



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4747**

by Rep. David Harris

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Digital Fair Repair Act. Provides that original equipment manufacturers shall: (i) make available to any independent repair provider or owner of equipment manufactured by the original equipment manufacturer the same diagnostic and repair documentation in the same manner as that information is made available to the manufacturer's authorized repair providers; and (ii) make available for purchase by the owner, his or her authorized agent, or any independent repair provider, parts, inclusive of any updates to the embedded software of the parts, upon fair and reasonable terms. Requires original equipment manufacturers to make available for purchase by owners and independent repair providers all diagnostic repair tools incorporating the same diagnostic, repair, and remote communications capabilities that the original equipment manufacturer makes available to its own repair or engineering staff or an authorized repair provider. Requires an independent repair provider that purchases or acquires embedded software or service parts to notify the owner of the equipment in writing of certain warranties prior to performing any services on digital electronic equipment. Provides, with one exception, an authorized provider shall have all the rights and remedies provided under the Act. Provides for enforcement by the Attorney General. Authorizes the Attorney General to seek to enjoin violations and to recover civil penalties. Requires the Attorney General to establish an outreach program to inform the public of rights under the Act. Defines terms. Excludes motor vehicle manufacturers. Provides for recovery of damages and attorney's fees. Provides for the protection of trade secrets. Effective January 1, 2019.

LRB100 17972 JLS 33156 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Digital Fair Repair Act.

6 Section 5. Definitions. In this Act:

7 "Authorized repair provider" means a person or a business  
8 that has an arrangement for a definite or indefinite period in  
9 which an original equipment manufacturer grants to a separate  
10 business organization or individual a license to use a trade  
11 name, service mark, or related characteristic for the purposes  
12 of offering repair services under the name of the original  
13 equipment manufacturer.

14 "Digital electronic equipment" or "equipment" means a part  
15 or equipment originally manufactured for distribution and sale  
16 in the United States.

17 "Documentation" means any manuals, diagrams, reporting  
18 output, or service code description provided to the authorized  
19 repair providers for purposes of effecting repair.

20 "Embedded software" means any programmable instructions  
21 provided on firmware delivered with the equipment or part for  
22 the purposes of equipment operation, including all relevant  
23 patches and fixes made by the manufacturer for this purpose,

1 including, but not limited to, a basic internal operating  
2 system, an internal operating system, a machine code, an  
3 assembly code, a root code, and a microcode.

4 "Fair and reasonable terms" means an equitable price in  
5 light of relevant factors, including, but not limited to:

6 (1) the net cost to the authorized repair provider for  
7 similar information obtained from an original equipment  
8 manufacturer, less any discounts, rebates, or other  
9 incentive programs;

10 (2) the cost to the original equipment manufacturer for  
11 preparing and distributing the information, excluding any  
12 research and development costs incurred in designing and  
13 implementing, upgrading, or altering the product, but  
14 including amortized capital costs for the preparation and  
15 distribution of the information;

16 (3) the price charged by other original equipment  
17 manufacturers for similar information;

18 (4) the price charged by original equipment  
19 manufacturers for similar information prior to the launch  
20 of original equipment manufacturer web sites;

21 (5) the ability of aftermarket technicians or shops to  
22 afford the information;

23 (6) the means by which the information is distributed;

24 (7) the extent to which the information is used, which  
25 includes the number of users, and frequency, duration, and  
26 volume of use; and

1 (8) inflation.

2 "Firmware" means a software program or set of instructions  
3 programmed on a hardware device to allow the device to  
4 communicate with other computer hardware.

5 "Independent repair provider" means a person or business  
6 operating in this State that is not affiliated with an original  
7 equipment manufacturer or an original equipment manufacturer's  
8 authorized repair provider, that is engaged in the diagnosis,  
9 service, maintenance, or repair of equipment, except that an  
10 original equipment manufacturer shall be considered an  
11 independent repair provider for purposes of those instances  
12 when the original equipment manufacturer engages in the  
13 diagnosis, service, maintenance, or repair of digital  
14 equipment that is not affiliated with the original equipment  
15 manufacturer.

16 "Motor vehicle" means a vehicle that is designed for  
17 transporting persons or property on a street or highway and is  
18 certified by the manufacturer under all applicable federal  
19 safety and emissions standards and requirements for  
20 distribution and sale in the United States. Motor vehicle does  
21 not include:

22 (1) a motorcycle; or

23 (2) a recreational vehicle or an auto home equipped for  
24 habitation.

25 "Motor vehicle dealer" means a person or business who, in  
26 the ordinary course of business, is engaged in the business of

1 selling or leasing new motor vehicles to a person or business  
2 pursuant to a franchise agreement, has obtained a license under  
3 the Illinois Vehicle Code, and is engaged in the diagnosis,  
4 service, maintenance, or repair of motor vehicles or motor  
5 vehicle engines pursuant to that franchise agreement.

6 "Motor vehicle manufacturer" means a person or business  
7 engaged in the business of manufacturing or assembling new  
8 motor vehicles.

9 "Original equipment manufacturer" means a person or  
10 business who, in the ordinary course of its business, is  
11 engaged in the business of selling or leasing new digital  
12 electronic equipment or parts of equipment to any person or  
13 business and is engaged in the diagnosis, service, maintenance,  
14 or repair of digital electronic equipment or parts of such  
15 equipment.

16 "Owner" means a person or business who owns or leases a  
17 digital electronic product purchased or used in this State.

18 "Service parts" or "parts" means any replacement part,  
19 either new or used, made available by the original equipment  
20 manufacturer to the authorized repair provider for purposes of  
21 effecting repair.

22 "Trade secret" means (1) anything tangible or intangible or  
23 electronically stored or kept which constitutes, represents,  
24 evidences, or records intellectual property, including secret  
25 or confidentially held designs, processes, procedures,  
26 formulas, inventions, or improvements, (2) secret or

1 confidentially held scientific, technical, merchandising,  
2 production, financial, business, or management information, or  
3 (3) any other trade secret as defined in 18 U.S.C. 1839, as  
4 that Section existed on January 1, 2016.

5 Section 10. Requirements.

6 (a) For equipment and parts sold and used in this State,  
7 the original equipment manufacturer of the equipment and parts  
8 shall:

9 (1) make available to any independent repair provider  
10 or owner of products manufactured by the original equipment  
11 manufacturer diagnostic and repair documentation,  
12 including repair technical updates and updates and  
13 corrections to embedded software, for no charge or in the  
14 same manner and in the same timeframe as the original  
15 equipment manufacturer makes that diagnostic and repair  
16 documentation, including repair technical updates and  
17 updates and corrections to embedded software, available to  
18 its authorized repair provider; and

19 (2) make available for purchase by the owner, his or  
20 her authorized agent, or any independent repair provider,  
21 parts, inclusive of any updates to the embedded software of  
22 the parts, upon fair and reasonable terms.

23 Nothing in this Section requires the original equipment  
24 manufacturer to sell equipment or service parts if the parts  
25 are no longer available to the original equipment manufacturer

1 or the authorized repair provider of the original equipment  
2 manufacturer.

3 (b) An original equipment manufacturer that sells any  
4 diagnostic, service, or repair documentation to any  
5 independent repair provider or to any owner in a format that is  
6 standardized with other original equipment manufacturers, and  
7 on terms and conditions more favorable than the manner and the  
8 terms and conditions pursuant to which the authorized repair  
9 provider obtains the same diagnostic, service, or repair  
10 documentation, shall be prohibited from requiring an  
11 authorized repair provider to continue purchasing diagnostic,  
12 service, or repair documentation in a proprietary format,  
13 unless such proprietary format includes diagnostic, service,  
14 or repair documentation or functionality that is not available  
15 in such standardized format.

16 (c) An original equipment manufacturer of equipment sold or  
17 used in this State shall make available for purchase by owners  
18 and independent repair providers all diagnostic repair tools  
19 incorporating the same diagnostic, repair, and remote  
20 communications capabilities that the original equipment  
21 manufacturer makes available to its own repair or engineering  
22 staff or an authorized repair provider.

23 An original equipment manufacturer shall offer such tools  
24 for sale to an owner and independent repair provider upon fair  
25 and reasonable terms. An original equipment manufacturer that  
26 provides diagnostic repair documentation to aftermarket

1 diagnostic tool manufacturers, diagnostics providers, or  
2 service information publications and systems shall have fully  
3 satisfied its obligations under this Section and thereafter not  
4 be responsible for the content and functionality of such  
5 aftermarket diagnostic tools, diagnostics, or service  
6 information systems.

7 (d) Original equipment manufacturer equipment or parts  
8 sold or used in this State for the purpose of providing  
9 security-related functions may not exclude diagnostic,  
10 service, and repair documentation necessary to reset a  
11 security-related electronic function from information provided  
12 to an owner or independent repair provider. If excluded under  
13 this Act, the documentation necessary to reset an immobilizer  
14 system or security-related electronic module shall be obtained  
15 by an owner or independent repair provider through the  
16 appropriate secure data release systems.

17 Section 15. Notice to consumers. An independent repair  
18 provider that purchases or acquires embedded software or  
19 service parts shall, prior to performing any services on  
20 digital electronic equipment, notify the owner of the equipment  
21 in writing that:

22 (1) consumers should review the terms and conditions of  
23 the warranty for such digital electronic equipment as  
24 repairs not performed by an authorized repair provider  
25 could affect the terms and conditions of the warranty;



1           (2) warrantors cannot require that only branded parts  
2           be used with the product in order to retain the warranty;

3           (3) warrantors must demonstrate that a defect or damage  
4           was caused by independent repair to affect the warranty;

5           (4) warranties are governed by the federal  
6           Magnuson-Moss Warranty Act; and

7           (5) the independent repair provider is not an  
8           authorized repair provider for such digital electronic  
9           equipment.

10           Section 20. Rights of authorized repair provider. Except in  
11           the instance of a dispute arising between an original equipment  
12           manufacturer and its authorized repair provider related to  
13           either party's compliance with an existing authorized repair  
14           agreement, an authorized repair provider shall have all the  
15           rights and remedies provided in this Act.

16           Section 25. Duties of Attorney General. The Attorney  
17           General shall develop, establish, and implement a public  
18           outreach program directed at independent repair providers,  
19           consumers, and digital electronic original equipment  
20           manufacturers to inform them of their rights and  
21           responsibilities pursuant to this Act. The public outreach  
22           shall include brochures, consumer guides, posters, or any  
23           combination thereof and be made available to consumers and  
24           other stakeholders by any means deemed appropriate by such

1 division and may include internet, radio, and print  
2 advertising. The public outreach may also identify and recruit  
3 individuals or trade organizations to assist in distributing  
4 this information and materials. The public outreach shall begin  
5 no later than the 30th day after the effective date of this  
6 Act.

7 Section 30. Injunctions.

8 (a) Whenever the Attorney General believes from  
9 satisfactory evidence that any person, firm, corporation,  
10 association, or agent or employee thereof has engaged in or is  
11 about to engage in any act or practice that is a violation of  
12 this Act the Attorney General may bring an action in the manner  
13 provided under the Consumer Fraud and Deceptive Business  
14 Practices Act to enjoin the unlawful act or practice and to  
15 obtain restitution of any moneys or property obtained directly  
16 or indirectly by the unlawful act or practice.

17 (b) Before bringing an action under this Section, the  
18 Attorney General shall give the person against whom such  
19 proceeding is contemplated notice by certified mail and an  
20 opportunity to show in writing within 5 business days after  
21 receipt of notice why proceedings should not be instituted,  
22 unless the Attorney General finds, in any case seeking  
23 preliminary relief, that to give such notice and opportunity is  
24 not in the public interest.

25 (c) In connection with any proposed proceeding under this

1 Section, the Attorney General is authorized to take proof and  
2 make a determination of the relevant facts and issue subpoenas.

3 Section 35. Limitations.

4 (a) Nothing in this Act shall be construed to require an  
5 original equipment manufacturer to divulge a trade secret.

6 (b) No provision in this Act shall be read, interpreted, or  
7 construed to abrogate, interfere with, contradict, or alter the  
8 terms of any agreement executed and in force between an  
9 authorized repair provider and an original equipment  
10 manufacturer, including, but not limited to, the performance or  
11 provision of warranty or recall repair work by an authorized  
12 repair provider on behalf of an original equipment manufacturer  
13 pursuant to such authorized repair agreement, except that any  
14 provision in such an authorized repair agreement that purports  
15 to waive, avoid, restrict, or limit an original equipment  
16 manufacturer's compliance with this Section shall be void and  
17 unenforceable.

18 (c) Nothing in this Act shall be construed to require an  
19 original equipment manufacturer or an authorized repair  
20 provider to provide an owner or independent repair provider  
21 access to non-diagnostic and repair documentation provided by  
22 an original equipment manufacturer to an authorized repair  
23 provider pursuant to the terms of an authorizing agreement.

24 Section 40. Exclusions. Nothing in this Act applies to

1 motor vehicle manufacturers, any product or service of a motor  
2 vehicle manufacturer, or motor vehicle dealers.

3 Section 45. Penalty. Any person, firm, corporation, or  
4 association or agent or employee thereof who engages in any act  
5 or practice that is a violation of this Act is liable for a  
6 civil penalty of not more than \$500 for each violation, which  
7 may be recovered in a civil action brought by the Attorney  
8 General.

9 Section 50. Applicability. This Act applies to equipment  
10 sold or in use on or after the effective date of this Act.

11 Section 99. Effective date. This Act takes effect January  
12 1, 2019.