

04-20 ABELA V. GENERAL MOTORS CORP.

Decision Below: 677 N.W.2d 325 (Mich. 2004)

QUESTION PRESENTED

The Magnuson-Moss Warranty Act, 15 U.S.C. §§2301-2312, allows warrantors to include in their written warranties a requirement that consumers submit claims to "informal dispute settlement procedure[s]," 15 U.S.C. § 2310(a)(3), but also preserves a consumer's right to commence a civil action after he or she "initially resorts to such procedure." *Id.* The Federal Trade Commission interprets this statutory provision to make all private dispute resolution procedures related to a written warranty to be non-binding (16 C.F.R. § 703.5(j)), and therefore to prohibit warrantors from enforcing pre-dispute agreements for binding arbitration with respect to claims arising from a written warranty (64 Fed. Reg. 19700, 19708 (1999)).

The question presented is whether the Magnuson-Moss Warranty Act and the Federal Trade Commission's regulations and interpretive guidelines issued pursuant to the Act prohibit warrantors from enforcing pre-dispute binding arbitration clauses against consumers raising claims related to a written warranty.