

SHB 1495 - S AMD TO LCCP COMM AMD (S-2224.4/11) 252
By Senator Honeyford

NOT ADOPTED 04/04/2011

1 On page 1, line 24 of the amendment, after "product" strike all
2 material through "act"

3 On page 1, line 28 of the amendment, after "product" strike all
4 material through "act"

5 Beginning on page 1, line 30 of the amendment, after "product"
6 strike all material through "act" on page 2, line 1

7 On page 2, beginning of line 9 of the amendment, after "person"
8 strike all material through "act" on line 10

9 On page 2, beginning of line 12 of the amendment, after "person"
10 strike all material through "act" on line 13

11 On page 2, line 23 of the amendment, after "products" strike all
12 material through "act"

13 Beginning on page 2, line 24 of the amendment, strike all of
14 sections 2 through 11 and insert the following:

15 "NEW SECTION. **Sec. 2.** (1) The legislature recognizes that:

16 (a) Manufacturers are a vital source of jobs and economic growth in
17 the state;

18 (b) Manufacturers in this state might suffer a loss of sales,
19 market share, and jobs if they are forced to compete against companies
20 that use stolen or misappropriated information technology because such
21 illegal use can unfairly lower production costs and could result in
22 that manufacturer gaining an unfair competitive edge;

23 (c) The theft of American information technology is particularly

1 rampant in foreign markets, with software piracy rates reaching as high
2 as ninety percent in some countries, costing the United States economy
3 jobs and economic growth; and

4 (d) Manufacturers that use significant amounts of stolen or
5 misappropriated information technology to reduce their costs should not
6 be allowed to benefit from their illegal acts.

7 (2) The legislature therefore directs the joint legislative audit
8 and review committee to study the impacts of stolen or misappropriated
9 information technology in this state. The joint legislative audit and
10 review committee must analyze:

11 (a) How existing state and federal laws relating to unfair trade
12 practices currently address the harm that occurs when manufacturers use
13 stolen or misappropriated information technology to gain an unfair
14 competitive advantage over companies that play by the rules;

15 (b) The impact restricting the use of stolen information technology
16 would have on retailers, importers, manufacturers, and wholesalers, and
17 the state's economy;

18 (c) The piracy rate of information technology in the state;

19 (d) The impact piracy has on manufactured goods in this state; and

20 (e) Whether a state-by-state restriction versus a uniform federal
21 restriction would have different impacts on the use of stolen
22 information technology and the advantages and disadvantages to both
23 approaches.

24 (3) In conducting its study, the joint legislative audit and review
25 committee must consult with manufacturers, retailers, technology
26 companies, phone companies, car manufacturers, copyright attorneys, and
27 other appropriate entities.

28 (4) A report containing the joint legislative audit and review
29 committee's findings and recommendations must be delivered to the
30 legislature by December 1, 2012."

31 Renumber the remaining section consecutively and correct any
32 internal references accordingly.

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1 On page 15, line 2 of the title amendment, after "RCW;" insert
2 "creating a new section;"

EFFECT: Removes the new causes of action against manufacturers and third parties, and instead requires the Joint Legislative Audit and Review Committee (JLARC) to study issues related to the use of stolen IT and report its findings and recommendations to the Legislature by December 1, 2012.

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