

106TH CONGRESS
2D SESSION

H. R. 2366

[Report No. 106–494, Part I]

To provide small businesses certain protections from litigation excesses and to limit the product liability of nonmanufacturer product sellers.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1999

Mr. ROGAN (for himself, Mr. HOLDEN, Mr. BURR of North Carolina, and Mr. MORAN of Virginia) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

FEBRUARY 7, 2000

Additional sponsors: Mr. NUSSLE, Mr. BAKER, Mr. CUNNINGHAM, Mr. DEMINT, Mr. LEWIS of California, Mr. WELDON of Florida, Mr. RYUN of Kansas, Mr. PITTS, Mr. TALENT, Mr. HILL of Montana, Ms. PRYCE of Ohio, Mr. HOBSON, Mr. GOODE, Mr. MCCOLLUM, Mr. CANNON, Mr. CONDIT, Mr. VITTER, Mr. SMITH of Texas, Mr. COMBEST, Mrs. NORTHUP, Mr. WATKINS, Mr. STUMP, Mr. DAVIS of Virginia, and Mr. WHITFIELD

FEBRUARY 7, 2000

Reported from the Committee on the Judiciary with an amendment and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

FEBRUARY 7, 2000

Referral to the Committee on Commerce extended for a period ending not later than February 14, 2000

A BILL

To provide small businesses certain protections from litigation excesses and to limit the product liability of non-manufacturer product sellers.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Small Business Liability Reform Act of 2000”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS LAWSUIT ABUSE PROTECTION

Sec. 101. Findings.

Sec. 102. Definitions.

Sec. 103. Limitation on punitive damages for small businesses.

Sec. 104. Limitation on joint and several liability for noneconomic loss for small businesses.

Sec. 105. Exceptions to limitations on liability.

Sec. 106. Preemption and election of State nonapplicability.

TITLE II—PRODUCT SELLER FAIR TREATMENT

Sec. 201. Findings; purposes.

Sec. 202. Definitions.

Sec. 203. Applicability; preemption.

Sec. 204. Liability rules applicable to product sellers, renters, and lessors.

Sec. 205. Federal cause of action precluded.

TITLE III—EFFECTIVE DATE

Sec. 301. Effective date.

1 **TITLE I—SMALL BUSINESS**
2 **LAWSUIT ABUSE PROTECTION**

3 **SEC. 101. FINDINGS.**

4 *Congress finds that—*

5 (1) *the defects in the United States civil justice*
6 *system have a direct and undesirable effect on inter-*
7 *state commerce by decreasing the availability of goods*
8 *and services in commerce;*

9 (2) *there is a need to restore rationality, cer-*
10 *tainty, and fairness to the legal system;*

11 (3) *the spiralling costs of litigation and the mag-*
12 *nitude and unpredictability of punitive damage*
13 *awards and noneconomic damage awards have con-*
14 *tinued unabated for at least the past 30 years;*

15 (4) *the Supreme Court of the United States has*
16 *recognized that a punitive damage award can be un-*
17 *constitutional if the award is grossly excessive in re-*
18 *lation to the legitimate interest of the government in*
19 *the punishment and deterrence of unlawful conduct;*

20 (5) *just as punitive damage awards can be gross-*
21 *ly excessive, so can it be grossly excessive in some cir-*
22 *cumstances for a party to be held responsible under*
23 *the doctrine of joint and several liability for damages*
24 *that party did not cause;*

1 (6) as a result of joint and several liability, enti-
2 ties including small businesses are often brought into
3 litigation despite the fact that their conduct may have
4 little or nothing to do with the accident or trans-
5 action giving rise to the lawsuit, and may therefore
6 face increased and unjust costs due to the possibility
7 or result of unfair and disproportionate damage
8 awards;

9 (7) the costs imposed by the civil justice system
10 on small businesses are particularly acute, since small
11 businesses often lack the resources to bear those costs
12 and to challenge unwarranted lawsuits;

13 (8) due to high liability costs and unwarranted
14 litigation costs, small businesses face higher costs in
15 purchasing insurance through interstate insurance
16 markets to cover their activities;

17 (9) liability reform for small businesses will pro-
18 mote the free flow of goods and services, lessen burdens
19 on interstate commerce, and decrease litigiousness;
20 and

21 (10) legislation to address these concerns is an
22 appropriate exercise of the powers of Congress under
23 clauses 3, 9, and 18 of section 8 of article I of the
24 Constitution of the United States, and the 14th
25 amendment to the Constitution of the United States.

1 **SEC. 102. DEFINITIONS.**

2 *In this title:*

3 (1) *CRIME OF VIOLENCE.*—*The term “crime of*
4 *violence” has the same meaning as in section 16 of*
5 *title 18, United States Code.*

6 (2) *DRUG.*—*The term “drug” means any con-*
7 *trolled substance (as defined in section 102 of the*
8 *Controlled Substances Act (21 U.S.C. 802)) that was*
9 *not legally prescribed for use by the defendant or that*
10 *was taken by the defendant other than in accordance*
11 *with the terms of a lawfully issued prescription.*

12 (3) *ECONOMIC LOSS.*—*The term “economic loss”*
13 *means any pecuniary loss resulting from harm (in-*
14 *cluding the loss of earnings or other benefits related*
15 *to employment, medical expense loss, replacement*
16 *services loss, loss due to death, burial costs, and loss*
17 *of business or employment opportunities) to the extent*
18 *recovery for such loss is allowed under applicable*
19 *State law.*

20 (4) *HARM.*—*The term “harm” means any phys-*
21 *ical injury, illness, disease, or death or damage to*
22 *property.*

23 (5) *HATE CRIME.*—*The term “hate crime” means*
24 *a crime described in section 1(b) of the Hate Crime*
25 *Statistics Act (28 U.S.C. 534 note).*

1 (6) *INTERNATIONAL TERRORISM.*—*The term*
2 *“international terrorism” has the same meaning as*
3 *in section 2331 of title 18, United States Code.*

4 (7) *NONECONOMIC LOSS.*—*The term “non-*
5 *economic loss” means loss for physical or emotional*
6 *pain, suffering, inconvenience, physical impairment,*
7 *mental anguish, disfigurement, loss of enjoyment of*
8 *life, loss of society and companionship, loss of consor-*
9 *tium (other than loss of domestic service), injury to*
10 *reputation, or any other nonpecuniary loss of any*
11 *kind or nature.*

12 (8) *PERSON.*—*The term “person” means any in-*
13 *dividual, corporation, company, association, firm,*
14 *partnership, society, joint stock company, or any*
15 *other entity (including any governmental entity).*

16 (9) *SMALL BUSINESS.*—

17 (A) *IN GENERAL.*—*The term “small busi-*
18 *ness” means any unincorporated business, or*
19 *any partnership, corporation, association, unit*
20 *of local government, or organization that has*
21 *fewer than 25 full-time employees as determined*
22 *on the date the civil action involving the small*
23 *business is filed.*

24 (B) *CALCULATION OF NUMBER OF EMPLOY-*
25 *EES.*—*For purposes of subparagraph (A), the*

1 *number of employees of a subsidiary of a wholly*
2 *owned corporation includes the employees of—*

3 *(i) a parent corporation; and*

4 *(ii) any other subsidiary corporation*
5 *of that parent corporation.*

6 (10) *STATE.—The term “State” means each of*
7 *the several States, the District of Columbia, the Com-*
8 *monwealth of Puerto Rico, the Virgin Islands, Guam,*
9 *American Samoa, the Northern Mariana Islands, any*
10 *other territory or possession of the United States, or*
11 *any political subdivision of any such State, common-*
12 *wealth, territory, or possession.*

13 **SEC. 103. LIMITATION ON PUNITIVE DAMAGES FOR SMALL**
14 **BUSINESSES.**

15 (a) *GENERAL RULE.—Except as provided in section*
16 *105, in any civil action against a small business, punitive*
17 *damages may, to the extent permitted by applicable State*
18 *law, be awarded against the small business only if the*
19 *claimant establishes by clear and convincing evidence that*
20 *conduct carried out by that defendant through willful mis-*
21 *conduct or with a conscious, flagrant indifference to the*
22 *rights or safety of others was the proximate cause of the*
23 *harm that is the subject of the action.*

1 (b) *LIMITATION ON AMOUNT.*—*In any civil action*
2 *against a small business, punitive damages shall not exceed*
3 *the lesser of—*

4 (1) *3 times the total amount awarded to the*
5 *claimant for economic and noneconomic losses; or*

6 (2) *\$250,000.*

7 **SEC. 104. LIMITATION ON JOINT AND SEVERAL LIABILITY**
8 **FOR NONECONOMIC LOSS FOR SMALL BUSI-**
9 **NESSES.**

10 (a) *GENERAL RULE.*—*Except as provided in section*
11 *105, in any civil action against a small business, the liabil-*
12 *ity of each defendant that is a small business, or the agent*
13 *of a small business, for noneconomic loss shall be deter-*
14 *mined in accordance with subsection (b).*

15 (b) *AMOUNT OF LIABILITY.*—

16 (1) *IN GENERAL.*—*In any civil action described*
17 *in subsection (a)—*

18 (A) *each defendant described in that sub-*
19 *section shall be liable only for the amount of*
20 *noneconomic loss allocated to that defendant in*
21 *direct proportion to the percentage of responsi-*
22 *bility of that defendant (determined in accord-*
23 *ance with paragraph (2)) for the harm to the*
24 *claimant with respect to which that defendant is*
25 *liable; and*

1 (B) the court shall render a separate judg-
2 ment against each defendant described in that
3 subsection in an amount determined under sub-
4 paragraph (A).

5 (2) *PERCENTAGE OF RESPONSIBILITY.*—For pur-
6 poses of determining the amount of noneconomic loss
7 allocated to a defendant under this section, the trier
8 of fact shall determine the percentage of responsibility
9 of each person responsible for the harm to the claim-
10 ant, regardless of whether or not the person is a party
11 to the action.

12 **SEC. 105. EXCEPTIONS TO LIMITATIONS ON LIABILITY.**

13 *The limitations on liability under sections 103 and*
14 *104 do not apply—*

15 (1) *to any defendant whose misconduct—*

16 (A) *constitutes—*

17 (i) *a crime of violence;*

18 (ii) *an act of international terrorism;*

19 or

20 (iii) *a hate crime;*

21 (B) *results in liability for damages relating*
22 *to the injury to, destruction of, loss of, or loss of*
23 *use of, natural resources described in—*

1 (i) section 1002(b)(2)(A) of the Oil
2 Pollution Act of 1990 (33 U.S.C.
3 2702(b)(2)(A)); or

4 (ii) section 107(a)(4)(C) of the Com-
5 prehensive Environmental Response, Com-
6 pensation, and Liability Act of 1980 (42
7 U.S.C. 9607(a)(4)(C));

8 (C) involves—

9 (i) a sexual offense, as defined by ap-
10 plicable State law; or

11 (ii) a violation of a Federal or State
12 civil rights law;

13 (D) occurred at the time the defendant was
14 under the influence (as determined under appli-
15 cable State law) of intoxicating alcohol or a
16 drug, and the fact that the defendant was under
17 the influence was the cause of any harm alleged
18 by the plaintiff in the subject action; or

19 (2) to any cause of action which is brought
20 under the provisions of title 31, United States Code,
21 relating to false claims (31 U.S.C. 3729–3733) or to
22 any other cause of action brought by the United
23 States relating to fraud or false statements.

1 **SEC. 106. PREEMPTION AND ELECTION OF STATE NON-**
2 **APPLICABILITY.**

3 (a) *PREEMPTION.*—Subject to subsection (b), this title
4 preempts the laws of any State to the extent that State laws
5 are inconsistent with this title.

6 (b) *ELECTION OF STATE REGARDING NONAPPLICA-*
7 *BILITY.*—This title does not apply to any action in a State
8 court against a small business in which all parties are citi-
9 zens of the State, if the State enacts a statute—

10 (1) *citing the authority of this subsection;*

11 (2) *declaring the election of such State that this*
12 *title does not apply as of a date certain to such ac-*
13 *tions in the State; and*

14 (3) *containing no other provision.*

15 **TITLE II—PRODUCT SELLER**
16 **FAIR TREATMENT**

17 **SEC. 201. FINDINGS; PURPOSES.**

18 (a) *FINDINGS.*—Congress finds that—

19 (1) *although damage awards in product liability*
20 *actions may encourage the production of safer prod-*
21 *ucts, they may also have a direct effect on interstate*
22 *commerce and consumers of the United States by in-*
23 *creasing the cost of, and decreasing the availability*
24 *of, products;*

25 (2) *some of the rules of law governing product li-*
26 *ability actions are inconsistent within and among the*

1 *States, resulting in differences in State laws that may*
2 *be inequitable with respect to plaintiffs and defend-*
3 *ants and may impose burdens on interstate com-*
4 *merce;*

5 *(3) product liability awards may jeopardize the*
6 *financial well-being of individuals and industries,*
7 *particularly the small businesses of the United States;*

8 *(4) because the product liability laws of a State*
9 *may have adverse effects on consumers and businesses*
10 *in many other States, it is appropriate for the Fed-*
11 *eral Government to enact national, uniform product*
12 *liability laws that preempt State laws; and*

13 *(5) under clause 3 of section 8 of article I of the*
14 *United States Constitution, it is the constitutional*
15 *role of the Federal Government to remove barriers to*
16 *interstate commerce.*

17 *(b) PURPOSES.—The purposes of this title, based on*
18 *the powers of the United States under clause 3 of section*
19 *8 of article I of the United States Constitution, are to pro-*
20 *mote the free flow of goods and services and lessen the bur-*
21 *dens on interstate commerce, by—*

22 *(1) establishing certain uniform legal principles*
23 *of product liability that provide a fair balance among*
24 *the interests of all parties in the chain of production,*
25 *distribution, and use of products; and*

1 (2) *reducing the unacceptable costs and delays in*
2 *product liability actions caused by excessive litigation*
3 *that harms both plaintiffs and defendants.*

4 **SEC. 202. DEFINITIONS.**

5 *In this title:*

6 (1) *ALCOHOL PRODUCT.*—*The term “alcohol*
7 *product” includes any product that contains not less*
8 *than 1/2 of 1 percent of alcohol by volume and is in-*
9 *tended for human consumption.*

10 (2) *CLAIMANT.*—*The term “claimant” means*
11 *any person who brings an action covered by this title*
12 *and any person on whose behalf such an action is*
13 *brought. If such an action is brought through or on*
14 *behalf of an estate, the term includes the claimant’s*
15 *decedent. If such an action is brought through or on*
16 *behalf of a minor or incompetent, the term includes*
17 *the claimant’s legal guardian.*

18 (3) *COMMERCIAL LOSS.*—*The term “commercial*
19 *loss” means—*

20 (A) *any loss or damage solely to a product*
21 *itself;*

22 (B) *loss relating to a dispute over the value*
23 *of a product; or*

24 (C) *consequential economic loss, the recovery*
25 *of which is governed by applicable State com-*

1 *mercial or contract laws that are similar to the*
2 *Uniform Commercial Code.*

3 (4) *COMPENSATORY DAMAGES.*—*The term “com-*
4 *pensatory damages” means damages awarded for eco-*
5 *nomi and noneconomic losses.*

6 (5) *DRAM-SHOP.*—*The term “dram-shop” means*
7 *a drinking establishment where alcoholic beverages*
8 *are sold to be consumed on the premises.*

9 (6) *ECONOMIC LOSS.*—*The term “economic loss”*
10 *means any pecuniary loss resulting from harm (in-*
11 *cluding the loss of earnings or other benefits related*
12 *to employment, medical expense loss, replacement*
13 *services loss, loss due to death, burial costs, and loss*
14 *of business or employment opportunities) to the extent*
15 *recovery for that loss is allowed under applicable*
16 *State law.*

17 (7) *HARM.*—*The term “harm” means any phys-*
18 *ical injury, illness, disease, or death or damage to*
19 *property caused by a product. The term does not in-*
20 *clude commercial loss.*

21 (8) *MANUFACTURER.*—*The term “manufacturer”*
22 *means—*

23 (A) *any person who—*

1 (i) is engaged in a business to produce,
2 create, make, or construct any product (or
3 component part of a product); and

4 (ii)(I) designs or formulates the prod-
5 uct (or component part of the product); or

6 (II) has engaged another person to de-
7 sign or formulate the product (or component
8 part of the product);

9 (B) a product seller, but only with respect
10 to those aspects of a product (or component part
11 of a product) that are created or affected when,
12 before placing the product in the stream of com-
13 merce, the product seller—

14 (i) produces, creates, makes, constructs
15 and designs, or formulates an aspect of the
16 product (or component part of the product)
17 made by another person; or

18 (ii) has engaged another person to de-
19 sign or formulate an aspect of the product
20 (or component part of the product) made by
21 another person; or

22 (C) any product seller not described in sub-
23 paragraph (B) that holds itself out as a manu-
24 facturer to the user of the product.

1 (9) *NONECONOMIC LOSS.*—*The term “non-*
2 *economic loss” means loss for physical or emotional*
3 *pain, suffering, inconvenience, physical impairment,*
4 *mental anguish, disfigurement, loss of enjoyment of*
5 *life, loss of society and companionship, loss of consor-*
6 *tium (other than loss of domestic service), injury to*
7 *reputation, or any other nonpecuniary loss of any*
8 *kind or nature.*

9 (10) *PERSON.*—*The term “person” means any*
10 *individual, corporation, company, association, firm,*
11 *partnership, society, joint stock company, or any*
12 *other entity (including any governmental entity).*

13 (11) *PRODUCT.*—

14 (A) *IN GENERAL.*—*The term “product”*
15 *means any object, substance, mixture, or raw*
16 *material in a gaseous, liquid, or solid state*
17 *that—*

18 (i) *is capable of delivery itself or as an*
19 *assembled whole, in a mixed or combined*
20 *state, or as a component part or ingredient;*

21 (ii) *is produced for introduction into*
22 *trade or commerce;*

23 (iii) *has intrinsic economic value; and*

24 (iv) *is intended for sale or lease to per-*
25 *sons for commercial or personal use.*

1 (B) *EXCLUSION.*—The term “product” does
2 not include—

3 (i) *tissue, organs, blood, and blood*
4 *products used for therapeutic or medical*
5 *purposes, except to the extent that such tis-*
6 *sue, organs, blood, and blood products (or*
7 *the provision thereof) are subject, under ap-*
8 *plicable State law, to a standard of liability*
9 *other than negligence; or*

10 (ii) *electricity, water delivered by a*
11 *utility, natural gas, or steam.*

12 (12) *PRODUCT LIABILITY ACTION.*—

13 (A) *GENERAL RULE.*—Except as provided
14 in subparagraph (B), the term “product liability
15 action” means a civil action brought on any the-
16 ory for a claim for any physical injury, illness,
17 disease, death, or damage to property that is
18 caused by a product.

19 (B) *The following claims are not included*
20 *in the term “product liability action”:*

21 (i) *NEGLIGENT ENTRUSTMENT.*—A
22 *claim for negligent entrustment.*

23 (ii) *NEGLIGENCE PER SE.*—A claim
24 *brought under a theory of negligence per se.*

1 (iii) *DRAM-SHOP*.—A claim brought
2 under a theory of dram-shop or third-party
3 liability arising out of the sale or providing
4 of an alcoholic product to an intoxicated
5 person or minor.

6 (13) *PRODUCT SELLER*.—

7 (A) *IN GENERAL*.—The term “product sell-
8 er” means a person who in the course of a busi-
9 ness conducted for that purpose—

10 (i) sells, distributes, rents, leases, pre-
11 pares, blends, packages, labels, or otherwise
12 is involved in placing a product in the
13 stream of commerce; or

14 (ii) installs, repairs, refurbishes, recon-
15 ditions, or maintains the harm-causing as-
16 pect of the product.

17 (B) *EXCLUSION*.—The term “product seller”
18 does not include—

19 (i) a seller or lessor of real property;

20 (ii) a provider of professional services
21 in any case in which the sale or use of a
22 product is incidental to the transaction and
23 the essence of the transaction is the fur-
24 nishing of judgment, skill, or services; or

25 (iii) any person who—

1 (I) acts in only a financial capac-
2 ity with respect to the sale of a prod-
3 uct; or

4 (II) leases a product under a lease
5 arrangement in which the lessor does
6 not initially select the leased product
7 and does not during the lease term or-
8 dinarily control the daily operations
9 and maintenance of the product.

10 (14) STATE.—The term “State” means each of
11 the several States, the District of Columbia, the Com-
12 monwealth of Puerto Rico, the Virgin Islands, Guam,
13 American Samoa, the Northern Mariana Islands, any
14 other territory or possession of the United States, or
15 any political subdivision of any such State, common-
16 wealth, territory, or possession.

17 **SEC. 203. APPLICABILITY; PREEMPTION.**

18 (a) APPLICABILITY.—

19 (1) IN GENERAL.—Except as provided in para-
20 graph (2), this title governs any product liability ac-
21 tion brought in any Federal or State court.

22 (2) ACTIONS FOR COMMERCIAL LOSS.—A civil
23 action brought for commercial loss shall be governed
24 only by applicable State commercial or contract laws
25 that are similar to the Uniform Commercial Code.

1 (b) *RELATIONSHIP TO STATE LAW.*—*This title super-*
2 *sedes a State law only to the extent that the State law ap-*
3 *plies to an issue covered by this title. Any issue that is not*
4 *governed by this title, including any standard of liability*
5 *applicable to a manufacturer, shall be governed by any ap-*
6 *plicable Federal or State law.*

7 (c) *EFFECT ON OTHER LAW.*—*Nothing in this title*
8 *shall be construed to—*

9 (1) *waive or affect any defense of sovereign im-*
10 *munity asserted by any State under any State law;*

11 (2) *supersede or alter any Federal law;*

12 (3) *waive or affect any defense of sovereign im-*
13 *munity asserted by the United States;*

14 (4) *affect the applicability of any provision of*
15 *chapter 97 of title 28, United States Code;*

16 (5) *preempt State choice-of-law rules with re-*
17 *spect to claims brought by a foreign nation or a cit-*
18 *izen of a foreign nation;*

19 (6) *affect the right of any court to transfer venue*
20 *or to apply the law of a foreign nation or to dismiss*
21 *a claim of a foreign nation or of a citizen of a foreign*
22 *nation on the ground of inconvenient forum; or*

23 (7) *supersede or modify any statutory or com-*
24 *mon law, including any law providing for an action*
25 *to abate a nuisance, that authorizes a person to insti-*

1 *plaint, independent of any express warranty*
2 *made by a manufacturer as to the same product;*

3 *(ii) the product failed to conform to the*
4 *warranty; and*

5 *(iii) the failure of the product to conform to*
6 *the warranty caused the harm to the claimant;*

7 *or*

8 *(C)(i) the product seller engaged in inten-*
9 *tional wrongdoing, as determined under applica-*
10 *ble State law; and*

11 *(ii) the intentional wrongdoing caused the*
12 *harm that is the subject of the complaint.*

13 (2) *REASONABLE OPPORTUNITY FOR INSPEC-*
14 *TION.—For purposes of paragraph (1)(A)(ii), a prod-*
15 *uct seller shall not be considered to have failed to ex-*
16 *ercise reasonable care with respect to a product based*
17 *upon an alleged failure to inspect the product, if—*

18 *(A) the failure occurred because there was*
19 *no reasonable opportunity to inspect the product;*

20 *or*

21 *(B) the inspection, in the exercise of reason-*
22 *able care, would not have revealed the aspect of*
23 *the product that allegedly caused the claimant's*
24 *harm.*

25 (b) *SPECIAL RULE.—*

1 (1) *IN GENERAL.*—A product seller shall be
2 deemed to be liable as a manufacturer of a product
3 for harm caused by the product, if—

4 (A) the manufacturer is not subject to serv-
5 ice of process under the laws of any State in
6 which the action may be brought; or

7 (B) the court determines that the claimant
8 is or would be unable to enforce a judgment
9 against the manufacturer.

10 (2) *STATUTE OF LIMITATIONS.*—For purposes of
11 this subsection only, the statute of limitations appli-
12 cable to claims asserting liability of a product seller
13 as a manufacturer shall be tolled from the date of the
14 filing of a complaint against the manufacturer to the
15 date that judgment is entered against the manufac-
16 turer.

17 (c) *RENTED OR LEASED PRODUCTS.*—

18 (1) *DEFINITION.*—For purposes of paragraph
19 (2), and for determining the applicability of this title
20 to any person subject to that paragraph, the term
21 “product liability action” means a civil action
22 brought on any theory for harm caused by a product
23 or product use.

24 (2) *LIABILITY.*—Notwithstanding any other pro-
25 vision of law, any person engaged in the business of

1 *renting or leasing a product (other than a person ex-*
2 *cluded from the definition of product seller under sec-*
3 *tion 202(13)(B)) shall be subject to liability in a*
4 *product liability action under subsection (a), but any*
5 *person engaged in the business of renting or leasing*
6 *a product shall not be liable to a claimant for the*
7 *tortious act of another solely by reason of ownership*
8 *of that product.*

9 **SEC. 205. FEDERAL CAUSE OF ACTION PRECLUDED.**

10 *The district courts of the United States shall not have*
11 *jurisdiction under this title based on section 1331 or 1337*
12 *of title 28, United States Code.*

13 **TITLE III—EFFECTIVE DATE**

14 **SEC. 301. EFFECTIVE DATE.**

15 *This Act shall take effect with respect to any civil ac-*
16 *tion commenced after the date of enactment of this Act with-*
17 *out regard to whether the harm that is the subject of the*
18 *action occurred before such date.*

○