

# SENATE BILL 443

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CF 0lr1973

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By: **Senators Lee, Patterson, and Rosapepe**

Introduced and read first time: January 27, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Security Features for Connected Devices**

3 FOR the purpose of requiring the manufacturer of a connected device to equip the device  
4 with a certain reasonable security feature; providing that a security feature for a  
5 connected device is reasonable if the connected device is equipped with a certain  
6 means for authentication; providing that a violation of this Act is an unfair, abusive,  
7 or deceptive trade practice within the meaning of the Maryland Consumer Protection  
8 Act and is subject to certain enforcement and penalty provisions; providing for the  
9 construction of certain provisions of this Act; defining certain terms; providing for a  
10 delayed effective date; and generally relating to security features for connected  
11 devices.

12 BY renumbering

13 Article – Commercial Law  
14 Section 13–301(14)(xxiii) through (xxxiii), respectively  
15 to be Section 13–301(14)(xxiv) through (xxxiv), respectively  
16 Annotated Code of Maryland  
17 (2013 Replacement Volume and 2019 Supplement)

18 BY adding to

19 Article – Commercial Law  
20 Section 13–301(14)(xxiii)  
21 Annotated Code of Maryland  
22 (2013 Replacement Volume and 2019 Supplement)

23 BY adding to

24 Article – Commercial Law  
25 Section 14–4201 through 14–4204 to be under the new subtitle “Subtitle 42. Security  
26 Features for Connected Devices”  
27 Annotated Code of Maryland  
28 (2013 Replacement Volume and 2019 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 13–301(14)(xxiii) through (xxxiii), respectively, of Article – Commercial Law of the Annotated Code of Maryland be renumbered to be Section(s) 13–301(14)(xxiv) through (xxxiv), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Commercial Law**

13–301.

Unfair, abusive, or deceptive trade practices include any:

(14) Violation of a provision of:

**(XXIII) TITLE 14, SUBTITLE 42 OF THIS ARTICLE, SECURITY FEATURES FOR CONNECTED DEVICES;**

**SUBTITLE 42. SECURITY FEATURES FOR CONNECTED DEVICES.**

**14–4201.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “AUTHENTICATION” MEANS A METHOD OF VERIFYING THE AUTHORITY OF A USER, PROCESS, OR CONNECTED DEVICE TO OBTAIN ACCESS TO RESOURCES THROUGH AN INFORMATION SYSTEM.**

**(C) “CONNECTED DEVICE” MEANS A PHYSICAL OBJECT THAT IS:**

**(1) CAPABLE OF CONNECTING TO THE INTERNET, DIRECTLY OR INDIRECTLY; AND**

**(2) ASSIGNED AN INTERNET PROTOCOL ADDRESS OR A BLUETOOTH ADDRESS.**

**(D) (1) “MANUFACTURER” MEANS A PERSON WHO:**

**(I) MANUFACTURES OR ASSEMBLES A NEW CONNECTED DEVICE FOR SALE OR DISTRIBUTION; OR**

**(II) CONTRACTS WITH ANOTHER PERSON TO MANUFACTURE OR**

1 ASSEMBLE A CONNECTED DEVICE ON THAT PERSON'S BEHALF.

2 (2) "MANUFACTURER" DOES NOT INCLUDE A PERSON WHO  
3 CONTRACTS WITH ANOTHER PERSON TO PURCHASE AND BRAND A CONNECTED  
4 DEVICE.

5 (E) "SECURITY FEATURE" MEANS AN ATTRIBUTE OF HARDWARE,  
6 FIRMWARE, SOFTWARE, PROCESS, PROCEDURE, OR A COMBINATION OF THESE  
7 FACTORS THAT COULD PREVENT OR LESSEN THE LIKELIHOOD OF FAILURE OR  
8 COMPROMISE OF THE CONFIDENTIALITY, INTEGRITY, OR ACCESSIBILITY OF A  
9 CONNECTED DEVICE OR INFORMATION STORED WITHIN A CONNECTED DEVICE.

10 (F) "UNAUTHORIZED ACCESS" MEANS ANY USE, MODIFICATION,  
11 DISCLOSURE, OR DESTRUCTION OF ANY INFORMATION STORED WITHIN A  
12 CONNECTED DEVICE THAT IS NOT AUTHORIZED BY THE OWNER OF THE CONNECTED  
13 DEVICE.

14 14-4202.

15 THIS SUBTITLE MAY NOT BE CONSTRUED TO IMPOSE ANY DUTY ON:

16 (1) A MANUFACTURER OF A CONNECTED DEVICE FOR AN  
17 UNAUTHORIZED ACCESS THAT ARISES FROM AN UNAFFILIATED THIRD-PARTY  
18 APPLICATION OR SOFTWARE THAT A USER ADDS TO A CONNECTED DEVICE;

19 (2) A MANUFACTURER TO PREVENT A USER FROM HAVING FULL  
20 CONTROL OVER A CONNECTED DEVICE, INCLUDING BY ALLOWING A USER TO  
21 MODIFY THE SOFTWARE OR FIRMWARE RUNNING ON THE CONNECTED DEVICE; OR

22 (3) THE OPERATOR OF AN ELECTRONIC STORE, AN ELECTRONIC  
23 MARKETPLACE, OR ANY OTHER MEANS OF PURCHASING OR DOWNLOADING  
24 SOFTWARE OR APPLICATIONS TO ENFORCE COMPLIANCE WITH THIS SUBTITLE.

25 14-4203.

26 (A) A MANUFACTURER OF A CONNECTED DEVICE SHALL EQUIP THE DEVICE  
27 WITH A REASONABLE SECURITY FEATURE THAT IS:

28 (1) APPROPRIATE TO THE NATURE AND FUNCTION OF THE  
29 CONNECTED DEVICE;

30 (2) APPROPRIATE TO THE INFORMATION THE CONNECTED DEVICE  
31 COLLECTS, CONTAINS, OR TRANSMITS; AND

1           **(3) DESIGNED TO PROTECT THE CONNECTED DEVICE FROM**  
2 **UNAUTHORIZED ACCESS, DESTRUCTION, OR MODIFICATION.**

3           **(B) A CONNECTED DEVICE HAS A REASONABLE SECURITY FEATURE FOR**  
4 **THE PURPOSE OF THIS SUBTITLE IF:**

5           **(1) THE SECURITY FEATURE MEETS THE REQUIREMENTS UNDER**  
6 **SUBSECTION (A) OF THIS SECTION; AND**

7           **(2) THE CONNECTED DEVICE IS EQUIPPED WITH A MEANS FOR**  
8 **AUTHENTICATION OUTSIDE OF A LOCAL AREA NETWORK THAT INCLUDES:**

9           **(I) A PREPROGRAMMED PASSWORD THAT IS UNIQUE TO EACH**  
10 **MANUFACTURED CONNECTED DEVICE; OR**

11           **(II) A PROCESS THAT REQUIRES THE USER TO GENERATE A NEW**  
12 **MEANS OF AUTHENTICATION BEFORE THE USER IS GRANTED ACCESS TO THE**  
13 **CONNECTED DEVICE FOR THE FIRST TIME.**

14 **14-4204.**

15           **A VIOLATION OF THIS SUBTITLE IS:**

16           **(1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN**  
17 **THE MEANING OF TITLE 13 OF THIS ARTICLE; AND**

18           **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**  
19 **CONTAINED IN TITLE 13 OF THIS ARTICLE.**

20           **SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
21 **January 1, 2021.**