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March 19, 2025

**TO:** The Honorable Pamela Beidle, Chair  
Finance Committee

**FROM:** Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

**RE:** House Bill 208 – Consumer Protection – False Advertising – Digital  
Goods – SUPPORT WITH AMENDMENTS

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The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 208, sponsored by Delegate Pruski, which would prohibit advertising of digital goods, such as online games, movies, books and music, unless the seller discloses that the consumer is only purchasing a license to use the digital goods rather than an ownership interest. Many consumers who pay for digital goods believe that they are buying the game, movie, book, or music when in fact they are only paying for the right to use it, a right that may be terminated. House Bill 208 would require disclosure that the consumer is made aware of the nature of their purchase before they pay. However, the Division is concerned that an amendment added in the House would make the disclosure meaningless and encourages restoring the original language of the bill.

House Bill 208 is based on a California law that resulted from efforts by Sony and Ubisoft to remove digital content that consumers had paid for. The Division believes that the fact that a consumer is purchasing a license rather than an ownership interest is a material fact that is required to be disclosed under the Consumer Protection Act. HB 208 would have required express disclosure language and an affirmative acknowledgment from the consumer and would have helped to ensure that consumers are aware of the limitations of their purchases. However, by changing the “and” to “or” on page 4 in line 25, the bill would now allow the seller of the digital good to merely point the consumer to a verbose license agreement that the average consumer would neither be likely to read or understand. The Division believes that the language should be changed back to “and” so that consumers actually receive a meaningful disclosure.

Additionally, House Bill 208 provides that a violation is a misdemeanor, which is unlikely to be prosecuted in the event of a violation. The Division believes, however, that it would make more sense to make a violation an unfair, abusive or deceptive practice under the Consumer Protection Act. Accordingly, the Division recommends replacing subsection (F) on page 6, lines 14 through 16, with:

(G) A VIOLATION OF THIS SECTION IS:

(1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE.

Since, with the amendments discussed above, House Bill 208 would help to ensure that consumers of digital goods are made aware of important information regarding their purchases, the Consumer Protection Division requests that the Finance Committee give HB 208 a favorable report with the suggested amendments.

cc: The Honorable Andrew Pruski  
Members, Finance Committee