
29 C.F.R. § 789.5

“* * * acquired * * * in good faith * * * for value without notice * * *.”

Section 12(a) and section 15(a)(1) of the Act provide that a purchaser must acquire the goods in good faith in reliance on the specified written assurance in order to be accorded the statutory protection.

The legislative history of the amendments indicates that a purchaser's good faith is not to be determined merely from the actual state of his mind but that good faith also depends upon an objective test—that of what a “reasonable, prudent man, acting with due diligence, would have done in the circumstances.” This good faith requirement is, in the words of the House Managers, “comparable to similar requirements imposed on purchasers in other fields of law.” The final determination of what will amount to good faith can be made only upon the basis of the pertinent facts in each situation.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)