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S. 2145

To regulate the unauthorized installation of computer software, to require clear disclosure to computer users of certain computer software features that may pose a threat to user privacy, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 2004

Mr. BURNS (for himself, Mr. WYDEN, and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To regulate the unauthorized installation of computer software, to require clear disclosure to computer users of certain computer software features that may pose a threat to user privacy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Software Principles
5 Yielding Better Levels of Consumer Knowledge Act” or
6 the “SPY BLOCK Act”.

1 **SEC. 2. UNAUTHORIZED INSTALLATION OF COMPUTER**
2 **SOFTWARE.**

3 (a) NOTICE, CHOICE, AND UNINSTALL PROCE-
4 DURES.—It is unlawful for any person who is not the user
5 of a protected computer to install computer software on
6 that computer, or to authorize, permit, or cause the instal-
7 lation of computer software on that computer, unless—

8 (1) the user of the computer has received notice
9 that satisfies the requirements of section 3;

10 (2) the user of the computer has granted con-
11 sent that satisfies the requirements of section 3; and

12 (3) the computer software's uninstall proce-
13 dures satisfy the requirements of section 3.

14 (b) RED HERRING PROHIBITION.—It is unlawful for
15 any person who is not the user of a protected computer
16 to install computer software on that computer, or to au-
17 thorize, permit, or cause the installation of computer soft-
18 ware on that computer, if the design or operation of the
19 computer software is intended, or may reasonably be ex-
20 pected, to confuse or mislead the user of the computer
21 concerning the identity of the person or service responsible
22 for the functions performed or content displayed by such
23 computer software.

1 **SEC. 3. NOTICE, CONSENT, AND UNINSTALL REQUIRE-**
2 **MENTS.**

3 (a) NOTICE.—For purposes of section 2(a)(1), notice
4 to the user of a computer shall—

5 (1) include a clear notification, displayed on the
6 screen until the user either grants or denies consent
7 to installation, of the name and general nature of
8 the computer software that will be installed if the
9 user grants consent; and

10 (2) include a separate disclosure, with respect
11 to each information collection, advertising, distrib-
12 uted computing, and settings modification feature
13 contained in the computer software, that—

14 (A) remains displayed on the screen until
15 the user either grants or denies consent to that
16 feature;

17 (B) in the case of an information collection
18 feature, provides a clear description of—

19 (i) the type of personal or network in-
20 formation to be collected and transmitted
21 by the computer software; and

22 (ii) the purpose for which the personal
23 or network information is to be collected,
24 transmitted, and used;

25 (C) in the case of an advertising feature,
26 provides—

- 1 (i) a representative example of the
2 type of advertisement that may be deliv-
3 ered by the computer software;
- 4 (ii) a clear description of—
- 5 (I) the estimated frequency with
6 which each type of advertisement may
7 be delivered; or
- 8 (II) the factors on which the fre-
9 quency will depend; and
- 10 (iii) a clear description of how the
11 user can distinguish each type of advertise-
12 ment that the computer software delivers
13 from advertisements generated by other
14 software, Internet website operators, or
15 services;
- 16 (D) in the case of a distributed computing
17 feature, provides a clear description of—
- 18 (i) the types of information or mes-
19 sages the computer software will cause the
20 computer to transmit;
- 21 (ii)(I) the estimated frequency with
22 which the computer software will cause the
23 computer to transmit such messages or in-
24 formation; or

1 (II) the factors on which the fre-
2 quency will depend;

3 (iii) the estimated volume of such in-
4 formation or messages, and the likely im-
5 pact, if any, on the processing or commu-
6 nications capacity of the user's computer;
7 and

8 (iv) the nature, volume, and likely im-
9 pact on the computer's processing capacity
10 of any computational or processing tasks
11 the computer software will cause the com-
12 puter to perform in order to generate the
13 information or messages the computer
14 software will cause the computer to trans-
15 mit;

16 (E) in the case of a settings modification
17 feature, provides a clear description of the na-
18 ture of the modification, its function, and any
19 collateral effects the modification may produce;
20 and

21 (F) provides a clear description of proce-
22 dures the user may follow to turn off such fea-
23 ture or uninstall the computer software.

24 (b) CONSENT.—For purposes of section 2(a)(2), con-
25 sent requires—

1 (1) consent by the user of the computer to the
2 installation of the computer software; and

3 (2) separate affirmative consent by the user of
4 the computer to each information collection feature,
5 advertising feature, distributed computing feature,
6 and settings modification feature contained in the
7 computer software.

8 (c) UNINSTALL PROCEDURES.—For purposes of sec-
9 tion 2(a)(3), computer software shall—

10 (1) appear in the “Add/Remove Programs”
11 menu or any similar feature, if any, provided by
12 each operating system with which the computer soft-
13 ware functions;

14 (2) be capable of being removed completely
15 using the normal procedures provided by each oper-
16 ating system with which the computer software func-
17 tions for removing computer software; and

18 (3) in the case of computer software with an
19 advertising feature, include an easily identifiable link
20 clearly associated with each advertisement that the
21 software causes to be displayed, such that selection
22 of the link by the user of the computer generates an
23 on-screen window that informs the user about how
24 to turn off the advertising feature or uninstall the
25 computer software.

1 **SEC. 4. UNAUTHORIZED USE OF CERTAIN COMPUTER SOFT-**
2 **WARE.**

3 It is unlawful for any person who is not the user of
4 a protected computer to use an information collection, ad-
5 vertising, distributed computing, or settings modification
6 feature of computer software installed on that computer,
7 if—

8 (1) the computer software was installed in vio-
9 lation of section 2;

10 (2) the use in question falls outside the scope
11 of what was described to the user of the computer
12 in the notice provided pursuant to section 3(a); or

13 (3) in the case of an information collection fea-
14 ture, the person using the feature fails to establish
15 and maintain reasonable procedures to protect the
16 security and integrity of personal information so col-
17 lected.

18 **SEC. 5. EXCEPTIONS.**

19 (a) **PREINSTALLED SOFTWARE.**—A person who in-
20 stalls, or authorizes, permits, or causes the installation of,
21 computer software on a protected computer before the
22 first retail sale of the computer shall be deemed to be in
23 compliance with this Act if the user of the computer re-
24 ceives notice that would satisfy section 3(a)(2) and grants
25 consent that would satisfy section 3(b)(2) prior to—

1 (1) the initial collection of personal or network
2 information, in the case of any information collection
3 feature contained in the computer software;

4 (2) the initial generation of an advertisement
5 on the computer, in the case of any advertising fea-
6 ture contained in the computer software;

7 (3) the initial transmission of information or
8 messages, in the case of any distributed computing
9 feature contained in the computer software; and

10 (4) the initial modification of user settings, in
11 the case of any settings modification feature.

12 (b) OTHER EXCEPTIONS.—Sections 3(a)(2), 3(b)(2),
13 and 4 do not apply to any feature of computer software
14 that is reasonably needed to—

15 (1) provide capability for general purpose online
16 browsing, electronic mail, or instant messaging, or
17 for any optional function that is directly related to
18 such capability and that the user knowingly chooses
19 to use;

20 (2) determine whether or not the user of the
21 computer is licensed or authorized to use the com-
22 puter software; and

23 (3) provide technical support for the use of the
24 computer software by the user of the computer.

1 (c) PASSIVE TRANSMISSION, HOSTING, OR LINK.—

2 For purposes of this Act, a person shall not be deemed
3 to have installed computer software, or authorized, per-
4 mitted, or caused the installation of computer software,
5 on a computer solely because that person provided—

6 (1) the Internet connection or other trans-
7 mission capability through which the software was
8 delivered to the computer for installation;

9 (2) the storage or hosting, at the direction of
10 another person and without selecting the content to
11 be stored or hosted, of the software or of an Internet
12 website through which the software was made avail-
13 able for installation; or

14 (3) a link or reference to an Internet website
15 the content of which was selected and controlled by
16 another person, and through which the computer
17 software was made available for installation.

18 (d) SOFTWARE RESIDENT IN TEMPORARY MEM-
19 ORY.—In the case of an installation of computer software
20 that falls within the meaning of section 7(10)(B) but not
21 within the meaning of section 7(10)(A), the requirements
22 set forth in subsections (a)(1), (b)(1), and (c) of section
23 3 shall not apply.

24 (e) FEATURES ACTIVATED BY USER OPTIONS.—In
25 the case of an information collection, advertising, distrib-

1 uted computing, or settings modification feature that re-
2 mains inactive or turned off unless the user of the com-
3 puter subsequently selects certain optional settings or
4 functions provided by the computer software, the require-
5 ments of subsections (a)(2) and (b)(2) of section 3 may
6 be satisfied by providing the applicable disclosure and ob-
7 taining the applicable consent at the time the user selects
8 the option that activates the feature, rather than at the
9 time of initial installation.

10 **SEC. 6. ADMINISTRATION AND ENFORCEMENT.**

11 (a) IN GENERAL.—Except as provided in subsection
12 (b), this Act shall be enforced by the Commission as if
13 the violation of this Act were an unfair or deceptive act
14 or practice proscribed under section 18(a)(1)(B) of the
15 Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

16 (b) ENFORCEMENT BY CERTAIN OTHER AGEN-
17 CIES.—Compliance with this Act shall be enforced
18 under—

19 (1) section 8 of the Federal Deposit Insurance
20 Act (12 U.S.C. 1818), in the case of—

21 (A) national banks, and Federal branches
22 and Federal agencies of foreign banks, by the
23 Office of the Comptroller of the Currency;

24 (B) member banks of the Federal Reserve
25 System (other than national banks), branches

1 and agencies of foreign banks (other than Fed-
2 eral branches, Federal agencies, and insured
3 State branches of foreign banks), commercial
4 lending companies owned or controlled by for-
5 eign banks, and organizations operating under
6 section 25 or 25A of the Federal Reserve Act
7 (12 U.S.C. 601 and 611), by the Board; and
8 (C) banks insured by the Federal Deposit
9 Insurance Corporation (other than members of
10 the Federal Reserve System) and insured State
11 branches of foreign banks, by the Board of Di-
12 rectors of the Federal Deposit Insurance Cor-
13 poration;

14 (2) section 8 of the Federal Deposit Insurance
15 Act (12 U.S.C. 1818), by the Director of the Office
16 of Thrift Supervision, in the case of a savings asso-
17 ciation the deposits of which are insured by the Fed-
18 eral Deposit Insurance Corporation;

19 (3) the Federal Credit Union Act (12 U.S.C.
20 1751 et seq.) by the National Credit Union Adminis-
21 tration Board with respect to any Federal credit
22 union;

23 (4) part A of subtitle VII of title 49, United
24 States Code, by the Secretary of Transportation

1 with respect to any air carrier or foreign air carrier
2 subject to that part;

3 (5) the Packers and Stockyards Act, 1921 (7
4 U.S.C. 181 et seq.) (except as provided in section
5 406 of that Act (7 U.S.C. 226, 227)), by the Sec-
6 retary of Agriculture with respect to any activities
7 subject to that Act; and

8 (6) the Farm Credit Act of 1971 (12 U.S.C.
9 2001 et seq.) by the Farm Credit Administration
10 with respect to any Federal land bank, Federal land
11 bank association, Federal intermediate credit bank,
12 or production credit association.

13 (c) EXERCISE OF CERTAIN POWERS.—For the pur-
14 pose of the exercise by any agency referred to in sub-
15 section (b) of its powers under any Act referred to in that
16 subsection, a violation of this Act is deemed to be a viola-
17 tion of a requirement imposed under that Act. In addition
18 to its powers under any provision of law specifically re-
19 ferred to in subsection (b), each of the agencies referred
20 to in that subsection may exercise, for the purpose of en-
21 forcing compliance with any requirement imposed under
22 this Act, any other authority conferred on it by law.

23 (d) ACTIONS BY THE COMMISSION.—The Commis-
24 sion shall prevent any person from violating this Act in
25 the same manner, by the same means, and with the same

1 jurisdiction, powers, and duties as though all applicable
2 terms and provisions of the Federal Trade Commission
3 Act (15 U.S.C. 41 et seq.) were incorporated into and
4 made a part of this Act. Any entity that violates any provi-
5 sion of that section is subject to the penalties and entitled
6 to the privileges and immunities provided in the Federal
7 Trade Commission Act in the same manner, by the same
8 means, and with the same jurisdiction, power, and duties
9 as though all applicable terms and provisions of the Fed-
10 eral Trade Commission Act were incorporated into and
11 made a part of that section.

12 (e) PRESERVATION OF COMMISSION AUTHORITY.—
13 Nothing contained in this section shall be construed to
14 limit the authority of the Commission under any other
15 provision of law.

16 **SEC. 7. ACTIONS BY STATES.**

17 (a) IN GENERAL.—

18 (1) CIVIL ACTIONS.—In any case in which the
19 attorney general of a State has reason to believe
20 that an interest of the residents of that State has
21 been or is threatened or adversely affected by the
22 engagement of any person in a practice that this Act
23 prohibits, the State, as *parens patriae*, may bring a
24 civil action on behalf of the residents of the State in

1 a district court of the United States of appropriate
2 jurisdiction—

3 (A) to enjoin that practice;

4 (B) to enforce compliance with the rule;

5 (C) to obtain damage, restitution, or other
6 compensation on behalf of residents of the
7 State; or

8 (D) to obtain such other relief as the court
9 may consider to be appropriate.

10 (2) NOTICE.—

11 (A) IN GENERAL.—Before filing an action
12 under paragraph (1), the attorney general of
13 the State involved shall provide to the Commis-
14 sion—

15 (i) written notice of that action; and

16 (ii) a copy of the complaint for that
17 action.

18 (B) EXEMPTION.—

19 (i) IN GENERAL.—Subparagraph (A)
20 shall not apply with respect to the filing of
21 an action by an attorney general of a State
22 under this subsection, if the attorney gen-
23 eral determines that it is not feasible to
24 provide the notice described in that sub-
25 paragraph before the filing of the action.

1 (ii) NOTIFICATION.—In an action de-
2 scribed in clause (i), the attorney general
3 of a State shall provide notice and a copy
4 of the complaint to the Commission at the
5 same time as the attorney general files the
6 action.

7 (b) INTERVENTION.—

8 (1) IN GENERAL.—On receiving notice under
9 subsection (a)(2), the Commission shall have the
10 right to intervene in the action that is the subject
11 of the notice.

12 (2) EFFECT OF INTERVENTION.—If the Com-
13 mission intervenes in an action under subsection (a),
14 it shall have the right—

15 (A) to be heard with respect to any matter
16 that arises in that action; and

17 (B) to file a petition for appeal.

18 (c) CONSTRUCTION.—For purposes of bringing any
19 civil action under subsection (a), nothing in this subtitle
20 shall be construed to prevent an attorney general of a
21 State from exercising the powers conferred on the attorney
22 general by the laws of that State to—

23 (1) conduct investigations;

24 (2) administer oaths or affirmations; or

1 (3) compel the attendance of witnesses or the
2 production of documentary and other evidence.

3 (d) ACTIONS BY THE COMMISSION.—In any case in
4 which an action is instituted by or on behalf of the Com-
5 mission for violation of section 2 of this Act, no State may,
6 during the pendency of that action, institute an action
7 under subsection (a) against any defendant named in the
8 complaint in that action for violation of that section.

9 (e) VENUE; SERVICE OF PROCESS.—

10 (1) VENUE.—Any action brought under sub-
11 section (a) may be brought in the district court of
12 the United States that meets applicable require-
13 ments relating to venue under section 1391 of title
14 28, United States Code.

15 (2) SERVICE OF PROCESS.—In an action
16 brought under subsection (a), process may be served
17 in any district in which the defendant—

18 (A) is an inhabitant; or

19 (B) may be found.

20 **SEC. 8. DEFINITIONS.**

21 In this Act:

22 (1) ADVERTISEMENT.—The term “advertis-
23 ment” means a commercial promotion for a product
24 or service, but does not include promotions for prod-
25 ucts or services that appear on computer software

1 help or support pages that are displayed in response
2 to a request by the user.

3 (2) ADVERTISING FEATURE.—The term “adver-
4 tising feature” means a function of computer soft-
5 ware that, when installed on a computer, delivers ad-
6 vertisements to the user of that computer.

7 (3) AFFIRMATIVE CONSENT.—The term “af-
8 firmative consent” means consent expressed through
9 action by the user of a computer other than default
10 action specified by the installation sequence and
11 independent from any other consent solicited from
12 the user during the installation process.

13 (4) CLEAR DESCRIPTION.—The term “clear de-
14 scription” means a description that is clear, con-
15 spicuous, concise, and in a font size that is at least
16 as large as the largest default font displayed to the
17 user by the software.

18 (5) COMPUTER SOFTWARE.—The term “com-
19 puter software”—

20 (A) means any program designed to cause
21 a computer to perform a desired function or
22 functions; and

23 (B) does not include any cookie.

24 (6) COOKIE.—The term “cookie” means a text
25 file—

1 (A) that is placed on a computer by an
2 Internet service provider, interactive computer
3 service, or Internet website; and

4 (B) the sole function of which is to record
5 information that can be read or recognized by
6 an Internet service provider, interactive com-
7 puter service, or Internet website when the user
8 of the computer uses or accesses such provider,
9 service, or website.

10 (7) DISTRIBUTED COMPUTING FEATURE.—The
11 term “distributed computing feature” means a func-
12 tion of computer software that, when installed on a
13 computer, transmits information or messages, other
14 than personal or network information about the user
15 of the computer, to any other computer without the
16 knowledge or direction of the user and for purposes
17 unrelated to the tasks or functions the user inten-
18 tionally performs using the computer.

19 (8) FIRST RETAIL SALE.—The term “first retail
20 sale” means the first sale of a computer, for a pur-
21 pose other than resale, after the manufacture, pro-
22 duction, or importation of the computer. For pur-
23 poses of this paragraph, the lease of a computer
24 shall be considered a sale of the computer at retail.

1 (9) INFORMATION COLLECTION FEATURE.—The
2 term “information collection feature” means a func-
3 tion of computer software that, when installed on a
4 computer, collects personal or network information
5 about the user of the computer and transmits such
6 information to any other party on an automatic
7 basis or at the direction of a party other than the
8 user of the computer.

9 (10) INSTALL.—The term “install” means—

10 (A) to write computer software to a com-
11 puter’s persistent storage medium, such as the
12 computer’s hard disk, in such a way that the
13 computer software is retained on the computer
14 after the computer is turned off and subse-
15 quently restarted; or

16 (B) to write computer software to a com-
17 puter’s temporary memory, such as random ac-
18 cess memory, in such a way that the software
19 is retained and continues to operate after the
20 user of the computer turns off or exits the
21 Internet service, interactive computer service, or
22 Internet website from which the computer soft-
23 ware was obtained.

24 (11) NETWORK INFORMATION.—The term
25 “network information” means—

1 (A) an Internet protocol address or domain
2 name of a user's computer; or

3 (B) a Uniform Resource Locator or other
4 information that identifies Internet web sites or
5 other online resources accessed by a user of a
6 computer.

7 (12) PERSONAL INFORMATION.—The term
8 “personal information” means—

9 (A) a first and last name, whether given at
10 birth or adoption, assumed, or legally changed;

11 (B) a home or other physical address in-
12 cluding street name, name of a city or town,
13 and zip code;

14 (C) an electronic mail address or online
15 username;

16 (D) a telephone number;

17 (E) a social security number;

18 (F) any personal identification number;

19 (G) a credit card number, any access code
20 associated with the credit card, or both;

21 (H) a birth date, birth certificate number,
22 or place of birth; or

23 (I) any password or access code.

1 (13) PERSON.—The term “person” has the
2 meaning given that term in section 3(32) of the
3 Communications Act of 1934 (47 U.S.C. 153(32)).

4 (14) PROTECTED COMPUTER.—The term “pro-
5 tected computer” has the meaning given that term
6 in section 1030(e)(2)(B) of title 18, United States
7 Code.

8 (15) SETTINGS MODIFICATION FEATURE.—The
9 term “settings modification feature” means a func-
10 tion of computer software that, when installed on a
11 computer—

12 (A) modifies an existing user setting, with-
13 out direction from the user of the computer,
14 with respect to another computer software ap-
15 plication previously installed on that computer;
16 or

17 (B) enables a user setting with respect to
18 another computer software application pre-
19 viously installed on that computer to be modi-
20 fied in the future without advance notification
21 to and consent from the user of the computer.

22 (16) USER OF A COMPUTER.—The term “user
23 of a computer” means a computer’s lawful owner or
24 an individual who operates a computer with the au-
25 thorization of the computer’s lawful owner.

1 **SEC. 9. EFFECTIVE DATE.**

2 This Act shall take effect 180 days after the date of
3 enactment of this Act.

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