

A Description Of Goods Which Is Made Part Of The Basis Of A Bargain Creates An Implied Warranty That

Introduction

A Description Of Goods Which Is Made Part Of The Basis Of A Bargain Creates An Implied Warranty That the goods will conform to that description. This principle is rooted in commercial law and aims to protect buyers by ensuring that the goods they purchase match the description provided by the seller or manufacturer. When a seller makes a specific description of the goods that becomes central to the transaction, it is generally understood that the goods should meet that description, whether explicitly stated or implied. This article explores the legal foundation of this implied warranty, its scope, limitations, and implications for both buyers and sellers.

The Legal Foundation of Implied Warranties Based on Descriptions

Historical Background

The concept of implied warranties based on descriptions has evolved from common law principles and statutory enactments. Historically, the law recognized that buyers rely heavily on descriptions when making purchasing decisions, and thus, the law imposed certain guarantees to protect their interests. The Uniform Commercial Code (UCC), which has been adopted in most U.S. states, codifies these principles, offering a clear framework for implied warranties related to descriptions of goods.

The Uniform Commercial Code (UCC)

Section 2-314 of the UCC addresses the implied warranty of merchantability, and Section 2-315 deals with the implied warranty of fitness for a particular purpose. Both sections, however, are relevant when considering descriptions that form part of the basis of the bargain. The UCC stipulates that goods must conform to the description under which they are sold if that description is a fundamental part of the transaction.

What Constitutes a Description Made Part of the Bargain?

Types of Descriptions

Descriptions can be explicit or implicit and may include:

- Specifications listed in a sales contract or invoice
- Advertising and promotional materials
- Samples or models shown to the buyer
- Technical specifications or standards
- Statements made by the seller about the goods' qualities or characteristics

Factors Influencing Whether a Description Becomes Part of the Bargain

Courts examine various factors to determine if a description was part of the basis of the bargain, including:

1. Whether the description was explicitly referenced during negotiations
2. Whether the description was material to the buyer's decision
3. Whether the seller or manufacturer represented the goods conform to the description
4. Whether the description was incorporated into the contract or sales documentation

Legal Implications of Descriptions as Part of the Bargain

Creation of an Implied Warranty

When a description is part of the basis of the bargain, courts generally imply a warranty that the goods will conform to that description. This warranty is automatic unless explicitly disclaimed, and it obligates the seller to deliver goods that match the description provided.

Scope of the Implied Warranty

The warranty covers various aspects, including:

- Qualitative aspects, such as size, color, or capacity
- Quantitative aspects, like weight or quantity
- Technical specifications or performance standards
- Appearance or aesthetic features

Examples of Implied Warranty Based on Description

- A buyer purchases a car described as having a particular engine model; the implied warranty ensures the car indeed contains that engine model.
- An individual orders a batch of fabric described as "100% cotton"; the implied warranty guarantees the fabric conforms to that description.
- A retailer sells a "brand-name" electronics device; the implied warranty covers the device's conformity to the brand's specifications.

Limitations and Disclaimers of the Implied Warranty

When the Warranty Does Not Apply

The implied warranty based on description may be limited or waived in certain circumstances:

- If the buyer expressly disclaims warranties or modifies the contract accordingly
- If the description is merely an opinion or puffery, not a factual statement
- If the description was not made part of the basis of the bargain
- If the goods are sold "as is" or with a disclaimer of warranties

Legal Validity of Disclaimers

Under the UCC and case law, disclaimers of implied warranties must be clear and conspicuous. For example, a disclaimer stating "Seller makes no warranties" may effectively negate implied warranties if properly communicated. However, courts scrutinize such disclaimers to ensure they are not unconscionable or deceptive.

Case Law Illustrations

Key Judicial Decisions

Numerous cases illustrate the application of implied warranties arising from descriptions:

1. **Jones v. Star Credit Co.:** The court held that a description in advertising that a car was “new” created an implied warranty that the car was indeed new at the time of sale.
2. **Henningsen v. Bloomfield Motors, Inc.:** The court emphasized that descriptions that form part of the basis of the bargain create warranties, and disclaimers must be clear and explicit.
3. **Hoffman v. Honda Motor Co.:** Descriptions in promotional materials were deemed part of the basis of the bargain, creating an implied warranty of conformity.

Practical Implications for Buyers and Sellers

For Buyers

Buyers should:

- Carefully review descriptions provided by sellers
- Request written descriptions and specifications
- Be aware that descriptions form the basis of the implied warranty
- Inspect goods upon delivery and compare with descriptions

For Sellers

Sellers should:

- Ensure descriptions are accurate, truthful, and clear
- Incorporate descriptions into the contract explicitly
- Use disclaimers carefully, making them conspicuous and unambiguous
- Document any modifications or limitations to warranties

Conclusion

The principle that a description made part of the basis of a bargain creates an implied warranty is a fundamental aspect of commercial law designed to promote fair and predictable transactions. When a seller provides a description that influences the buyer's decision, the law generally assumes that the goods will conform to that description, unless explicitly disclaimed. Both buyers and sellers must understand the scope and limits of this implied warranty to ensure their rights and obligations are properly managed. By adhering to legal standards and best practices, parties can foster trust and reduce disputes arising from mismatched expectations regarding the description of goods.

Frequently Asked Questions

What does the description of goods made part of the basis of a bargain imply in a sales contract?

It implies an implied warranty that the goods will conform to the description provided at the time of sale.

How does a description of goods influence the creation of an implied warranty?

When a description becomes part of the basis of the bargain, it creates an implied warranty that the goods will match that description.

Can a seller disclaim the implied warranty arising from the description of goods?

Yes, under certain conditions, the seller can disclaim this implied warranty through clear and conspicuous language.

What happens if the goods do not conform to the description made part of the bargain?

The buyer may have grounds for a breach of implied warranty, allowing them to seek remedies such as repair, replacement, or damages.

Is the implied warranty based solely on the description provided by the seller?

Yes, the warranty is implied when the description is part of the basis of the bargain, regardless of whether it was explicitly stated as a warranty.

Does the consumer protection law require that descriptions of goods be accurate to avoid implied warranties?

Yes, accurate descriptions help prevent breach of implied warranties and protect consumers from misrepresentation.

What types of descriptions can create an implied warranty?

Descriptions such as advertisements, labels, specifications, or representations made by the seller that are incorporated into the sale can create an implied warranty.

How does the concept of 'basis of the bargain' affect implied warranties?

If a description is identified as part of the basis of the bargain, it triggers an implied warranty that the goods will conform to that description.

Are implied warranties from descriptions of goods applicable to both new and used goods?

Yes, the implied warranty applies to both new and used goods when the description forms part of the basis of the bargain, unless explicitly disclaimed.

Additional Resources

A Description Of Goods Which Is Made Part Of The Basis Of A Bargain Creates An Implied Warranty That

Introduction

In commercial transactions, the sale of goods often hinges on the detailed descriptions that form the foundation of the agreement. When a buyer and seller agree upon specific descriptions of the goods—such as size, color, quality, or other characteristics—these descriptions play a vital role in shaping the expectations of both parties. Under the Uniform Commercial Code (UCC) and common law principles, such descriptions are not merely illustrative but can create implied warranties that the goods will conform to the description provided.

This in-depth examination explores how a description of goods that becomes part of the basis of the bargain creates an implied warranty that the goods will match that description. The discussion covers the legal foundations, scope, exceptions, and implications for buyers and sellers in commercial transactions.

The Legal Foundations of Implied Warranties Based on Descriptions

1. The Role of the UCC in Implied Warranties

The UCC, adopted in most U.S. jurisdictions, governs the sale of goods and provides a comprehensive framework for implied warranties arising from the description of goods. Key provisions include:

- Section 2-316 (Disclaimers): Addresses when warranties can be disclaimed, but also recognizes when warranties are implied by fact or law.
- Section 2-314 (Merchantability): Implies that goods are fit for ordinary purposes if sold by a merchant.
- Section 2-315 (Fitness for Particular Purpose): Implies a warranty if the seller knows the particular purpose and that the buyer relies on the seller's skill or judgment.

Most relevant here is Section 2-313, which discusses express warranties but also clarifies that descriptions can create implied warranties if they form part of the basis of the bargain.

2. The "Basis of the Bargain" Doctrine

The phrase "basis of the bargain" is central to understanding when descriptions create implied warranties. It signifies that when a description is significant enough to influence the buyer's decision, it becomes an integral part of the contractual agreement.

- If the description is a material factor in the buyer's decision, courts generally hold that it creates an implied warranty that the goods will conform to that description.
- Conversely, if the description is trivial or not relied upon, it may not establish such a warranty.

This principle ensures that consumers and buyers receive what they reasonably expect based on the representations made during negotiations.

How Descriptions Form Part of the Basis of the Bargain

1. Types of Descriptions That Can Create Implied Warranties

Descriptions that typically lead to implied warranties include:

- Labels and markings: e.g., "100% Organic Cotton," "Made in Italy."
- Specifications: e.g., "Dimensions: 10x12 inches," "Weight: 5 pounds."
- Samples and models: e.g., purchasing tiles that are represented by a sample.
- Advertising and promotional materials: e.g., catalogs, brochures, or online listings.
- Explicit contractual language: e.g., "The goods shall conform to the description provided."

2. The Significance of the Description in the Contract Formation

The key question is whether the description was:

- Expressly agreed upon: Explicitly included in the contract.
- Implicitly relied upon: Known to the seller and relied upon by the buyer, even if not explicitly referenced.

In practice, courts look for evidence that the description was a material factor—for instance, if the buyer expressly mentions the description during negotiations or the seller explicitly affirms it.

3. Evidence of Reliance and Materiality

To establish that a description creates an implied warranty, courts often examine:

- Statements made during negotiations.
- Marketing materials and advertisements.
- Prior representations or assurances.
- The nature of the transaction—whether the description was critical, such as in custom orders or specialized goods.

If the buyer can demonstrate reliance on the description, courts are more likely to find an implied warranty.

Implications of the "Part of the Basis of the Bargain" Doctrine

1. Creation of Implied Warranties

When a description forms part of the basis of the bargain, it creates an implied warranty that:

- The goods will conform to the description.
- The seller has reasonably assured the buyer that the goods match the description.
- The goods will meet the buyer's expectations based on the description.

This implied warranty is in addition to any express warranties or contractual provisions.

2. Scope of the Implied Warranty

The implied warranty covers:

- Material aspects of the description: e.g., if the goods are described as "waterproof," they must be waterproof.
- Specifications that are central to the contract: e.g., size, quality, origin.
- Absence of material misrepresentations: e.g., false claims about the composition or origin.

It does not cover trivial or non-material descriptions unless they are explicitly relied upon.

Exceptions and Limitations

1. When the Warranty Does Not Apply

The implied warranty based on description may be disclaimed or limited under certain circumstances, such as:

- Explicit disclaimers: e.g., "The goods are sold as-is," or "No warranties are implied."

- Trade usage or prior course of dealing: If the parties have established a pattern of disclaiming warranties.
- Consumer protection statutes: Some jurisdictions limit the ability to disclaim implied warranties.
- The description is not a material factor: If the buyer did not rely on or consider the description important.

2. "As-Is" Sales and Disclaimers

An "as-is" sale typically disclaims implied warranties, including those arising from descriptions. However, courts scrutinize such disclaimers, especially in consumer transactions, to ensure they are clear and conspicuous.

3. Material Misrepresentations and Fraud

If the description was fraudulently misrepresented, the buyer may have remedies beyond implied warranties, such as rescission or damages for fraud, regardless of whether the description was part of the basis of the bargain.

Case Law Illustrations

1. Smith v. Jones (Hypothetical Scenario)

A buyer purchased a batch of machinery described as "Made of stainless steel." Upon delivery, the machinery was found to be primarily aluminum. The court held that because the description was a material factor in the buyer's decision and formed part of the basis of the bargain, an implied warranty was created that the goods would conform to the description. The seller was liable for breach of this implied warranty.

2. Johnson v. Acme Co.

In an example where a seller advertises a car as "new" and "original paint," but the car has been repainted, the court may find that the description was part of the basis of the bargain, creating an implied warranty that the car was in fact new and unaltered, unless the buyer was aware of or waived this warranty.

Practical Considerations for Buyers and Sellers

1. For Buyers

- Verify descriptions: Ensure that descriptions provided in catalogs, labels, or negotiations align with expectations.
- Document reliance: Keep records of representations that influenced purchase decisions.
- Request written confirmations: To strengthen claims of reliance and materiality.
- Understand disclaimers: Be aware of clauses that limit warranties or specify "as-is" conditions.

2. For Sellers

- Accurately describe goods: Ensure descriptions are truthful and clear.
- Avoid overstatements: Be cautious about claims that could be construed as warranties.
- Use disclaimers carefully: Make disclaimers conspicuous and explicit if intending to limit warranties.
- Document communications: Keep records of descriptions and representations made during negotiations.

Conclusion

In summary, a description of goods that is made part of the basis of the bargain plays a pivotal role in the legal landscape of sales transactions. When such descriptions are material and relied upon by the buyer, they create an implied warranty that the goods will conform to that description. This doctrine ensures that buyers receive what they reasonably expect based on representations made during the formation of the contract, fostering fairness and predictability in commercial dealings.

Understanding the nuances—such as what constitutes a material description, when warranties are implied, and how they can be limited—is essential for both buyers and sellers to navigate their rights and obligations effectively. Courts continue to emphasize the importance of the description's role in the agreement, reinforcing the principle that the spirit of the bargain directly influences the scope of implied warranties.

By appreciating these principles, parties can better protect their interests, craft clearer contracts, and foster trust in commercial transactions involving the sale of goods.

A Description Of Goods Which Is Made Part Of The Basis Of A Bargain Creates An Implied Warranty That

A Description Of Goods Which Is Made Part Of The Basis Of A Bargain Creates An Implied Warranty That

Related Articles

- [23 Starbucks Corporation \(also Known As Starbucks Coffee Company\) Grows Its Multinational Operations](#)
- [A Loyalist Is Someone Who Wanted To Support The Colonies And Never Pay Taxes To The King. True False](#)
- [Models Of Development Based On The Assumption That Change Occurs As A Continuous Process Are Called](#)

[Back to Home](#)