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Chapter 18. Magnuson-Moss Warranty Act

18.1. Introduction to the Magnuson-Moss Warranty Act. The Article 2 warranty provisions are supplemented by a federal statute – the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301 et seq., which you can find at an online source such as the Legal Information Institute. The Act does not require a seller to provide an express warranty in connection with the sale of a consumer product. However, if a seller of a consumer product decides to offer a written warranty, it must comply with the Act. The Act only applies the marketing and sale of:

- **consumer products** (note how that term is defined in § 101(1));
- accompanied by **written warranties** (defined in § 101(6)).

The essence of the Act is found in § 102, which provides in subsection (a) that “any warrantor warranting a **consumer product** to a consumer by means of a **written warranty** shall, to the extent required by rules of the Commission, **fully and conspicuously disclose** in simple and readily understood language the terms and conditions of such warranty.”

Note also that the definition of a warranty under § 101(6) varies from the definition of an express warranty under UCC § 2-313. In particular, to fall within the Magnuson-Moss Act:

- warranties must be in writing;
- a warranty relating to the nature of the material or workmanship of the warranted product must affirm or promise that the “*is defect free or will meet a specified level of performance over a specified period of time.*”

☑ **Purple Problem 18-1.** Answer the following questions after reading the appropriate provisions of the Magnuson-Moss Warranty Act.

(1) Section 101(1): does the Act apply to these transactions:

- (a) the purchase by a corporate employer of a microwave oven for an employee break room?
- (b) the purchase by a celebrity of a Boeing 737 to fly his entourage around the world for pleasure?

(2) Section 101(6): do the following create a warranty under Magnusson-Moss? Under the UCC?

- (a) a television commercial showing a Ginsu knife cutting through beer cans?
- (b) a shirt label stating “100% cotton”?
- (c) a contract for the purchase of an automobile providing: “For 3 years or 36,000 miles, whichever comes first, manufacturer will repair or replace any defective parts”?

(3) Section 104:

- (a) If a warrantor gives a written warranty of a consumer product, does the warrantor have to meet the Federal Minimum Standards for Warranties? Are you sure? Read § 103(a).
- (b) Does a seller of a consumer product to a consumer violate the Magnuson Moss Act if the seller in writing states, “THESE GOODS ARE SOLD AS IS. There are no warranties, express or implied.”

(4) Section 110(d):

- (a) Can you bring a claim for violation of the Magnuson Moss Act in a federal district court in the state in which you live?
- (b) If you had a claim for breach of warranty under the UCC, why would you add a claim for violation of the Magnuson Moss Act?

18.2. Warranties under the Act. Magnuson Moss requires a manufacturer or other person giving a warranty subject to the act to classify the warranty as “**full**” or “**limited**.” See § 103(a). The following chart summarizes the differences between a full and a limited warranty. Why is it you see few warranties designated as “full”?

Magnuson-Moss Warranty Act, 15 USC Sections 2301 et seq.:	
Full Warranty	Limited Warranty
may reasonably limit duration of written (express) warranty, such as “12 months or 12,000 miles”	same as “full warranty”
must remedy, by repair, replacement or refund of purchase price, a breach within a reasonable time and without charge (if it can’t be repaired, must allow refund or replacement, at election of consumer)	no requirement of remedy (but see § 2-719 – if a limited remedy fails of its essential purpose, buyer may pursue any remedy under UCC; i.e., if remedy is limited to repair, and seller is unable to repair, the remedy has failed of its essential purpose)
may not exclude any UCC implied warranties	same as “full warranty”
may not limit the duration of any UCC implied warranties (may not say for example, that implied warranty of merchantability is limited to 12 months or 12,000 miles, even though express warranty is so limited) Note: in UCC there is <u>no</u> stated duration of implied warranties; the query (as to merchantability) is whether a failure within, for example, 12 months of purchase makes a good “objectionable in the trade.”	may limit the duration of any UCC implied warranties to the duration of the express warranty

may exclude or limit consequential damages ONLY if done so conspicuously on the face of the warranty, and only to extent allowed by state law (see § 2-719 – limitation of consequential damages for injury to the person in the case of consumer goods is prima facie unconscionable)	no “conspicuous” requirement for exclusion or limitation of consequential damages; § 2-719 applies – cannot be unconscionable (limitation of consequential damages for injury to the person in the case of consumer goods is prima facie unconscionable)
can’t impose any unreasonable duty as a condition of express warranty (but can require reasonable notice of defect on part of consumer); for example, can’t require consumer to send in warranty registration card	no specific prohibitions on creating conditions to express warranties, but remember overriding good faith (§ 1-304) and unconscionability (§ 2-302) requirements
not required to reimburse consumer for incidental expenses incurred as a result of breach, such as cost of returning good to manufacturer for repair	no specific prohibitions/requirements regarding reimbursement of incidental expenses

☑ **Purple Problem 18-2.** Read § 108. What, if any portion, of the following manufacturer's warranty is not valid for a vinyl record player under the Magnuson-Moss Warranty Act?

Limited Warranty

This product is warranted against defects for one year from the date of purchase. Within this period, we will repair the record player without charge for parts and labor, if you bring the record player to any authorized retailer along with a sales receipt or other valid proof of the date of purchase. This warranty does not apply to any damage resulting from improper use of the record player, or damage inflicted by the user or any other person. EXCEPT FOR THIS LIMITED WARRANTY, MANUFACTURER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MANUFACTURER HAS NO LIABILITY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

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