

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1431 Session of
2009

INTRODUCED BY DePASQUALE, SIPTROTH, WAGNER, McGEEHAN, BRENNAN,
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SHAPIRO, SABATINA, MANN, ADOLPH, MARSHALL, D. COSTA, MURT,
GEIST, FREEMAN, EACHUS AND MATZIE, MAY 5, 2009

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 2, 2009

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 FOR
7 UNLAWFUL ACTS OR PRACTICES AND EXCLUSIONS; and providing for
8 unsafe children's products. ←

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

11 Section 1. The definition of "unfair methods of competition"
12 and "unfair or deceptive acts or practices" in section 2(4) of
13 the act of December 17, 1968 (P.L.1224, No.387), known as the
14 Unfair Trade Practices and Consumer Protection Law, reenacted
15 and amended November 24, 1976 (P.L.1166, No.260) and amended
16 December 4, 1996 (P.L.906, No.146), is amended and the section
17 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. SECTION 3 OF THE ACT, AMENDED NOVEMBER 29, 2006
23 (P.L.1624, NO.185), IS AMENDED TO READ:

24 SECTION 3. UNLAWFUL ACTS OR PRACTICES; EXCLUSIONS.--UNFAIR
25 METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS OR PRACTICES
26 IN THE CONDUCT OF ANY TRADE OR COMMERCE AS DEFINED BY
27 [SUBCLAUSES (I) THROUGH (XXI) OF] CLAUSE (4) OF SECTION 2 OF
28 THIS ACT AND REGULATIONS PROMULGATED UNDER SECTION 3.1 OF THIS
29 ACT ARE HEREBY DECLARED UNLAWFUL. THE PROVISIONS OF THIS ACT
30 SHALL NOT APPLY TO ANY OWNER, AGENT OR EMPLOYEE OF ANY RADIO OR



1 TELEVISION STATION, OR TO ANY OWNER, PUBLISHER, PRINTER, AGENT
2 OR EMPLOYE OF AN INTERNET SERVICE PROVIDER OR A NEWSPAPER OR
3 OTHER PUBLICATION, PERIODICAL OR CIRCULAR, WHO, IN GOOD FAITH
4 AND WITHOUT KNOWLEDGE OF THE FALSITY OR DECEPTIVE CHARACTER
5 THEREOF, PUBLISHES, CAUSES TO BE PUBLISHED OR TAKES PART IN THE
6 PUBLICATION OF SUCH ADVERTISEMENT.

7 Section 2 3. The act is amended by adding a section to read: ←

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

11 (1) It does not conform to all Federal laws and regulations
12 setting forth standards for that children's product, including
13 standards endorsed or established by the Consumer Product Safety
14 Commission or the American Society for Testing and Materials AS ←
15 ADOPTED BY THE CONSUMER PRODUCT SAFETY COMMISSION AND SUCH
16 NONCONFORMANCE RESULTS IN A SUBSTANTIAL PRODUCT HAZARD AS
17 DETERMINED BY THE CONSUMER PRODUCT SAFETY COMMISSION.

18 (2) It has been recalled by an agency of the Federal
19 Government or its manufacturer IN COOPERATION WITH THE ←
20 GOVERNMENT and the recall has not been rescinded.

21 (3) An agency of the Federal Government or the product's
22 manufacturer has issued a warning that the product's intended
23 use constitutes a safety hazard and the warning has not been
24 rescinded. WARNINGS ABOUT PROPER USE OR HANDLING OF A PRODUCT ←
25 SHALL NOT CONSTITUTE A REGULATED WARNING UNDER THIS CLAUSE.

26 (b) The Attorney General shall create or adopt by reference,
27 and shall maintain and update, a list of children's products
28 that have been deemed unsafe under subsection (a). The Attorney
29 General shall make the list available to the public at no cost
30 and shall post it conspicuously on the Attorney General's

Internet website. The Attorney General shall also provide links on the Internet website to government agencies or organizations that provide information regarding unsafe children's products.

(c) When the Consumer Product Safety Commission or the manufacturer of a children's product IN COOPERATION WITH THE CONSUMER PRODUCT SAFETY COMMISSION issues a recall or warning under subsection (a) (2) or (3), the manufacturer shall within twenty-four hours OR PURSUANT TO CONSUMER PRODUCT SAFETY COMMISSION DIRECTION OR CORRECTIVE ACTION PLAN UNDERTAKE THE FOLLOWING ACTIONS TO THE EXTENT REQUIRED BY THE CONSUMER PRODUCT SAFETY COMMISSION:

(1) Notify each commercial customer, other than end customers, to whom the manufacturer sold the product of the recall or warning and transmit to each commercial customer a copy of the recall notice or warning.

(2) Place conspicuously on its Internet website details regarding the recall or warning TO THE EXTENT APPLICABLE, which details shall include, IF REQUIRED BY THE CONSUMER PRODUCT SAFETY COMMISSION:

(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

1 product other than the links identified under subparagraph (i)
2 or (ii).

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

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

7 (2) Within thirty days, attempt to contact each purchaser of
8 the product for whom the retailer has a shipping address or e-
9 mail address to inform the purchaser that the product has been
10 recalled or is subject to a warning TO THE EXTENT REQUIRED BY ←
11 THE CONSUMER PRODUCT SAFETY COMMISSION.

12 (3) Within five business days, place conspicuously on its
13 Internet website details regarding the recall or warning TO THE ←
14 EXTENT REQUIRED BY THE CONSUMER PRODUCT SAFETY COMMISSION, which
15 details shall include, IF APPLICABLE: ←

16 (i) a link to the list established under subsection (b) on
17 the Internet website of the Attorney General;

18 (ii) a link to the Internet website maintained by the
19 Federal Government for the purpose of posting recalls of or
20 warnings about children's products; or

21 (iii) the following:

22 (A) a description and picture of the product;

23 (B) the reason for the recall or warning;

24 (C) instructions regarding how the customer may return the
25 recalled product or implement the warning; and

26 (D) a link to the specific recall notice or warning for the
27 product other than the links identified under subparagraph (i)
28 or (ii).

29 (e) A retailer that sells used or donated children's
30 products shall stop selling the product within five business

days after a children's product is placed on the Attorney
General's Internet website WITH A NOTATION THAT SALE OF THE
PRODUCT IS PROHIBITED BY THE CONSUMER PRODUCT SAFETY COMMISSION.

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(f) 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) COMPLIANCE WITH A CONSUMER PRODUCT SAFETY COMMISSION
CORRECTIVE ACTION PLAN SHALL BE DEEMED A COMPLETE DEFENSE TO AN
ALLEGED VIOLATION UNDER THIS SECTION.

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~~(g)~~ (H) 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.

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Section ~~3~~ 4. This act shall take effect in 60 days.

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