

Ohio Legislative Service Commission

Office of Research and Drafting Legislative Budget Office

H.B. 414

134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Click and Hall

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SUMMARY

- Regulates the sale of a consumer electronic device (attached consumer device) capable of sending or receiving data over the internet and permitting another device (ancillary consumer device) to connect to the internet through the attached consumer device, including any device capable of creating a mesh network.
- Requires a person that can remotely update an attached consumer device's software and that has, as of the bill's effective date, remotely activated the device's ability to allow an ancillary consumer device to connect to the internet through it, to disable the default connection and allow the connection only if the consumer actively changes the default settings.

DETAILED ANALYSIS

Regulation of consumer electronic devices

The bill enacts the "Not On My Walk Act" to regulate the sale and connectivity function of consumer electronic devices, or "attached consumer devices," that are capable of sending or receiving data over the internet and permitting other ancillary consumer devices to connect to the internet through the attached consumer device. An "ancillary consumer device" is a consumer electronic device that has the capability of sending or receiving data over the internet through an attached consumer device.

Attached consumer devices regulated by the bill include devices capable of creating a mesh network, such as routers, modems, smart speakers, smart doorbells, internet-capable security cameras, or any other device capable of creating a mesh network.¹ Generally, a mesh

¹ R.C. 1349.63(A) and Section 2.

network is a group of connected electronic devices that allows multiple routes for internet to travel among the devices to provide a consistent connection throughout a physical space.²

Sale of mesh network devices

The bill prohibits a person that is in the business of selling attached consumer devices to consumers from selling one in Ohio unless all of the following conditions are met:

- The attached consumer device's default settings prevent ancillary consumer devices from connecting to the internet through the attached consumer device.
- The attached consumer device only allows ancillary consumer devices to connect to the internet through the attached consumer device if the consumer actively changes the attached consumer device's default settings.
- The attached consumer device does not require a consumer to allow an ancillary consumer device to connect to the attached consumer device to make full use of it.

Selling an attached consumer device that activates the connections described above via a consumer's agreement to the seller's, manufacturer's, or other party's terms of service, without the consumer's intentional act, does not constitute compliance with this prohibition.³

Deactivation of ancillary connections

A person that has the ability to remotely update the software installed on an attached consumer device and that has, as of the bill's effective date, remotely activated the attached consumer device's ability to allow ancillary consumer devices to connect to the internet through it, must update the software to do both of the following as soon as practicable:

- Disable those connections by default;
- Only allow ancillary consumer devices to connect to the internet through the attached consumer device if the consumer actively changes the attached consumer device's default settings.

Updating an attached consumer device and allowing an ancillary consumer device to connect to the internet through it via a consumer's agreement to the device's terms of service, without the consumer's intentional act, does not constitute compliance with this requirement.⁴

Prohibition on updating device software

The bill prohibits a person that has the ability to remotely update the software installed on an attached consumer device from updating the software to allow ancillary consumer devices to connect to the internet through it unless the capability to allow the connection can

² How Stuff Works, *How Wireless Mesh Networks Work*, available <u>here</u>.

³ R.C. 1349.63(B).

⁴ R.C. 1349.63(D).

only be activated by the consumer actively changing the attached consumer device's default settings.

Updating an attached consumer device's software and allowing ancillary consumer devices to connect to the internet through it via a consumer's agreement to the device's terms of service, without the consumer's intentional act, does not constitute compliance with this prohibition.⁵

Unfair or deceptive act or practice

A violation of the bill is considered an unfair or deceptive act or practice in violation of Ohio's Consumer Sales Practices Act (CSPA). A person injured by a violation may sue and is entitled to the same relief as are consumers under the CSPA, including rescinding the transaction and recovering damages. The Attorney General has the same powers and remedies available to enforce the bill as are available to the Attorney General under the CSPA, including suing for injunctive relief and civil penalties.⁶

HISTORY

| Action | Date |
|------------|----------|
| Introduced | 09-08-21 |
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⁵ R.C. 1349.63(C).

⁶ R.C. 1349.63(E), by reference to R.C. 1345.01 to 1345.13, not in the bill.