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1	MOLD RETENTION LAW, MOLD LIEN LAW,
2	AND CREDITOR'S RIGHTS
3	1998 GENERAL SESSION
4	STATE OF UTAH
5	Sponsor: Mike Dmitrich
6	AN ACT RELATING TO COMMERCE AND TRADE; ENACTING THE MOLD RETENTION
7	AND LIEN ACT; DEFINING TERMS; PROVIDING FOR OWNERSHIP RIGHTS IN
8	MOLDS; AND PROVIDING FOR LIENS AGAINST MOLDS.
9	This act affects sections of Utah Code Annotated 1953 as follows:
10	ENACTS:
11	13-30-101 , Utah Code Annotated 1953
12	13-30-102 , Utah Code Annotated 1953
13	13-30-103 , Utah Code Annotated 1953
14	13-30-201 , Utah Code Annotated 1953
15	13-30-202 , Utah Code Annotated 1953
16	13-30-203 , Utah Code Annotated 1953
17	13-30-301 , Utah Code Annotated 1953
18	13-30-302 , Utah Code Annotated 1953
19	38-2-6 , Utah Code Annotated 1953
20	Be it enacted by the Legislature of the state of Utah:
21	Section 1. Section 13-30-101 is enacted to read:
22	CHAPTER 30. MOLD RETENTION AND LIEN ACT
23	Part 1. General Provisions
24	<u>13-30-101.</u> Title.
25	This chapter shall be known as the "Mold Retention and Lien Act."
26	Section 2. Section 13-30-102 is enacted to read:
27	13-30-102. Definitions.

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1	As used in this chapter:
2	(1) "All rights and title" does not include rights or title in patents or copyrights.
3	(2) "Customer" means a person that:
4	(a) causes a molder to fabricate, cast, or otherwise make a mold; or
5	(b) provides a molder with a mold to make a product for the customer.
6	(3) "Make" includes to manufacture, assemble, cast, or fabricate.
7	(4) "Mold" includes a die, form, or pattern.
8	(5) (a) "Molder" means a person that makes or uses a mold for the purpose of making a
9	product for a customer.
10	(b) "Molder" includes a tool or die maker.
11	Section 3. Section 13-30-103 is enacted to read:
12	13-30-103. Relationship to federal law.
13	This chapter does not affect any right of a customer under federal law related to patent,
14	copyright, or unfair competition.
15	Section 4. Section 13-30-201 is enacted to read:
16	Part 2. Retention of Molds
17	13-30-201. Ownership rights to molds.
18	(1) Unless otherwise agreed to by the molder and the customer, the customer has all rights
19	and title to a mold in the possession of the molder.
20	(2) If a customer does not claim possession from a molder of a mold within three years
21	following the last prior use of the mold, all rights and title to the mold may be transferred to the
22	molder in accordance with Section 13-30-202 for the purpose of destroying or otherwise disposing
23	of the mold.
24	Section 5. Section 13-30-202 is enacted to read:
25	13-30-202. Transfer of ownership to molder.
26	(1) If a customer does not claim possession from a molder of a mold within three years
27	following the last prior use of the mold, the molder may transfer all rights and title to the mold in
28	accordance with this section.
29	(2) (a) Prior to obtaining all rights and title to the mold, the molder shall send written
30	notice by registered mail to the last-known address of the customer notifying the customer that the
31	molder is terminating the customer's rights and title to the mold.

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1	(b) The notice required under Subsection (2)(a) shall disclose the rights of the customer
2	under Subsection (3).
3	(3) All rights and title of the customer to the mold are transferred to the molder 120 days
4	from the date the notice required by Subsection (2)(a) is sent unless the customer:
5	(a) responds in person or by mail to claim possession of the mold within the 120-day
6	period; or
7	(b) makes other contractual arrangements with the molder for the storage of the mold.
8	(4) After rights and title to a mold are transferred to the molder under Subsection (2), the
9	molder may destroy or otherwise dispose of the mold without liability to the customer.
10	Section 6. Section 13-30-203 is enacted to read:
11	<u>13-30-203.</u> Scope of part.
12	In determining whether a customer has claimed possession of a mold within three years
13	following the last prior use, a molder may include any period following the last prior use of a molder
14	even if that period is prior to May 4, 1998.
15	Section 7. Section 13-30-301 is enacted to read:
16	Part 3. Mold Liens
17	<u>13-30-301.</u> Mold liens.
18	(1) If a molder has possession of a mold belonging to a customer, the molder has a lien
19	on the mold for the balance due from the customer for:
20	(a) work for the customer involving the mold; and
21	(b) the value of all materials related to work described in Subsection (1)(a).
22	(2) (a) Prior to enforcing the lien, the molder shall deliver or send written notice by
23	registered mail to the last-known address of the customer notifying the customer that the molder
24	intends to enforce the lien.
25	(b) The notice required by Subsection (2)(a) shall:
26	(i) state that the lien is claimed for damages for failure to pay under a contract for work
27	for the customer involving the mold;
28	(ii) include a demand for payment; and
29	(iii) be accompanied by the written contract, if any, for the work performed for the
30	<u>customer.</u>
31	(3) If the molder is not paid the amount due within 60 days from the day the notice

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1	required by Subsection (2) is received by the customer, the molder may sell the mold at a public
2	auction in accordance with Section 13-30-302.
3	Section 8. Section 13-30-302 is enacted to read:
4	13-30-302. Sale of molds for payment of lien.
5	(1) (a) Prior to selling a mold, the molder shall send written notice by registered mail to
6	the last-known address of the customer.
7	(b) The notice required by Subsection (1)(a) shall include:
8	(i) the molder's intention to sell the mold 30 days from the day the customer received the
9	notice;
10	(ii) the description of the mold to be sold;
11	(iii) the time and place of the sale; and
12	(iv) an itemized statement for the amount due the molder from the customer.
13	(c) A molder shall publish notice of the molder's intention to sell a mold in a newspaper
14	of general circulation covering the customer's last-known address, if:
15	(i) the receipt of the mailing of the notice described in Subsection (1)(a) is not returned;
16	<u>or</u>
17	(ii) the postal service returns the notice described in Subsection (1)(a) as being
18	nondeliverable.
19	(d) The notice provided for in Subsection (1)(c) shall include a description of the mold.
20	(2) A molder may sell a mold 30 days from the later of the day:
21	(a) the customer received the notice in accordance with Subsection (1)(a); or
22	(b) the date the molder published the notice under Subsection (1)(d).
23	(3) If from the sell of a mold under this section the molder receives an amount in excess
24	of the amount of the lien, the excess shall be paid as follows:
25	(a) to any prior lienholder known to the molder at the time of the sale; and
26	(b) after paying any lienholder under Subsection (3)(a), the remainder:
27	(i) if the customer's address is known at the time of sale, to the customer; or
28	(ii) if the customer's address is not known at the time of sale, to the state in accordance
29	with Title 67, Chapter 4a, Unclaimed Property Act.
30	Section 9. Section 38-2-6 is enacted to read:
31	<u>38-2-6.</u> Mold liens.

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Title 13, Chapter 30, Mold Retention and Lien Act, governs

2 <u>liens on molds in the possession of a molder as those terms are defined in Section 13-30-102.</u>

Legislative Review Note as of 2-2-98 10:38 AM

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A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel