

**MOLD RETENTION LAW, MOLD LIEN LAW,
AND CREDITOR'S RIGHTS**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Mike Dmitrich

AN ACT RELATING TO COMMERCE AND TRADE; ENACTING THE MOLD RETENTION AND LIEN ACT; DEFINING TERMS; PROVIDING FOR OWNERSHIP RIGHTS IN MOLDS; AND PROVIDING FOR LIENS AGAINST MOLDS.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

13-30-101, Utah Code Annotated 1953

13-30-102, Utah Code Annotated 1953

13-30-103, Utah Code Annotated 1953

13-30-201, Utah Code Annotated 1953

13-30-202, Utah Code Annotated 1953

13-30-203, Utah Code Annotated 1953

13-30-301, Utah Code Annotated 1953

13-30-302, Utah Code Annotated 1953

38-2-6, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **13-30-101** is enacted to read:

CHAPTER 30. MOLD RETENTION AND LIEN ACT

Part 1. General Provisions

13-30-101. Title.

This chapter shall be known as the "Mold Retention and Lien Act."

Section 2. Section **13-30-102** is enacted to read:

13-30-102. Definitions.

As used in this chapter:

(1) "All rights and title" does not include rights or title in patents or copyrights.

(2) "Customer" means a person that:

(a) causes a molder to fabricate, cast, or otherwise make a mold; or

(b) provides a molder with a mold to make a product for the customer.

(3) "Make" includes to manufacture, assemble, cast, or fabricate.

(4) "Mold" includes a die, form, or pattern.

(5) (a) "Molder" means a person that makes or uses a mold for the purpose of making a product for a customer.

(b) "Molder" includes a tool or die maker.

Section 3. Section **13-30-103** is enacted to read:

13-30-103. Relationship to federal law.

This chapter does not affect any right of a customer under federal law related to patent, copyright, or unfair competition.

Section 4. Section **13-30-201** is enacted to read:

Part 2. Retention of Molds

13-30-201. Ownership rights to molds.

(1) Unless otherwise agreed to by the molder and the customer, the customer has all rights and title to a mold in the possession of the molder.

(2) If a customer does not claim possession from a molder of a mold within three years following the last prior use of the mold, all rights and title to the mold may be transferred to the molder in accordance with Section 13-30-202 for the purpose of destroying or otherwise disposing of the mold.

Section 5. Section **13-30-202** is enacted to read:

13-30-202. Transfer of ownership to molder.

(1) If a customer does not claim possession from a molder of a mold within three years following the last prior use of the mold, the molder may transfer all rights and title to the mold in accordance with this section.

(2) (a) Prior to obtaining all rights and title to the mold, the molder shall send written notice by registered mail to the last-known address of the customer notifying the customer that the molder

is terminating the customer's rights and title to the mold.

(b) The notice required under Subsection (2)(a) shall disclose the rights of the customer under Subsection (3).

(3) All rights and title of the customer to the mold are transferred to the molder 120 days from the date the notice required by Subsection (2)(a) is sent unless the customer:

(a) responds in person or by mail to claim possession of the mold within the 120-day period;
or

(b) makes other contractual arrangements with the molder for the storage of the mold.

(4) After rights and title to a mold are transferred to the molder under Subsection (2), the molder may destroy or otherwise dispose of the mold without liability to the customer.

Section 6. Section **13-30-203** is enacted to read:

13-30-203. Scope of part.

In determining whether a customer has claimed possession of a mold within three years following the last prior use, a molder may include any period following the last prior use of a mold even if that period is prior to May 4, 1998.

Section 7. Section **13-30-301** is enacted to read:

Part 3. Mold Liens

13-30-301. Mold liens.

(1) If a molder has possession of a mold belonging to a customer, the molder has a lien on the mold for the balance due from the customer for:

(a) work for the customer involving the mold; and

(b) the value of all materials related to work described in Subsection (1)(a).

(2) (a) Prior to enforcing the lien, the molder shall deliver or send written notice by registered mail to the last-known address of the customer notifying the customer that the molder intends to enforce the lien.

(b) The notice required by Subsection (2)(a) shall:

(i) state that the lien is claimed for damages for failure to pay under a contract for work for the customer involving the mold;

(ii) include a demand for payment; and

(iii) be accompanied by the written contract, if any, for the work performed for the customer.

(3) If the molder is not paid the amount due within 60 days from the day the notice required by Subsection (2) is received by the customer, the molder may sell the mold at a public auction in accordance with Section 13-30-302.

Section 8. Section **13-30-302** is enacted to read:

13-30-302. Sale of molds for payment of lien.

(1) (a) Prior to selling a mold, the molder shall send written notice by registered mail to the last-known address of the customer.

(b) The notice required by Subsection (1)(a) shall include:

(i) the molder's intention to sell the mold 30 days from the day the customer received the notice;

(ii) the description of the mold to be sold;

(iii) the time and place of the sale; and

(iv) an itemized statement for the amount due the molder from the customer.

(c) A molder shall publish notice of the molder's intention to sell a mold in a newspaper of general circulation covering the customer's last-known address, if:

(i) the receipt of the mailing of the notice described in Subsection (1)(a) is not returned; or

(ii) the postal service returns the notice described in Subsection (1)(a) as being nondeliverable.

(d) The notice provided for in Subsection (1)(c) shall include a description of the mold.

(2) A molder may sell a mold 30 days from the later of the day:

(a) the customer received the notice in accordance with Subsection (1)(a); or

(b) the date the molder published the notice under Subsection (1)(c).

(3) If from the sale of a mold under this section the molder receives an amount in excess of the amount of the lien, the excess shall be paid as follows:

(a) to any prior lienholder known to the molder at the time of the sale; and

(b) after paying any lienholder under Subsection (3)(a), the remainder:

(i) if the customer's address is known at the time of sale, to the customer; or

(ii) if the customer's address is not known at the time of sale, to the state in accordance with

Title 67, Chapter 4a, Unclaimed Property Act.

Section 9. Section **38-2-6** is enacted to read:

38-2-6. Mold liens.

Title 13, Chapter 30, Mold Retention and Lien Act, governs liens on molds in the possession of a molder as those terms are defined in Section 13-30-102.