

# Responding to Tire Warranty Issues



For our Dealers, we have provided this legal retort for any tire manufacturers that do not want to honor the tire warranty if Dyna Beads were used to balance the tires. Below, you will find the legal language that allows users to use Dyna Beads while maintaining their tire warranty intact.

**Dyna Beads:** We are the only product that is not only designed to balance the tires, but will **never** damage the tire, wheel or inner liner either chemically or physically. **We stand behind this claim 100%.**

The beads are 100% solid Ceramic, chemically inert, and perfectly round and smooth. They have been run in tires to over 400,000 miles without product degradation or damage to tires or wheels.

**You the Dealer:** The Dealer is the warranty station in all cases. If a customer has a tire failure that you determine to be due to tire construction or similar defect, then simply vacuum out any beads and wipe out the inside of the tire before submitting it for a warranty claim.

To sum up the language below:

Federal law allows a consumer the right to perform reasonable and necessary maintenance on a warranted product. Tire balancing is reasonable and necessary. If the tires are not balanced, they wear out before their useful life. By refusing to honor their warranty when the consumer uses Innovative Balancing beads, tire manufacturers are interfering with consumers' right to perform "reasonable and necessary" maintenance on tires.

A tire manufacturer is **prohibited** by federal statute from preventing a consumer from using Innovative Balancing's "Dynamic Wheel Balancing System" to balance his tires. The use of Innovative Balancing's ceramic beads constitutes what 15 U.S.C. § 2301(9) refers to as "reasonable and necessary maintenance". According to this provision, "reasonable and necessary maintenance" is maintenance which the consumer can reasonably be expected to perform or have performed. Additionally, it is maintenance that is necessary to keep the product performing its intended function at a reasonable level. 15 U.S.C. §2301(9).

The Magnuson-Moss Warranty Act – 15 U.S.C. §§2301 – 2312 – is the federal provision that governs consumer products and warranties. Although a merchant is not federally obligated

to provide a written warranty, once it is provided, such warranty must comport with the standards put forth in the Act. A few of the relevant “minimum standards” required by §2304 are as follows: 1) A warrantor must fix the consumer product within a reasonable amount of time, in the event of defect, malfunction, or failure to conform with the written warranty; 2) such warrantor may not impose limitations on the duration of implied warranties on the product; and 3) if such warrantor attempts to repair the defective aspect of the product, and is unsuccessful after a reasonable number of attempts, the warrantee may elect a refund or a replacement without charge of the defective part.

If a warrantor can show that a product’s noncompliance with the warranty is attributable to the consumer (i.e. not resulting from defect or malfunction) or unreasonable use (failure to provide reasonable and necessary maintenance), then the above-mentioned standards are waived. 15 U.S.C. §2304(c). The corollary to this waiver of standards, however, is that if reasonable and necessary maintenance occurs, and a defect arises that is not attributable to the consumer, the warrantor must honor the warranty. Further, a warrantor may not condition performance of the warranty on a consumer’s use of a specific part or service unless two conditions are met: 1) the warrantor shows that the product will only function properly if the part or service specified by the warrantor is used and 2) the Federal Trade Commission finds that absolving the warrantor of his obligations does not violate public policy. 15 U.S.C. §2302(c).

Such conditioning of performance of the warranty on the usage of certain parts is known as a tie-in sales provision. In our case, the tire manufacturer is not explicitly stating that he will only honor the warranty if another wheel-balancing system, besides that of Innovative Balancing, is used. He is stating that nothing should be placed in the tires to balance them. However, given that warrantors are not obligated, under Magnuson-Moss, to honor warranties if defects arise due

to failure to perform reasonable and necessary maintenance, it follows that warrantees should be at liberty to take measures to maintain their tires. If a tire is not balanced, then it loses functionality and exposes the driver of the vehicle to substantial risk. **Based upon federal statutory provisions, unless a tire manufacturer can prove that Innovative Balancing's ceramic beads cause tires to malfunction, it must continue to honor its warranty.**