# 2022 -- H 7401

# STATE OF RHODE ISLAND

## IN GENERAL ASSEMBLY

## JANUARY SESSION, A.D. 2022

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## A N   A C T

## RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS -- DECEPTIVE TRADE PRACTICES

Introduced By: Representatives Barros, Giraldo, Alzate, and Amore

Date Introduced: February 09, 2022

Referred To: House Innovation, Internet, & Technology

It is enacted by the General Assembly as follows:

1  SECTION 1. Chapter 6-13.1 of the General Laws entitled "Deceptive Trade Practices" is

2  hereby amended by adding thereto the following section:

3  **6-13.1-31. Software applications - In-application payment - Prohibitions.**

4  (a) As used in this section:

5  (1) "Developer" means a creator of a software application made available for download by

6  a user through a digital application distribution platform or other digital distribution platform.

7  (2) "Digital application distribution platform" means a digital distribution platform for

8  applications and services provided to a user on general-purpose hardware, including a mobile

9  phone, smartphone, tablet, personal computer, and other general-purpose devices connected to the

10  Internet.

11  (3) "In-application payment system" means an application, service, or user interface used

12  to process a payment from a user to a developer for a software application and digital and physical

13  product distributed through a software application.

14  (4) "Special-purpose digital application distribution platform" means a digital distribution

15  platform for single or specialized categories of applications, software, and services provided to a

16  user on special-purpose hardware, including a gaming console, music player, and other special-

17  purpose devices connected to the Internet.

18  (b) A proprietor of a digital application distribution platform for which cumulative gross

receipts from sales on the digital application distribution platform to residents of this state exceed

ten million dollars ($10,000,000) in the previous or current calendar year may not:

(1) Require a developer to use a digital application distribution platform or digital

transaction platform as the exclusive mode of distributing a digital product.

(2) Require a developer to use an in-application payment system as the exclusive mode of

accepting payment from a user to download a software application or purchase a digital or physical

product through a software application.

(3) Retaliate against a developer for choosing to use an alternative application store or in-

application payment system.

(c) An agreement that violates this section is unenforceable and is deemed a violation of

this section.

(d) This section does not apply to a proprietor of a special-purpose digital application

distribution platform.

(e) The attorney general shall receive complaints and investigate violations of this section

and may bring an action in any court of competent jurisdiction to obtain the legal or equitable relief

on behalf on an individual aggrieved by the violation.

SECTION 2. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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1          This act would prohibit a digital application distribution platform that has cumulative sales

2     annually in excess of ten million dollars ($10,000,000) from requiring a developer of a software

3     application to engage in an exclusive distribution agreement with the distribution platform.

4          This act would take effect upon passage.

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