

E-Warranty Act Allows Manufacturers to Go Online with Warranty Disclosures

The recent passage of the E-Warranty Act of 2015 means that manufacturers of consumer products will have the option of meeting warranty requirements by posting warranty terms on the manufacturer's website, eliminating the substantial cost and environmental waste of including printed warranties with product packaging.

The E-Warranty Act, passed by Congress with bipartisan support and signed by President Obama on September 24, 2015, modernizes and amends the Magnuson-Moss Warranty Act—the federal statute which regulates consumer product warranties. The longstanding requirement under Magnuson-Moss was that for products costing more than \$15, manufacturers were required to disclose warranty terms in a single document, generally either printed on product packaging or included within the packaging.

The E-Warranty Act allows manufacturers to meet those disclosure requirements digitally. A manufacturer also can comply with the warranty law requirements by making its warranty terms available in a "clear and conspicuous manner" on the manufacturer's website and indicating on the product, product packaging or within the product manual: (1) the manufacturer's website where the warranty terms are available for viewing; and (2) the phone number, mailing address, or some other means of contacting the manufacturer so that the consumer can obtain a written copy of the warranty terms if he or she wants one.

Manufacturers and retailers alike should note that the E-Warranty Act does not eliminate the requirement that warranty terms be made available at the point of sale so that prospective consumers can see the warranty before they buy the product. For products which do not include warranty information on the packaging, retailers generally fulfill this requirement by keeping a file of written manufacturers' warranties available at the retail location. Under the E-Warranty Act, sellers can also meet the pre-sale availability requirement by providing electronic access to warranty terms at the point of sale (e.g., via an Internet connected tablet or computer in the store).

The Federal Trade Commission ("FTC") has one year to revise its warranty rules and requirements under Magnuson-Moss so that they are consistent with the E-Warranty Act. Sellers may want to see the new FTC rules before converting to

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online warranties. It is possible that the FTC will provide additional rules and clarity about the manner in which manufacturers can direct consumers to online warranty terms and what constitutes "clear and conspicuous" with respect to placement of terms on a manufacturer's website.

The new law will be good news to manufacturers who would like to go "paperless." They should remember to make the conversion carefully and comply with the new rules.

If you would like to know more about warranty content and disclosure requirements, or revise your warranty disclosure procedures to take advantage of the E-Warranty Act, Reinhart's Commercial and Competition Law Group would be glad to help you. Please contact your Reinhart attorney or any member of our [Commercial and Competition Law Group](#).

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