To: Judiciary, Division B

SENATE BILL NO. 2261

1 AN ACT TO CREATE THE INTERNET SPYWARE CONTROL ACT OF 2007; TO ENACT DEFINITIONS; TO PROSCRIBE CERTAIN INTERNET BEHAVIOR; TO 2 3 PRESCRIBE REMEDIES AND DAMAGES; AND FOR RELATED PURPOSES. 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 5 SECTION 1. This act shall be known and may be cited as the "Internet Spyware Control Act of 2007." 6 7 SECTION 2. The following terms shall have the meanings 8 ascribed unless the context clearly requires otherwise: 9 (a) "Context-based triggering mechanism" means a software based trigger or program residing on a consumer's 10 11 computer that displays an advertisement according to the current Internet Web site accessed by a user or the contents or 12 characteristics of the current Internet Web site accessed by a 13 14 user. "Division" means the Division of Consumer 15 (b) Protection in the Office of the Attorney General. 16 (c) "Internet" means collectively the myriad of 17 computer and telecommunications facilities, including equipment 18 and operating software, which comprise the interconnected 19 20 worldwide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor 21 protocols to such protocol, to communicate information of all 22 kinds by wire or radio, as defined in the Internet Tax Freedom 23 Act, Public Law No. 105-277. 24 25 (d) Except as provided in paragraph (e), "spyware" means software residing on a computer that: 26

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(i) Monitors the computer's usage;

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28 (ii) 1. Sends information about the computer's 29 usage to a remote computer or server; or 30 2. Displays or causes to be displayed an 31 advertisement in response to the computer's usage if the 32 advertisement uses: 33 A federally registered trademark as a a. 34 trigger for the display of the advertisement by a person other than the trademark owner or an authorized agent, licensee of the 35 trademark owner or a recognized Internet search engine; 36 37 b. Uses a triggering mechanism to display the advertisement according to the Internet Web sites 38 39 accessed by a user; or 40 c. Uses a context-based triggering mechanism to display the advertisement that partially or wholly 41 covers or obscures paid advertising or other content on an 42 43 Internet Web site in a way that interferes with a user's ability 44 to view the Internet Web site. "Spyware" does not include: 45 (e) 46 Software designed and installed solely to (i) 47 diagnose or resolve technical difficulties; 48 (ii) Software or data that solely report to an 49 Internet Web site information previously stored by the Internet 50 Web site on the user's computer, including cookies, HTML code, Java Scripts or an operating system; 51 52 (iii) Software that displays or causes to be displayed an advertisement if the advertisement clearly identifies 53 54 the full legal name of the entity responsible for delivering the 55 advertisement; (iv) Software to which the consent of the user to 56 57 a license agreement has been obtained as described in Section 3 of 58 this act. 59 (f) "Usage" means: 60 (i) The Internet Web sites accessed by a user; * SS02/ R109* S. B. No. 2261 07/SS02/R109

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(ii) The contents or characteristics of the 61 62 Internet Web sites accessed by a user; (iii) A user's personal information, including: 63 64 A first and last name of a user, whether 1. 65 given at birth or adoption, assumed or legally changed; 66 Any of the following with respect to a 2. user's home or other physical address: 67 The street name; 68 a. The name of the city or town; or 69 b. 70 c. The zip code. 71 An electronic mail address; 3. A telephone number; 72 4. 73 5. A social security number; 74 Any personal identification number; б. 75 7. A credit card number and any access code 76 associated with a credit card; A date of birth, birth certificate number 77 8. or place of birth; 78 79 9. A password or access code; or 80 10. A user's submission to forms on Internet Web sites. 81 82 (q) "User" means a computer owner or a person who 83 accesses an Internet Web site. 84 SECTION 3. In order for a license agreement to be effective in exempting software from the definition of spyware as provided 85 in Section 2(e)(iv) of this act, the license agreement must: 86 87 (a) Be presented in full and written in plain language to notify the user of the collection of each specific type of 88 information to be transmitted as a result of the software 89 90 installation, at the time of or after installation of the software, but before the software does any of the actions 91 described in Section 2(d)(ii); and 92 93 (b) Contain: * SS02/ R109* S. B. No. 2261 07/SS02/R109 PAGE 3

95 of each type of advertisement that may be delivered; (ii) A truthful statement of the frequency with 96 97 which each type of advertisement may be delivered; 98 (iii) For each type of advertisement delivered by 99 the software, a clear description of a method by which a user may 100 distinguish the advertisement by its appearance from an advertisement generated by other software services; and 101 102 Provide a method by which a user may quickly and (C) 103 easily disable and remove the software from the user's computer 104 that does not have other effects on the nonaffiliated parts of the user's computer, and that uses obvious, standard, usual and 105 106 ordinary methods for removal of computer software. 107 **SECTION 4.** (1) A person may not: 108 Install spyware on another person's computer; (a) 109 (b) Cause spyware to be installed on another person's 110 computer; or 111 Use a context-based triggering mechanism to display (C) 112 an advertisement that partially or wholly covers or obscures paid 113 advertising, or other content on an Internet Web site in a way 114 that interferes with a user's ability to view the Internet Web

(i) A clear and representative full-size example

115 site.

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116 (2) It is not a defense to a violation of this section that 117 a user may remove or hide an advertisement.

118 <u>SECTION 5.</u> (1) An action for a violation of this act may be 119 brought against a person who violates this act or causes a 120 violation of this act and by any of the following who are 121 adversely affected by a violation of this act:

(a) An Internet Web site owner or registrant;
(b) A trademark or copyright owner; or
(c) An authorized advertiser on an Internet Web site.
(2) In an action under this section, a person may obtain an
injunction prohibiting any further violation of this act and

S. B. No. 2261 * SS02/ R109* 07/SS02/R109 PAGE 4 127 recover the greater of actual damages or Ten Thousand Dollars 128 (\$10,000.00) for each separate violation of this act.

(3) In an action under this section, a court may increase the damages up to three (3) times the damages allowed by this section if the court finds the defendant willfully or knowingly violated this act; the court also may award costs and reasonable attorney fees to a prevailing party.

134 (4) For purposes of this section, each individual occurrence
135 that results in the display of a spyware advertisement is a
136 separate violation.

137 <u>SECTION 6.</u> A person may not bring an action for a violation 138 of this act against an Internet service provider for the routine 139 transmission of security information or information that contains 140 an advertisement violating this act.

141 <u>SECTION 7.</u> The division shall establish procedures by which 142 a person may report a violation of this act to the division, 143 including an Internet Web site and a toll-free telephone number.

144 SECTION 8. This act shall take effect and be in force from 145 and after July 1, 2007.