or
27 warning. The information shall include the following:

28 (i) a description of the product;

29 (ii) a picture of the product;

30 (iii) the reason for the recall or warning;

~~(iv) instructions regarding how the customer shall return
the recalled product or implement the warning; and~~

~~(v) a link to the recall notice or warning.~~ CONSPICUOUSLY ON
ITS INTERNET WEBSITE DETAILS REGARDING THE RECALL OR WARNING,
WHICH DETAILS SHALL INCLUDE:

(I) A LINK TO THE LIST ESTABLISHED UNDER SUBSECTION (B) ON
THE INTERNET WEBSITE OF THE ATTORNEY GENERAL;

(II) A LINK TO THE INTERNET WEBSITE MAINTAINED BY THE
FEDERAL GOVERNMENT FOR THE PURPOSE OF POSTING RECALLS OF OR
WARNINGS ABOUT CHILDREN'S PRODUCTS; OR

(III) THE FOLLOWING:

(A) A DESCRIPTION AND PICTURE OF THE PRODUCT;

(B) THE REASON FOR THE RECALL OR WARNING;

(C) INSTRUCTIONS REGARDING HOW THE CUSTOMER MAY RETURN THE
RECALLED PRODUCT OR IMPLEMENT THE WARNING; AND

(D) A LINK TO THE SPECIFIC RECALL NOTICE OR WARNING FOR THE
PRODUCT OTHER THAN THE LINKS IDENTIFIED UNDER SUBPARAGRAPH (I)
OR (II).

(e) A retailer that sells used or donated children's
products shall ~~comply with subsection (d)~~ STOP SELLING THE
PRODUCT within five business days after a children's product is
placed on the Attorney General's Internet website.

(f) A IN ADDITION TO THE REQUIREMENTS UNDER SUBSECTION (C),
A manufacturer that sells children's products DIRECTLY TO A
NONCOMMERCIAL CUSTOMER shall comply with subsection (d)(1) and
(2).

(g) For the purpose of this section, the term "manufacturer"
shall include the manufacturer, the importer, the wholesaler and
the distributor of a children's product.

Section 3. This act shall take effect in 60 days.