

**SPYWARE CONTROL ACT REVISIONS**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Stephen H. Urquhart**

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**LONG TITLE**

**General Description:**

This bill amends the Spyware Control Act.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ prohibits certain uses of pop-up advertisements;
- ▶ prohibits the purchase of pop-up advertisements that violate the chapter if the purchaser has actual notice of the violation;
- ▶ provides for the permissive removal of certain software; and
- ▶ defines the scope of actions and penalties authorized by the chapter.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

**AMENDS:**

**13-40-102**, as enacted by Chapter 363, Laws of Utah 2004

**13-40-201**, as enacted by Chapter 363, Laws of Utah 2004

**13-40-301**, as enacted by Chapter 363, Laws of Utah 2004

**13-40-302**, as enacted by Chapter 363, Laws of Utah 2004

**ENACTS:**



28 13-40-202, Utah Code Annotated 1953



30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section 13-40-102 is amended to read:

32 **13-40-102. Definitions.**

33 As used in this chapter:

34 ~~[(1) "Context based triggering mechanism" means a software based trigger or program~~  
35 ~~residing on a consumer's computer that displays an advertisement according to:]~~

36 ~~[(a) the current Internet website accessed by a user; or]~~

37 ~~[(b) the contents or characteristics of the current Internet website accessed by a user.]~~

38 (1) "Cookie" means a text file:

39 (a) that is placed on a computer by:

40 (i) an interactive computer service;

41 (ii) an Internet website; or

42 (iii) a third party acting on behalf of:

43 (A) an interactive computer service; or

44 (B) an Internet website; and

45 (b) the function of which is to record information that can be read or recognized when  
46 the user of the computer later accesses a particular:

47 (i) Internet website;

48 (ii) online location; or

49 (iii) online service.

50 (2) "Division" means the Division of Consumer Protection in the Department of  
51 Commerce.

52 (3) "Interactive computer service" means any information service, system, or access  
53 software provider that provides or enables computer access by multiple users to a computer  
54 server, including:

55 (a) an Internet or online service provider; or

56 (b) a service or system providing access to the Internet, including a system operated by  
57 a library or educational institution.

58 ~~[(3)]~~ (4) "Internet" is as defined in the Internet Tax Freedom Act, Pub. L. No. 105-277.

59           ~~[(4) Except as provided in Subsection (5), "spyware" means software residing on a~~  
60 ~~computer that:]~~

61           ~~[(a) monitors the computer's usage;]~~

62           ~~[(b) (i) sends information about the computer's usage to a remote computer or server;~~  
63 ~~or]~~

64           ~~[(ii) displays or causes to be displayed an advertisement in response to the computer's~~  
65 ~~usage if the advertisement:]~~

66           ~~[(A) does not clearly identify the full legal name of the entity responsible for delivering~~  
67 ~~the advertisement;]~~

68           ~~[(B) uses a federally registered trademark as a trigger for the display of the~~  
69 ~~advertisement by a person other than:]~~

70           ~~[(F) the trademark owner;]~~

71           ~~[(H) an authorized agent or licensee of the trademark owner; or]~~

72           ~~[(HH) a recognized Internet search engine;]~~

73           ~~[(C) uses a triggering mechanism to display the advertisement according to the Internet~~  
74 ~~websites accessed by a user; or]~~

75           ~~[(D) uses a context based triggering mechanism to display the advertisement that~~  
76 ~~partially or wholly covers or obscures paid advertising or other content on an Internet website~~  
77 ~~in a way that interferes with a user's ability to view the Internet website; and]~~

78           ~~[(e) does not:]~~

79           ~~[(i) obtain the consent of the user, at the time of, or after installation of the software but~~  
80 ~~before the software does any of the actions described in Subsection (4)(b):]~~

81           ~~[(A) to a license agreement:]~~

82           ~~[(F) presented in full; and]~~

83           ~~[(H) written in plain language;]~~

84           ~~[(B) to a notice of the collection of each specific type of information to be transmitted~~  
85 ~~as a result of the software installation;]~~

86           ~~[(C) to a clear and representative full-size example of each type of advertisement that~~  
87 ~~may be delivered;]~~

88           ~~[(D) to a truthful statement of the frequency with which each type of advertisement~~  
89 ~~may be delivered; and]~~

90 ~~[(E) for each type of advertisement delivered by the software, a clear description of a~~  
91 ~~method by which a user may distinguish the advertisement by its appearance from an~~  
92 ~~advertisement generated by other software services; and]~~  
93 ~~[(ii) provide a method;]~~  
94 ~~[(A) by which a user may quickly and easily disable and remove the software from the~~  
95 ~~user's computer;]~~  
96 ~~[(B) that does not have other effects on the non-affiliated parts of the user's computer;~~  
97 ~~and]~~  
98 ~~[(C) that uses obvious, standard, usual, and ordinary methods for removal of computer~~  
99 ~~software;]~~  
100 ~~[(5) Notwithstanding Subsection (4), "spyware" does not include:]~~  
101 ~~[(a) software designed and installed solely to diagnose or resolve technical difficulties;]~~  
102 ~~[(b) software or data that solely report to an Internet website information previously~~  
103 ~~stored by the Internet website on the user's computer, including:]~~  
104 ~~[(i) cookies;]~~  
105 ~~[(ii) HTML code; or]~~  
106 ~~[(iii) Java Scripts; or]~~  
107 ~~[(c) an operating system;]~~  
108 ~~[(6) "Usage" means:]~~  
109 ~~[(a) the Internet websites accessed by a user;]~~  
110 ~~[(b) the contents or characteristics of the Internet websites accessed by a user;]~~  
111 ~~[(c) a user's personal information, including:]~~  
112 ~~[(i) a first and last name of a user, whether:]~~  
113 ~~[(A) given at birth or adoption;]~~  
114 ~~[(B) assumed; or]~~  
115 ~~[(C) legally changed;]~~  
116 ~~[(ii) any of the following with respect to a user's home or other physical address:]~~  
117 ~~[(A) the street name;]~~  
118 ~~[(B) the name of the city or town; or]~~  
119 ~~[(C) the zip code;]~~  
120 ~~[(iii) an electronic mail address;]~~

- 121 ~~[(iv) a telephone number;]~~  
122 ~~[(v) a Social Security number;]~~  
123 ~~[(vi) any personal identification number;]~~  
124 ~~[(vii) a credit card number;]~~  
125 ~~[(viii) any access code associated with a credit card;]~~  
126 ~~[(ix) a date of birth, birth certificate number, or place of birth; or]~~  
127 ~~[(x) a password or access code; or]~~  
128 ~~[(d) a user's submission to forms or Internet websites.]~~  
129 (5) "Internet or online service provider" means an interactive computer service that  
130 provides software or other material that enables a person to:  
131 (a) transmit, receive, display, forward, cache, search, subset, organize, reorganize, or  
132 translate content;  
133 (b) select or analyze content; or  
134 (c) allow or disallow content.  
135 (6) "Mark" means a registered trademark, registered service mark, or registered domain  
136 name in an Internet website address that is owned, licensed, or lawfully used by a person doing  
137 business in this state.  
138 (7) (a) Except as provided in Subsection (7)(b), "spyware" means software on the  
139 computer of a user who resides in this state that:  
140 (i) collects information about an Internet website at the time the Internet website is  
141 being viewed in this state, unless the Internet website is the Internet website of the person who  
142 provides the software; and  
143 (ii) uses the information described in Subsection (7)(a)(i) contemporaneously to  
144 display pop-up advertising on the computer.  
145 (b) "Spyware" does not include:  
146 (i) an Internet website;  
147 (ii) a service operated by an Internet or online service provider accessed by a user;  
148 (iii) software designed and installed primarily to:  
149 (A) prevent, diagnose, or resolve technical difficulties;  
150 (B) detect or prevent fraudulent activities; or  
151 (C) protect the security of the user's computer from unauthorized access or alteration;

152 (iv) software or data that reports information to an Internet website previously stored  
153 by the Internet website on the user's computer, including cookies;

154 (v) software that provides the user with the capability to search the Internet; or

155 (vi) software installed with the consent of a user whose primary purpose is to prevent  
156 access to certain Internet content.

157 (8) "Pop-up advertising" means material:

158 (a) offering for sale or advertising the availability or quality of a property, good, or  
159 service; and

160 (b) that is displayed:

161 (i) separate from an Internet website; and

162 (ii) as a result of a user accessing an Internet website.

163 ~~[(7)]~~ (9) "User" means[:] the owner or authorized user of a computer.

164 ~~[(a) a computer owner; or]~~

165 ~~[(b) a person who accesses an Internet website.]~~

166 Section 2. Section **13-40-201** is amended to read:

167 **13-40-201. Prohibited conduct.**

168 (1) A person may not[:] display a pop-up advertisement by means of spyware with  
169 knowledge or reckless disregard that the pop-up advertisement is:

170 ~~[(a) install spyware on another person's computer;]~~

171 ~~[(b) cause spyware to be installed on another person's computer; or]~~

172 ~~[(c) use a context based triggering mechanism to display an advertisement that partially~~  
173 ~~or wholly covers or obscures paid advertising or other content on an Internet website in a way~~  
174 ~~that interferes with a user's ability to view the Internet website.]~~

175 ~~[(2) It is not a defense to a violation of this section that a user may remove or hide an~~  
176 ~~advertisement.]~~

177 (a) (i) displayed in response to a specific mark; or

178 (ii) displayed in response to a specific Internet website address; and

179 (b) purchased or acquired by a person other than:

180 (i) the mark owner;

181 (ii) a licensee of the mark;

182 (iii) an authorized agent of the owner of the mark;

183 (iv) an authorized user of the mark; or  
184 (v) a person advertising the lawful sale, lease, or transfer of products bearing the mark  
185 through a secondary marketplace for the sale of goods or services.

186 (2) A person may not purchase or acquire advertising delivered in violation of  
187 Subsection (1) if:

188 (a) the person receives actual notice from the mark owner of the violation;

189 (b) the notice required by Subsection (2)(a) contains a detailed explanation of the  
190 violation; and

191 (c) the person fails to take reasonable steps to stop the violation of Subsection (1) that  
192 is specified in the notice required in Subsection (2)(a).

193 (3) (a) A person using spyware to display a pop-up advertisement under Subsection (1)  
194 is not guilty of violating this chapter if:

195 (i) the person requests information about the user's state of residence before sending  
196 the spyware or the pop-up advertisement to the user; and

197 (ii) the user indicates a residence outside this state.

198 (b) A person purchasing or acquiring advertising under Subsection (2) is not guilty of  
199 violating this chapter if the person reasonably determines that the person delivering a pop-up  
200 advertisement by use of spyware under Subsection (1) has complied with Subsection (3)(a).

201 (c) A person requesting information about a user's state of residence under Subsection  
202 (3)(a) may not prompt, ask, or otherwise encourage a user to indicate a residence outside this  
203 state.

204 Section 3. Section **13-40-202** is enacted to read:

205 **13-40-202. Permissive removal of potentially harmful software.**

206 If a provider of computer software or an interactive computer service provides prior  
207 notice to a person, that provider is not liable under the law of this state for removing or  
208 disabling a program used to:

209 (1) violate a provision of this chapter; or

210 (2) collect information from the computer of a user who is a customer of the provider  
211 without the user's knowledge.

212 Section 4. Section **13-40-301** is amended to read:

213 **13-40-301. Private action.**

- 214 (1) An action for a violation of this chapter may be brought[~~-(a)~~] against a person  
 215 who[~~:-~~] violates Section 13-40-201 by:  
 216 [~~(i) violates this chapter; or~~]  
 217 [~~(ii) causes a violation of this chapter; and~~]  
 218 [~~(b) by any of the following who are adversely affected by a violation of this chapter:~~]  
 219 [~~(i) an Internet website owner or registrant;~~]  
 220 [~~(ii) a trademark or copyright owner; or~~]  
 221 [~~(iii) an authorized advertiser on an Internet website.~~]  
 222 (a) the attorney general; or  
 223 (b) a mark owner who:  
 224 (i) does business in this state; and  
 225 (ii) is directly and adversely affected by a violation of this chapter.  
 226 (2) In an action under Subsection (1), a person may:  
 227 (a) obtain an injunction against committing any further violation of this chapter; and  
 228 (b) subject to Subsection (3), recover the greater of:  
 229 (i) actual damages; or  
 230 (ii) [~~\$10,000~~] \$500 for each separate [~~violation of this chapter~~] occurrence resulting in  
 231 the display of an advertisement prohibited by Section 13-40-201.  
 232 (3) In an action under Subsection (1), a court may:  
 233 (a) increase the damages up to three times the damages allowed by Subsection (2)(~~b~~) if  
 234 the court finds that the defendant willfully or knowingly violated this chapter; and  
 235 (b) award costs and reasonable attorney fees to a prevailing party.  
 236 (4) For purposes of this section, a separate violation occurs for each individual  
 237 occurrence that results in the display of an advertisement described in Subsection  
 238 13-40-102[~~(4)(b)(ii)~~](8).  
 239 Section 5. Section **13-40-302** is amended to read:  
 240 **13-40-302. Limitations on actions.**  
 241 (1) A person may not bring an action for a violation of this chapter against [~~an Internet~~  
 242 ~~service provider for the routine transmission of~~] a person other than:  
 243 [~~(a) security information; or~~]  
 244 [~~(b) information that contains an advertisement violating this chapter.~~]



245           (a) a person who sends a pop-up advertisement by means of spyware in violation of  
246 Subsection 13-40-201(1); or

247           (b) a person who purchases or acquires an advertisement in violation of Subsection  
248 13-40-201(2).

249           (2) A person may not bring a class action under this chapter.

250           (3) This chapter does not preclude any person accused of violating this chapter from  
251 asserting any fair use or other defense that is available to persons alleged to have engaged in  
252 trademark infringement.

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**Legislative Review Note**

as of 1-28-05 11:31 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

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**Fiscal Note**  
**Bill Number HB0104**

Spyware Control Act Revisions

02-Feb-05

5:31 PM

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**State Impact**

No fiscal impact.

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**