By: Representatives Ellington, Robertson

To: Judiciary A

HOUSE BILL NO. 440

AN ACT TO AMEND SECTION 11-1-63, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE SELLER OF A PRODUCT WHO IS NOT THE MANUFACTURER 1 2 SHALL NOT BE LIABLE FOR CERTAIN MANUFACTURING DEFECTS; AND FOR 3 4 RELATED PURPOSES. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 5 SECTION 1. Section 11-1-63, Mississippi Code of 1972, is 6 amended as follows: 7 11-1-63. In any action for damages caused by a product 8 9 except for commercial damage to the product itself: (a) The manufacturer or seller of the product shall not 10 be liable if the claimant does not prove by the preponderance of 11 the evidence that at the time the product left the control of the 12 manufacturer or seller: 13 1. The product was defective because it (i) 14 deviated in a material way from the manufacturer's specifications 15 or from otherwise identical units manufactured to the same 16 manufacturing specifications; or 17 The product was defective because it 18 2. 19 failed to contain adequate warnings or instructions; or The product was designed in a defective 20 3. 21 manner; or The product breached an express warranty 22 4. or failed to conform to other express factual representations upon 23 which the claimant justifiably relied in electing to use the 24 product; and 25 (ii) The defective condition rendered the product 26 unreasonably dangerous to the user or consumer; and 27

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(iii) The defective and unreasonably dangerous
 condition of the product proximately caused the damages for which
 recovery is sought.

(b) A product is not defective in design or formulation if the harm for which the claimant seeks to recover compensatory damages was caused by an inherent characteristic of the product which is a generic aspect of the product that cannot be eliminated without substantially compromising the product's usefulness or desirability and which is recognized by the ordinary person with the ordinary knowledge common to the community.

38 (C) (i) In any action alleging that a product is defective because it failed to contain adequate warnings or 39 40 instructions pursuant to paragraph (a) (i) 2 of this section, the manufacturer or seller shall not be liable if the claimant does 41 not prove by the preponderance of the evidence that at the time 42 the product left the control of the manufacturer or seller, the 43 manufacturer or seller knew or in light of reasonably available 44 45 knowledge should have known about the danger that caused the damage for which recovery is sought and that the ordinary user or 46 47 consumer would not realize its dangerous condition.

(ii) An adequate product warning or instruction is 48 49 one that a reasonably prudent person in the same or similar circumstances would have provided with respect to the danger and 50 that communicates sufficient information on the dangers and safe 51 use of the product, taking into account the characteristics of, 52 and the ordinary knowledge common to an ordinary consumer who 53 54 purchases the product; or in the case of a prescription drug, medical device or other product that is intended to be used only 55 under the supervision of a physician or other licensed 56 professional person, taking into account the characteristics of, 57 58 and the ordinary knowledge common to, a physician or other 59 licensed professional who prescribes the drug, device or other

60 product.

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In any action alleging that a product is defective (d) 61 62 pursuant to paragraph (a) of this section, the manufacturer or seller shall not be liable if the claimant (i) had knowledge of a 63 64 condition of the product that was inconsistent with his safety; 65 (ii) appreciated the danger in the condition; and (iii) 66 deliberately and voluntarily chose to expose himself to the danger in such a manner to register assent on the continuance of the 67 dangerous condition. 68

(e) In any action alleging that a product is defective 69 pursuant to paragraph (a)(i)2 of this section, the manufacturer or 70 71 seller shall not be liable if the danger posed by the product is known or is open and obvious to the user or consumer of the 72 73 product, or should have been known or open and obvious to the user or consumer of the product, taking into account the 74 75 characteristics of, and the ordinary knowledge common to, the persons who ordinarily use or consume the product. 76

(f) In any action alleging that a product is defective because of its design pursuant to paragraph (a)(i)3 of this section, the manufacturer or product seller shall not be liable if the claimant does not prove by the preponderance of the evidence that at the time the product left the control of the manufacturer or seller:

(i) The manufacturer or seller knew, or in light
of reasonably available knowledge or in the exercise of reasonable
care should have known, about the danger that caused the damage
for which recovery is sought; and

(ii) The product failed to function as expected
and there existed a feasible design alternative that would have to
a reasonable probability prevented the harm. A feasible design
alternative is a design that would have to a reasonable
probability prevented the harm without impairing the utility,
usefulness, practicality or desirability of the product to users
or consumers.

H. B. No. 440 02/HR12/R587 PAGE 3 (CJR\DO) The manufacturer of a product who is found 94 (i) (q) liable for a defective product pursuant to subsection (a) shall 95 indemnify a product seller for the costs of litigation, any 96 97 reasonable expenses, reasonable attorney's fees and any damages 98 awarded by the trier of fact unless the seller exercised substantial control over that aspect of the design, testing, 99 manufacture, packaging or labeling of the product that caused the 100 101 harm for which recovery of damages is sought; the seller altered 102 or modified the product, and the alteration or modification was a substantial factor in causing the harm for which recovery of 103 104 damages is sought; the seller had actual knowledge of the defective condition of the product at the time he supplied same; 105 106 or the seller made an express factual representation about the 107 aspect of the product which caused the harm for which recovery of 108 damages is sought.

(ii) Subparagraph (i) shall not apply unless the seller has given prompt notice of the suit to the manufacturer within thirty (30) days of the filing of the complaint against the seller.

(h) <u>The seller of a product who is not the manufacturer</u> shall not be liable for any latent defect in a product unless the seller has knowledge of the defect or unless the defect violates an express warranty made by the seller.

117 <u>(i)</u> Nothing in this section shall be construed to 118 eliminate any common law defense to an action for damages caused 119 by a product.

120 SECTION 2. This act shall take effect and be in force from 121 and after July 1, 2002.