

**CHAPTER III  
CONSUMER PRODUCT AND SERVICE WARRANTIES**

**Article 66. *Implementing Agency.*** – The Department of Trade and Industry, shall strictly enforce the provision of this Chapter and its implementing rules and regulations.

**Article 67. *Applicable Law on Warranties.*** – The provisions of the Civil Code on conditions and warranties shall govern all contracts of sale with conditions and warranties.

**Article 68. *Additional Provisions on Warranties.*** – In addition to the Civil Code provisions on sale with warranties, the following provisions shall govern the sale of consumer products with warranty:

a) Terms of express warranty. – Any seller or manufacturer who gives an express warranty shall:

- 1) set forth the terms of warranty in clear and readily understandable language and clearly identify himself as the warrantor;
- 2) identify the party to whom the warranty is extended;
- 3) state the products or parts covered;
- 4) state what the warrantor will do in the event of a defect, malfunction or failure to conform to the written warranty and at whose expense;
- 5) state what the consumer must do to avail of the rights which accrue to the warranty;  
and
- 6) stipulate the period within which, after notice of defect, malfunction or failure to conform to the warranty, the warrantor will perform any obligation under the warranty.

b) Express warranty – operative from moment of sale. – All written warranties or guarantees issued by a manufacturer, producer, or importer shall be operative from the moment of sale.

1) Sales Report. – All sales made by distributors of products covered by this Article shall be reported to the manufacturer, producer, or importer of the product sold within thirty (30) days from date of purchase, unless otherwise agreed upon. The report shall contain, among others, the date of purchase, model of the product bought, its serial number, name and address of the buyer. The report made in accordance with this provision shall be equivalent to a warranty registration with the manufacturer, producer, or importer. Such registration is sufficient to hold the manufacturer, producer, or importer liable, in appropriate cases, under its warranty.

2) Failure to make or send report. – Failure of the distributor to make the report or send them the form required by the manufacturer, producer, or importer shall relieve the latter of its liability under the warranty: Provided, however, That the distributor who failed to comply with its obligation to send the sales reports shall be personally liable under the warranty. For this purpose, the manufacturer shall be obligated to make good the warranty at the expense of the distributor.

3) Retail. – The retailer shall be subsidiarily liable under the warranty in case of failure of both the manufacturer and distributor to honor the warranty. In such case, the retailer shall shoulder the expenses and costs necessary to honor the warranty. Nothing therein shall prevent the retailer from proceeding against the distributor or manufacturer.

4) Enforcement of warranty or guarantee. – The warranty rights can be enforced by presentment of a claim. To this end, the purchaser needs only to present to the immediate seller either the warranty card or the official receipt along with the product to be serviced or returned to the immediate seller. No other documentary requirement shall be demanded from the purchaser. If the immediate seller is the manufacturer's factory or showroom, the warranty shall immediately be honored. If the product was purchased from a distributor, the distributor shall likewise immediately honor the warranty. In the case of a retailer other than the distributor, the former shall take responsibility without cost to the buyer of presenting the warranty claim to the distributor in the consumer's behalf.

5) Record of purchases. – Distributors and retailers covered by this Article shall keep a record of all purchases covered by a warranty or guarantee for such period of time corresponding to the lifetime of the product's respective warranties or guarantees.

6) Contrary stipulations – null and void. – All covenants, stipulations or agreements contrary to the provisions of this Article shall be without legal effect.

c) Designation of warranties. – A written warranty shall clearly and conspicuously designate such warranty as:

1) "Full warranty" if the written warranty meets the minimum requirements set forth in paragraph (d); or

2) "Limited warranty" if the written warranty does not meet such minimum requirements.

d) Minimum standards for warranties. – For the warrantor of a consumer product to meet the minimum standards for warranty, he shall:

1) remedy such consumer product within a reasonable time and without charge in case of a defect, malfunction or failure to conform to such written warranty;

2) permit the consumer to elect whether to ask for a refund or replacement without charge of such product or part, as the case may be, where after reasonable number of attempts to remedy the defect or malfunction, the product continues to have the defect or to malfunction.

The warrantor will not be required to perform the above duties if he can show that the defect, malfunction or failure to conform to a written warranty was caused by damage due to unreasonable use thereof.

e) Duration of warranty. – The seller and the consumer may stipulate the period within which the express warranty shall be enforceable. If the implied warranty on merchantability accompanies an express warranty, both will be of equal duration.

Any other implied warranty shall endure not less than sixty (60) days nor more than one (1) year following the sale of new consumer products.

f) Breach of warranties. – 1) In case of breach of express warranty, the consumer may elect to have the goods repaired or its purchase price refunded by the warrantor. In case the repair of the product in whole or in part is elected, the warranty work must be made to conform to the express warranty within thirty (30) days by either the warrantor or his representative. The thirty-day period, however, may be extended by conditions which are beyond the control of the warrantor or his representative. In case the refund of the purchase price is elected, the amount directly attributable to the use of the consumer prior to the discovery of the non-conformity shall be deducted.

2) In case of breach of implied warranty, the consumer may retain in the goods and recover damages, or reject the goods, cancel and contract and recover from the seller so much of the purchase price as has been paid, including damages.

**Article 69. Warranties in Supply of Services. –**

a) In every contract for the supply of services to a consumer made by a seller in the course of a business, there is an implied warranty that the service will be rendered with due care and skill and that any material supplied in connection with such services will be reasonably fit for the purpose for which it is supplied.

b) Where a seller supplies consumer services in the course of a business and the consumer, expressly or by implication, makes known to the seller the particular purpose for which the services are required, there is an implied warranty that the services supplied under the contract and any material supplied in connection therewith will be reasonably fit for that purpose or are of such a nature or quality that they might reasonably be expected to achieve that result, unless the circumstances show that the consumer does not rely or that it is unreasonable for him to rely, on the seller's skill or judgment.

**Article 70. Professional Services. –** The provision of this Act on warranty shall not apply to professional services of certified public accountants, architects, engineers, lawyers, veterinarians, optometrists, pharmacists, nurses, nutritionists, dietitians, physical therapists, salesmen, medical and dental practitioners and other professionals engaged in their respective professional endeavors.

**Article 71. Guaranty of Service Firms. –** Service firms shall guarantee workmanship and replacement of spare parts for a period not less than ninety (90) days which shall be indicated in the pertinent invoices.

**Article 72. Prohibited Acts. –** The following acts are prohibited:

a) refusal without any valid legal cause by the total manufacturer or any person obligated under the warranty or guarantee to honor a warranty or guarantee issued;

b) unreasonable delay by the local manufacturer or any person obligated under the warranty or guarantee in honoring the warranty;

c) removal by any person of a product's warranty card for the purpose of evading said warranty obligation;

d) any false representation in an advertisement as to the existence of a warranty or guarantee.

**Article 73. Penalties. –**

a) Any person who shall violate the provisions of Article 67 shall be subject to fine of not less than Five hundred pesos (P500.00) but not more than Five thousand pesos (P5,000.00) or an imprisonment of not less than three (3) months but not more than two (2) years or both upon the discretion of the court. A second conviction under this paragraph shall also carry with it the penalty or revocation of his business permit and license.

b) Any person, natural or juridical, committing any of the illegal acts provided for in Chapter III, except with respect to Article 67, shall be liable for a fine of not less than One thousand pesos (P1,000.00) but not more than Fifty thousand pesos (P50,000.00) or imprisonment for a period of at least one (1) year but not more than five (5) years, or both, at the discretion of the court.

The imposition of any of the penalties herein provided is without prejudice to any liability incurred under the warranty or guarantee.