

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

SENATE
S.B. No. 2670

SECRETARY *M*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Through ingenuity of design and quality of craftsmanship, manufacturers produce a range of workplace goods, whose useful life exceeds 12 years. Many of these goods have been in service for decades. This bill seeks to address a fundamental problem for manufacturers, the long tail of liability that extends for creating long-lasting quality good by establishing a statute of repose for durable goods used in a trade or business.

Black's Law Dictionary defines a statute of repose as a statute barring any suit that is brought after a specified time since the defendant acted; in this case, 12 years after the product was delivered to its first purchaser, even if this period ends before the plaintiff has suffered a resulting injury. This differs from a statute of limitations, which is a statute establishing a time limit for suing in a civil case based on the date when the claim accrued.

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
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AN ACT
ESTABLISHING A STATUTE OF REPOSE FOR DURABLE GOODS
USED IN A TRADE OR BUSINESS.

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “Workplace Goods Job Growth and Competitiveness Act of 2007”.

SECTION 2. *Definition of terms.* – The following terms as used in this Act shall be defined as follows:

(1) “Claimant” refers to any person who brings an action covered by this Act and any person on whose behalf such an action is brought. If such an action is brought through or on behalf of an estate, the term includes the claimant's decedent. If such an action is brought through or on behalf of a minor or incompetent, the term includes the claimant's legal guardian.

(2) “Durable Good” refers to any product, or any component of any such product, which has a normal life expectancy of 3 or more years; or is of a character subject to allowance for depreciation under the National Internal Revenue Code; and is used in a trade or business; held for the production of income; or sold or donated to a governmental or private entity for the production of goods, training, demonstration, or any other similar purpose.

SECTION 3. *Statute of Repose for Durable Goods Used in a Trade or Business.* –

(a) IN GENERAL – Except as otherwise provided in this Act:

(1) no civil action may be filed against the manufacturer or seller of a durable good for damage to property arising out of an accident involving that durable good if the accident occurred more than 18 years after the date on which the durable good was delivered to its first purchaser or lessee; and

(2) no civil action may be filed against the manufacturer or seller of a durable good for damages for death or personal injury arising out of an accident involving that durable good if the accident occurred more than 18 years after the date on which the durable good was delivered to its first purchaser or lessee and if:

(A) the claimant has received or is eligible to receive worker compensation; and

(B) the injury does not involve a toxic harm (including, but not limited to, all asbestos-related harm).

(b) EXCEPTIONS –

(1) IN GENERAL – A motor vehicle, vessel, aircraft, or train that is used primarily to transport passengers for hire shall not be subject to this Act.

(2) CERTAIN EXPRESS WARRANTIES – This Act does not bar a civil action against a defendant who made an express warranty in writing as to the safety or life expectancy of a specific product which was longer than 18 years, except that this Act shall apply at the expiration of that warranty.

(3) AVIATION LIMITATIONS PERIOD – This Act does not affect the limitations period established by applicable laws.

(4) ACTIONS INVOLVING THE ENVIRONMENT – Subsection (a)(1) does not supersede or modify any law that authorizes an action for civil damages, cost recovery, or any other form of relief for remediation of the environment.

(c) EFFECT ON APPLICABLE LAW; PREEMPTION – Subject to subsection (b), this Act preempts and supersedes any law that establishes a law of repose to the extent such law applies to actions covered by this Act. Any action not specifically covered by this Act shall be governed by applicable laws.

(d) TRANSITIONAL PROVISION RELATING TO EXTENSION OF REPOSE PERIOD – To the extent that this Act shortens the period during which a civil action could be otherwise brought pursuant to another provision of law, the claimant may, notwithstanding this Act, bring the action not later than 1 year after the date of the enactment of this Act.

SECTION 4. *Application of the Act.* – This Act shall not apply with respect to civil actions commenced before the date of the enactment of this Act.

SECTION 5. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the remainder of the Act or the provision not otherwise affected shall remain valid and subsisting.

SECTION 6. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,