

I Am Robot: California's New Law Requires Disclosure of Use of Bots

Businesses that use chatbots to interact with customers online may be affected by California's new Autobot Law, Cal. Bus. & Prof. Code § 17940, *et seq.* ([SB 1001](#)), that goes into effect July 1, 2019. As the nation's first autobot regulation, SB 1001 makes it unlawful "to use a bot to communicate or interact with another person in California online, with the intent to mislead the other person about its artificial identity for the purpose of knowingly deceiving the person about the content of the communication in order to incentivize a purchase or sale of goods or services in a commercial transaction or to influence a vote in an election."

Under the law, a "bot" is "an automated online account where all or substantially all of the actions or posts of that account are not the result of a person." The law applies only to "online" communications, which are communications "appearing on any public-facing Internet Web site, Web application or digital application, including a social network or publication." The law does not apply to service providers, such as web hosting and other internet service providers, of large online platforms with more than 10,000,000 average monthly U.S. visitors.

To comply with SB 1001, affected companies will need to disclose that they are using bots to interact with consumers or other covered entities. The disclosure must be "clear, conspicuous, and reasonably designed to inform persons with whom the bot communicates or interacts that it is a bot."

Introduced by Senator Robert Hertzberg following the 2016 U.S. elections, the legislative history of SB 1001 suggests that the law was intended to target deceptive uses of bot technology in commercial and political contexts. While the law applies only to communications with individuals and entities in California, it is often difficult or impossible to ascertain where an individual is located when communicating online. Affected companies will need to consider whether and how to implement geographically-targeted compliance procedures.

SB 1001 does not provide a private right of action, but under California's Unfair Competition Law, the Attorney General has broad enforcement authority to levy fines of up to \$2,500 per violation, as well as equitable remedies. Business should promptly assess whether SB 1001 applies and implement proper procedures to ensure compliance by July 1, 2019.

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