

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962
Part 1
GENERAL

440.7101 Uniform commercial code—documents of title; short title of article.

Sec. 7101.

This article shall be known and may be cited as "uniform commercial code—documents of title".

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7102 Uniform commercial code; documents of title; definitions.

Sec. 7102.

(1) As used in this article, unless the context otherwise requires:

(a) "Bailee" means a person that by a warehouse receipt, bill of lading, or other document of title acknowledges possession of goods and contracts to deliver them.

(b) "Carrier" means a person that issues a bill of lading.

(c) "Consignee" means a person named in a bill of lading to which or to whose order the bill promises delivery.

(d) "Consignor" means a person named in a bill of lading as the person from which the goods have been received for shipment.

(e) "Delivery order" means a record that contains an order to deliver goods directed to a warehouseman, carrier, or other person that in the ordinary course of business issues warehouse receipts or bills of lading.

(f) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(g) "Goods" means all things that are treated as movable for the purposes of a contract for storage or transportation.

(h) "Issuer" means a bailee that issues a document of title or, in the case of an unaccepted delivery order, the person that orders the possessor of goods to deliver. The term includes any person for which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, even if the issuer did not receive any goods, the goods were misdescribed, or in any other respect the agent or employee violated the issuer's instructions.

(i) "Person entitled under the document" means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

(j) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(k) "Sign" means any of the following, with present intent to authenticate or adopt a record:

(i) To execute or adopt a tangible symbol.

(ii) To attach to or logically associate with the record an electronic sound, symbol, or process.

(l) "Shipper" means a person that enters into a contract of transportation with a carrier.

(m) "Warehouse" means a person engaged in the business of storing goods for hire.

(2) All of the following definitions from other articles apply to this article:

(a) "Contract for sale" as defined in section 2106.

(b) "Lessee in the ordinary course of business" as defined in section 2A103.

(c) "Receipt of goods" as defined in section 2103.

(3) Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7103 Article subject to governmental treaty, statute, or regulatory statute; electronic signatures.

Sec. 7103.

(1) This article is subject to any treaty or statute of the United States or regulatory statute of this state to the extent the treaty, statute, or regulatory statute is applicable.

(2) This article does not modify or repeal any law prescribing the form or content of a document of title or the services or facilities to be afforded by a bailee, or otherwise regulating a bailee's business in respects not specifically treated in this article. However, violation of such a law does not affect the status of a document of title that otherwise is within the definition of a document of title.

(3) This act modifies, limits, and supersedes the electronic signatures in global and national commerce act, 15 USC 7001 to 7031, but does not modify, limit, or supersede 15 USC 7001(a) or authorize electronic delivery of any of the notices described in 15 USC 7003(b).

(4) To the extent there is a conflict between the uniform electronic transactions act, 2000 PA 305, MCL 450.831 to 450.849, and this article, this article governs.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7104 Negotiable and nonnegotiable warehouse receipt, bill of lading, or other document of title.

Sec. 7104.

(1) Except as otherwise provided in subsection (3), a document of title is negotiable if by its terms the goods are to be delivered to bearer or to the order of a named person.

(2) A document of title other than one described in subsection (1) is nonnegotiable. A bill of lading that states that the goods are consigned to a named person is not made negotiable by a provision that the goods are to be delivered only against an order in a record signed by the same or another named person.

(3) A document of title is nonnegotiable if, at the time it is issued, the document has a conspicuous legend, however expressed, that it is nonnegotiable.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7105 Tangible document of title as substitute for electronic document; electronic document title as substitute for tangible document of title; conditions.

Sec. 7105.

(1) Upon request of a person entitled under an electronic document of title, the issuer of the electronic document may issue a tangible document of title as a substitute for the electronic document if both of the following are met:

(a) The person entitled under the electronic document surrenders control of the document to the issuer.

(b) The tangible document when issued contains a statement that it is issued in substitution for the electronic document.

(2) All of the following apply upon issuance of a tangible document of title in substitution for an electronic document of title in accordance with subsection (1):

(a) The electronic document ceases to have any effect or validity.

(b) The person that procured issuance of the tangible document warrants to all subsequent persons entitled under the tangible document that the warrantor was a person entitled under the electronic document when the warrantor surrendered control of the electronic document to the issuer.

(3) Upon request of a person entitled under a tangible document of title, the issuer of the tangible document may issue an electronic document of title as a substitute for the tangible document if both of the following are met:

(a) The person entitled under the tangible document surrenders possession of the document to the issuer.

(b) The electronic document when issued contains a statement that it is issued in substitution for the tangible

document.

(4) All of the following apply upon issuance of an electronic document of title in substitution for a tangible document of title in accordance with subsection (3):

(a) The tangible document ceases to have any effect or validity.

(b) The person that procured issuance of the electronic document warrants to all subsequent persons entitled under the electronic document that the warrantor was a person entitled under the tangible document when the warrantor surrendered possession of the tangible document to the issuer.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7106 Person having control of electronic document.

Sec. 7106.

(1) A person has control of an electronic document of title if a system employed for evidencing the transfer of interests in the electronic document reliably establishes that person as the person to which the electronic document was issued or transferred.

(2) A system satisfies subsection (1), and a person is considered to have control of an electronic document of title, if the document is created, stored, and assigned in a manner that meets all of the following:

(a) A single authoritative copy of the document exists that is unique, identifiable, and, except as otherwise provided in subdivisions (d), (e), and (f), unalterable.

(b) The authoritative copy described in subdivision (a) identifies the person asserting control as 1 of the following:

(i) The person to which the document was issued.

(ii) If the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred.

(c) The authoritative copy described in subdivision (a) is communicated to and maintained by the person asserting control or its designated custodian.

(d) Copies or amendments that add or change an identified assignee of the authoritative copy described in subdivision (a) can be made only with the consent of the person asserting control.

(e) Each copy of the authoritative copy described in subdivision (a) and any copy of a copy is readily identifiable as a copy that is not the authoritative copy.

(f) Any amendment of the authoritative copy described in subdivision (a) is readily identifiable as authorized or unauthorized.

History: Add. 2012, Act 87, Eff. July 1, 2013