The Teddy Bears & Toasters Act

California - SB 327 (Jackson)

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SB 327 by Sen. Hannah-Beth Jackson (D-Santa Barbara)

• Introduced March 20, 2017
• Sponsored by Common Sense Media
• Supporters:
  • Center for Democracy & Technology
  • Center for Digital Democracy
  • Consumer Federation
  • Electronic Frontier Foundation
  • Privacy by Design
  • Privacy Rights Clearinghouse
  • Public Counsel
Proponents’ Arguments

• Requiring connected devices to meet “basic” security standards protects families and allows consumers to make “informed choices” about the information IoT devices collect and share.

• As connected devices become more prevalent in homes, more consumer personal information is subject to breach, so increased security is needed.

• Connected devices often lack basic security features and are vulnerable to hacking. Users of these devices, especially connected toys, need additional protections.
The Teddy Bears & Toasters Act

As introduced:

• Required manufacturers to notify consumers when the device was collecting information
• Required consumer consent before collecting/transmitting info beyond “the stated functionality of the device”
• Required retailers to provide various notices at POS
• Required manufacturers of devices that connect to the Internet to equip the device with reasonable security features “appropriate to the nature of the device”
Tech, Retailers, Manufacturers Opposed

Large opposition coalition including:

• CompTIA
• CalChamber
• CA Retailers Association
• Internet Association
• TechNet
• CTIA – The Wireless Association
• Toy Association

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Opposition Concerns on SB 327

- Would require redesign of products ranging from teddy bears and toasters to cars, health monitoring devices, and more
- Would lead to over-notification of consumers when devices were operating as expected
- Would create liability for retailers and confusion for those seeking to purchase IoT devices
- Would be difficult to implement and comply with vague requirements
SB 327 Final Actions

• SB 327 was amended twice in May in an attempt to address some of the oppositions’ concerns:
  • Modified the consent and disclosure provisions, attempted to exclude cars and some medical devices and clarified that the bill would not impose any duty on manufacturers based on software or apps downloaded onto a device.

• Despite changes, opposition continued to grow

• Sen. Jackson pulled the bill from consideration and placed it on the Inactive File on June 1st just before it would have been voted on in the Senate

• Although it is dead for this year, SB 327 could be moved next year
QUESTIONS?

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