The goal of a Product Liability

The goal of a Product Liability is to produce products that are reasonably safe in normal intended and foreseeable use and to provide evidence of actions aimed at reducing the risk of an injury or damage. Product liability ideally should promote efficient levels of product safety, but misdirected liability efforts may depress beneficial innovations. The uniform commercial code (UCC) has been adopted in every state. Under the UCC, there are two kinds of warranties: express and implied.

an express warranty can be about the quality of the goods at the time of the sale, but it can also be about the quality of performance of the goods in the future. This is important because, under the UCC, the time limit in which to file a lawsuit alleging a breach of warranty begins to run when delivery occurs ñ even if the defect is not discovered until later. If, however, the warranty concerns future performance ñ e.g., the Acme widget-maker will be free of defects for five years ñ the clock does not start to run until the warranty expires.

Implied Warranty: While an express warranty is created by an affirmative act, an implied warranty is presumed to exist unless the buyer clearly and unambiguously disclaims it in writing as a part of the sales agreement. There are two kinds of implied warranties in the UCC.

Strict product liability is liability without fault for an injury proximately caused by a product that is defective and not reasonably safe. Therefore, in establishing strict liability, the injured plaintiff need only prove that: (1) the product was defective, and (2) the product defect was the cause of the injury. In other words, the focus at trial is on the product, not the conduct of the manufacturer, because it does not matter whether the manufacturer took every possible precaution. If the product was defective and caused an injury, the manufacturer is liable.

In 1904 congress has passed Federal Trade Commission act to control the accuracy, performance claims, and celebrity endorsements, bait and switch.

Antitrust laws, also referred to as "competition laws", are statutes developed by the U.S. Government to protect consumers from predatory business practices by ensuring that fair competition exists in an open-market economy,

classification of antitrust cases and principles is not self-evident because so many cases turn on complex factual circumstances. One convenient way to group the cases is to look to the relationship of those who have agreed or conspired. If the parties are competitors—whether competing manufacturers, wholesalers, retailers, or others—there could be a horizontal restraint of trade. If the parties are at different levels of the distribution chain—for example, manufacturer and retailer—their agreement is said to involve a vertical restraint of trade. These categories are not airtight: a retailer might get competing manufacturers to agree not to supply a competitor of the retailer. This is a vertical restraint with horizontal effects.

Horizontal Mergers. When firms with dominant market shares prepare to enter a merger, the Federal Trade Commission must decide whether the new entity will be able to exert monopolistic and anti-competitive pressures on the remaining firms. For example, the company that makes Malibu Rum and had an 8 percent market share of total rum sales, proposed buying the company that makes Captain Morgan’s rums, which had a 33 percent of total sales to form a new company holding 41 percent market share. Meanwhile, the incumbent dominant firm held over 54 percent of sales. This would mean that the premium rum market would be composed of two competitors together responsible for over 95 percent of sales in total. The Federal Trade Commission challenged the merger on the grounds that the two remaining companies could collude to raise prices and forced Malibu to divest its rum business.