

One Hundred Fourteenth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday,
the fourth day of January, two thousand and sixteen*

An Act

To prohibit the circumvention of control measures used by Internet ticket sellers to ensure equitable consumer access to tickets for any given event, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Better Online Ticket Sales Act of 2016” or the “BOTS Act of 2016”.

SEC. 2. UNFAIR AND DECEPTIVE ACTS AND PRACTICES RELATING TO CIRCUMVENTION OF TICKET ACCESS CONTROL MEASURES.

(a) CONDUCT PROHIBITED.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any person—

(A) to circumvent a security measure, access control system, or other technological control or measure on an Internet website or online service that is used by the ticket issuer to enforce posted event ticket purchasing limits or to maintain the integrity of posted online ticket purchasing order rules; or

(B) to sell or offer to sell any event ticket in interstate commerce obtained in violation of subparagraph (A) if the person selling or offering to sell the ticket either—

(i) participated directly in or had the ability to control the conduct in violation of subparagraph (A); or

(ii) knew or should have known that the event ticket was acquired in violation of subparagraph (A).

(2) EXCEPTION.—It shall not be unlawful under this section for a person to create or use any computer software or system—

(A) to investigate, or further the enforcement or defense, of any alleged violation of this section or other statute or regulation; or

(B) to engage in research necessary to identify and analyze flaws and vulnerabilities of measures, systems, or controls described in paragraph (1)(A), if these research activities are conducted to advance the state of knowledge in the field of computer system security or to assist in the development of computer security product.

(b) ENFORCEMENT BY THE FEDERAL TRADE COMMISSION.—

(1) UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—A violation of subsection (a) shall be treated as a violation of a rule defining

an unfair or a deceptive act or practice under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(2) POWERS OF COMMISSION.—

(A) IN GENERAL.—The Commission shall enforce this section in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this section.

(B) PRIVILEGES AND IMMUNITIES.—Any person who violates subsection (a) shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(C) AUTHORITY PRESERVED.—Nothing in this section shall be construed to limit the authority of the Federal Trade Commission under any other provision of law.

(c) ENFORCEMENT BY STATES.—

(1) IN GENERAL.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of the State has been or is threatened or adversely affected by the engagement of any person subject to subsection (a) in a practice that violates such subsection, the attorney general of the State may, as *parens patriae*, bring a civil action on behalf of the residents of the State in an appropriate district court of the United States—

(A) to enjoin further violation of such subsection by such person;

(B) to compel compliance with such subsection; and

(C) to obtain damages, restitution, or other compensation on behalf of such residents.

(2) RIGHTS OF FEDERAL TRADE COMMISSION.—

(A) NOTICE TO FEDERAL TRADE COMMISSION.—

(i) IN GENERAL.—Except as provided in clause (iii), the attorney general of a State shall notify the Commission in writing that the attorney general intends to bring a civil action under paragraph (1) not later than 10 days before initiating the civil action.

(ii) CONTENTS.—The notification required by clause (i) with respect to a civil action shall include a copy of the complaint to be filed to initiate the civil action.

(iii) EXCEPTION.—If it is not feasible for the attorney general of a State to provide the notification required by clause (i) before initiating a civil action under paragraph (1), the attorney general shall notify the Commission immediately upon instituting the civil action.

(B) INTERVENTION BY FEDERAL TRADE COMMISSION.—The Commission may—

(i) intervene in any civil action brought by the attorney general of a State under paragraph (1); and

(ii) upon intervening—

(I) be heard on all matters arising in the civil action; and

(II) file petitions for appeal of a decision in the civil action.

(3) INVESTIGATORY POWERS.—Nothing in this subsection may be construed to prevent the attorney general of a State

from exercising the powers conferred on the attorney general by the laws of the State to conduct investigations, to administer oaths or affirmations, or to compel the attendance of witnesses or the production of documentary or other evidence.

(4) **PREEMPTIVE ACTION BY FEDERAL TRADE COMMISSION.**—If the Commission institutes a civil action or an administrative action with respect to a violation of subsection (a), the attorney general of a State may not, during the pendency of such action, bring a civil action under paragraph (1) against any defendant named in the complaint of the Commission for the violation with respect to which the Commission instituted such action.

(5) **VENUE; SERVICE OF PROCESS.**—

(A) **VENUE.**—Any action brought under paragraph (1) may be brought in—

(i) the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code; or

(ii) another court of competent jurisdiction.

(B) **SERVICE OF PROCESS.**—In an action brought under paragraph (1), process may be served in any district in which the defendant—

(i) is an inhabitant; or

(ii) may be found.

(6) **ACTIONS BY OTHER STATE OFFICIALS.**—

(A) **IN GENERAL.**—In addition to civil actions brought by attorneys general under paragraph (1), any other consumer protection officer of a State who is authorized by the State to do so may bring a civil action under paragraph (1), subject to the same requirements and limitations that apply under this subsection to civil actions brought by attorneys general.

(B) **SAVINGS PROVISION.**—Nothing in this subsection may be construed to prohibit an authorized official of a State from initiating or continuing any proceeding in a court of the State for a violation of any civil or criminal law of the State.

SEC. 3. DEFINITIONS.

In this Act:

(1) **COMMISSION.**—The term “Commission” means the Federal Trade Commission.

(2) **EVENT.**—The term “event” means any concert, theatrical performance, sporting event, show, or similarly scheduled activity, taking place in a venue with a seating or attendance capacity exceeding 200 persons that—

(A) is open to the general public; and

(B) is promoted, advertised, or marketed in interstate commerce or for which event tickets are generally sold or distributed in interstate commerce.

(3) **EVENT TICKET.**—The term “event ticket” means any physical, electronic, or other form of a certificate, document, voucher, token, or other evidence indicating that the bearer, possessor, or person entitled to possession through purchase or otherwise has—

(A) a right, privilege, or license to enter an event venue or occupy a particular seat or area in an event venue with respect to one or more events; or

(B) an entitlement to purchase such a right, privilege, or license with respect to one or more future events.

(4) TICKET ISSUER.—The term “ticket issuer” means any person who makes event tickets available, directly or indirectly, to the general public, and may include—

(A) the operator of the venue;

(B) the sponsor or promoter of an event;

(C) a sports team participating in an event or a league whose teams are participating in an event;

(D) a theater company, musical group, or similar participant in an event; and

(E) an agent for any such person.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*