

## **BILL ANALYSIS**

C.S.H.B. 3528  
By: Moody  
Business & Industry  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been noted that third-party ticketing vendors sometimes use deceptive Internet domain names that mislead customers into believing that tickets being resold are being offered directly from the event venue or the performer at official retail price. C.S.H.B. 3528 seeks to address this issue by prohibiting such a website operator from intentionally using a domain name that contains the name of the applicable entity.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3528 amends the Business & Commerce Code to prohibit a website operator from intentionally using an Internet domain name, or any subdomain of the Internet domain name, in a ticket website's uniform resource locator that contains any of the following:

- the name of one of the following:
  - a performer;
  - an organization or association that is associated with a performer, such as a professional sports league;
  - a venue in Texas; or
  - an exhibition, performance, or other event to be held at a venue in Texas;
- any name substantially similar to such a name, including a misspelling of the name; or
- a trademark not owned by the website operator, including a trademark owned by an authorized agent or partner of the venue or event.

The bill excepts from that prohibition a website operator who is authorized by a performer, organization, venue, or event's organizer to use the name or trademark on the performer's, organization's, venue's, or event's behalf for the purpose of selling or reselling tickets. A violation of the bill's provisions is a deceptive trade practice and is actionable under applicable state law. The bill defines "internet domain name," "performer," "ticket website," "URL," "venue," and "website operator."

**EFFECTIVE DATE**

September 1, 2019.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3528 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the definition of "ticket website" to include a mobile application and provides definitions for the terms "performer" and "URL." The substitute revises the definition of "venue" to establish that the term includes any live entertainment event and revises the definition of "website operator" to include a person who manages or licenses a ticket website for an applicable event.

The substitute revises the prohibited contents for a ticket website's Internet domain or subdomain name and the exception to that prohibition.