



MEDIA ADVISORY

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Governor Newsom Signs AB 2426 into Law, Increases Transparency Surrounding Disappearing Digital Media

SACRAMENTO – Assemblymember Jacqui Irwin’s consumer protection legislation which addresses the increasingly-common instance of consumers losing access to their digital media purchases through no fault of their own was signed into law today by Governor Gavin Newsom. The legislation, AB 2426, requires sellers of “digital goods”, such as movies, ebooks, and video games, to disclose to the purchaser that they are only receiving a license to use the digital media, as opposed to implying the consumer has ownership of their digital item in the same way they would for a physical copy of a DVD or book.

“As retailers continue to pivot away from selling physical media, the need for consumer protections on the purchase of digital media has become increasingly more important,” said Assemblymember Irwin. “I thank the Governor for signing AB 2426, ensuring the false and deceptive advertising from sellers of digital media incorrectly telling consumers they own their purchases becomes a thing of the past.”

These digital media purchases are often advertised to consumers with a large “buy” or “purchase” button, only for the consumer to one day discover that their purchase has been revoked from their media library altogether by the seller, likely with no refund. Sellers which offer the purchase for permanent offline download would be exempt from the need to provide a disclosure. AB 2426 passed through both houses of the California Legislature with strong bipartisan support. The bill will come into effect on January 1, 2025.

“California is now the first state to recognize that when digital media retailers use terms like “buy” and “purchase” to advertise digital media licenses, they are engaged in false advertising,” added Aaron Perzanowski, professor of law at the University of Michigan and a leading author in this space. “Consumers around the world deserve to understand that when they spend money on digital movies, music, books, and games, those so-called ‘purchases’ can disappear without notice. There is still important work to do in securing consumers’ digital rights, but AB 2426 is a crucial step in the right direction.”

AB 2426 was introduced in response to numerous instances of digital media sellers revoking or threatening to revoke consumer access to purchases with little to no recourse. In April 2024, video game publisher [Ubisoft revoked licenses](#) for purchases of its video game “The Crew”, leaving consumers with no access to the game they previously purchased. Another instance saw [Sony threaten to revoke access](#) to Discovery TV shows in 2023, only to come to an agreement with Discovery

on an updated licensing agreement following consumer outcry. The problem isn't only limited to the United States – in Germany and Austria, [Sony's PlayStation Store permanently revoked access](#) to hundreds of purchased movies.

Although it has only recently increased in prominence, this issue has been the subject of inquiry for years. It was most notably explored by a white paper published by the Department of Commerce's Internet Policy Task Force in 2016. The Task Force concluded "consumers would benefit from more information on the nature of the transactions they enter into, including whether they are paying for access to content or for ownership of a copy, in order to instill greater confidence and enhance participation in the online marketplace." Eight years later, AB 2426 will implement this recommendation for Californians engaging in the digital marketplace.

By requiring sellers of digital goods to clearly disclose any limitations of the purchase, consumers will be empowered knowing that they understand exactly what they have purchased, and can seek out better terms for their needs.

Assemblymember Jacqui Irwin represents California's 42nd Assembly District, which includes portions of both Ventura and Los Angeles Counties; including all of Agoura Hills, Bel Air, Beverly Glen, Brentwood, Casa Conejo, Calabasas, Hidden Hills, Lake Sherwood, Malibu, Moorpark, Oak Park, Pacific Palisades, Santa Susana, Simi Valley, Thousand Oaks, Topanga, Westlake Village, and portions of Camarillo.

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