

California Passes Right to Repair Law: New Rules for Electronics Repair

California just became the latest state to enact a right to repair law, with Gov. Gavin Newsom signing SB 244 into law in October 2023. The law, known as the Right to Repair Act, requires manufacturers of consumer electronic devices and appliances—from smartphones to dishwashers—to make repair guides, parts and tools for those electronics available to product owners, service and repair facilities, and service dealers. The new law takes effect on July 1, 2024.

The law could be a big win for Californian consumers, who may now have more options for repairing their electronics, as independent repair shops will have access to previously withheld information and parts. Owners of the newest devices aren't the only lucky ones—the law covers electronics sold within the state as far back as July 2021. Increased competition in the marketplace could also lower the cost of repairs. Environmental advocates also consider the law a victory because it allows consumers to keep their electronic devices in use, and out of landfills, longer.

Manufacturers of these goods, on the other hand, may have to make some changes. Manufacturers of electronics with a wholesale price of \$50 to \$99.99 must make appropriate parts, tools and documentation—defined terms in section 42488.2(j)[1]—available for three years after the product's last manufacturing date. For products with a wholesale price of \$100 or more, that period increases to seven years. Video game consoles and alarm systems are excluded from the definition of an "electronic or appliance product" and are therefore not covered by the law.

The California State Legislature also added an exemption for heavy equipment, reasoning that "the retail distribution, sales, and rental of agricultural, construction, utility, industrial, mining, outdoor power, forestry, and lawn and garden equipment, utilizing independent dealers operating under contract with the supplier vitally affects the general economy of the state, the public interest, and the public welfare." In other words, tractors, lawnmowers, cranes and the like are *not* covered by the new law. But manufacturers of all other electronics over \$50 must comply with the law or pay the price: up to \$1,000 per day for the first violation, \$2,000 per day for the second violation and \$5,000 per day for the third and subsequent violations.

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Despite its burden on manufacturers, the bill has found unlikely support from two of the largest California-based tech giants. Apple, for instance, came out in support of the bill after initial attempts to stall it. Google has committed to extending some of the Act's benefits to consumers outside state limits by providing seven years of updates and spare parts for all owners of its Pixel 8 series for all owners, not just those in California.

California's Right to Repair Act is the fourth of its kind to pass this year, following similar efforts in New York (electronics), Minnesota (electronics) and Colorado (agricultural equipment). It's also one of the strongest right to repair laws enacted, requiring manufacturers to keep repair materials available for up to seven years, even in the case of discontinued products.

So far in 2023, 30 states have introduced right to repair legislation. And prior to California passing its Right to Repair Act, a federal right to repair bill for agricultural equipment was introduced in the U.S. House of Representatives. This may be a signal of developments at the national level that lay ahead, including the interplay or possible conflict with federal law (e.g., when articles are subject to federal patent or copyright protection). Looking at the bigger picture, the law highlights a growing movement coast-to-coast.

For more information about the implications of the right to repair legislation or recent developments that may your affect your business and its rights, please contact <u>Laura Brenner</u>, <u>Olivia Brooks</u> or any member of Reinhart's <u>Commercial and Competition Law Team</u>.

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