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For Immediate Release

U.S. District Court Rules in Favor of Locke Lord Client Plano Molding Co. in Case Regarding Potential Liability in Shipments of Goods

(CHICAGO) February 5, 2014 – Locke Lord LLP has won a major ruling for its client, Plano Molding Co., when a U.S. District Court rejected more than \$8 million in claims brought against Plano for a 2005 train derailment which plaintiffs allege was caused by improperly stowed and secured cargo en route to the company.

Had the court ruled against Plano, a leading manufacturer of plastic injection molded tackle boxes and other storage products for outdoor enthusiasts, the result could have had far reaching effects on businesses throughout the world that ship products, said Locke Lord New York Partner [Allen Wasserman](#), who, along with New York Partner [R.J. De Rose](#) and Chicago Associate [Ryan Holz](#), represented Plano in the U.S. District Court for the Northern District of Illinois.

Following the derailment, ocean carriers Kawasaki Kisen Kaisha, Ltd., its subsidiary “K” Line America, Inc. (“K-Line”), as well as Union Pacific Railroad Co (UP), claimed negligence and breach of contract under two bills of lading, one issued by K-Line, which Plano was not a party to, and a second issued by a Non-Vessel Operating Common Carrier (“NVOCC”), which named Plano as the “consignee,” against Plano because two steel injection molds Plano had ordered from a Chinese manufacturer fell through the bottom of their shipping container and derailed the train car that was carrying them, as well as 34 train cars behind it.

In earlier decisions in this case, the District Court, with the Seventh Circuit Court of Appeals affirming, dismissed the negligence claim against Plano as well as the breach of contract claim under the K-Line bill of lading. The District Court and the Seventh Circuit found that Plano could not be held liable under the K-Line bill of lading because Plano was neither a party to the K-Line bill of lading, nor a principal of a party to the bill of lading. See *Kawasaki Kisen Kaisha, Ltd. v. Plano Molding Co.*, 2011 WL 3163578 (N.D.Ill. July 27, 2011); *Kawasaki Kisen Kaisha, Ltd. v. Plano Molding Co.*, 696 F.3d 647 (7th Cir. 2012).

“The dismissal of the claims under the K-Line bill of lading wasn’t just an important victory for our client,” Wasserman said, “it was a victory for all businesses and individuals that ship goods under a bill of lading.” As Wasserman explained, “as the District Court and the Seventh Circuit recognized, no business should be exposed to liability under a bill of lading that it was not a party to, or which its agent did not enter into.”



With the dismissal of the negligence claims and the breach of contract claim under the K-Line bill of lading, the sole remaining claim was the breach of warranty claim under the NVOCC bill of lading. K-Line and UP argued that Plano warranted that the steel molds were properly packed in the shipping container.

After a three-day trial, which the U.S. District Judge Harry D. Leinenweber labeled a “classic battle of the experts,” Plano proved that the steel molds were properly stowed and secured in the shipping container and that the reason for the train derailment was the defective shipping container provided by K-Line. Upon these findings, Judge Leinenweber rejected the plaintiffs’ breach of warranty claim, holding that Plano was not liable for the derailment.

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