

Recent Ruling Creates Potential Liability For Use of Common Contractual Terms

Contracts containing uniform terms and conditions are a common feature of modern commercial life, write **James F. Bogan III** and **William D. Meyer** of **Kilpatrick Townsend & Stockton LLP**.

“Consumers are oftentimes required to agree to such contracts in order to buy a good or service, and the contracts typically contain provisions that benefit the business/seller and limit the legal remedies available to the consumer/buyer. While the law generally favors freedom of contract and supports the enforceability of uniform terms and conditions, a recent case applying New Jersey law shows that a business could be exposed to liability – including as a class action defendant – for simply including certain types of limiting clauses in consumer contracts,” they explain.

In their article, they discuss the case of *Johnson v. Wynn’s Extended Care, Inc.*, in which the 3rd Circuit Court of Appeals ruled that a consumer has a valid cause of action against a business where its service contract simply contains a provision waiving attorneys’ fees and splitting costs.

Read the article.