

SUPREME COURT OF TEXAS

Petroleum Solutions, Inc. v. Bill Head D/B/A Bill Head Enterprises and Titeflex Corporation

454 S.W.3d 482 (Tex. 2014) · No. 11-0425 · Decided July 11, 2014

SUMMARY

This document is a partial dissent by Justice Jeffrey S. Boyd of the Supreme Court of Texas concerning indemnity obligations under Texas Civil Practice and Remedies Code section 82.002 in a products-liability action involving an allegedly defective finished product and component part. The dissent agrees with the Court's treatment of spoliation sanctions and the statute-of-limitations defense but disagrees that Petroleum Solutions was required to indemnify Titeflex for losses arising solely from allegations that Titeflex's component product was defective.

CASE DETAILS

COURT	Supreme Court of Texas
WRITING FOR THE COURT	Jeffrey S. Boyd
JURISDICTION	Texas
DECIDED	July 11, 2014
DOCKET	11-0425
DISPOSITION	other
PROCEDURAL POSTURE	Petition for review from the Court of Appeals for the Thirteenth District of Texas. Justice Boyd dissented in part from the Supreme Court's judgment concerning sanctions and statutory indemnity.
STANDARD OF REVIEW	Abuse of discretion for the trial court's spoliation instruction and striking of the statute-of-limitations defense; statutory construction for the scope of indemnity under Texas Civil Practice and Remedies Code section 82.002.
PRECEDENTIAL VALUE	Published dissenting opinion; the dissent's reasoning is nonbinding.
PARTIES	Petroleum Solutions, Inc. v. Bill Head D/B/A Bill Head Enterprises, Titeflex Corporation

TOPICS

products liability

statutory interpretation

evidence

remedies

PRACTICE AREAS

products liability

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QUESTIONS PRESENTED

1. Whether the trial court abused its discretion by giving a spoliation instruction and striking Petroleum Solutions's statute-of-limitations defense.
2. Whether Texas Civil Practice and Remedies Code section 82.002 requires the manufacturer of a finished product to indemnify the manufacturer or seller of a component product for losses incurred defending allegations that the component manufacturer's own product was defective.
3. Whether the scope of a manufacturer's statutory indemnity duty in a multiple-product products-liability action is limited to losses related to allegations concerning the manufacturer's own product.

HOLDINGS

1. In Justice Boyd's view, section 82.002 requires a manufacturer to indemnify a seller only for losses related to allegations that the manufacturer's own product was defective; it does not require indemnification for losses incurred defending claims that another manufacturer's product was defective.
2. The indemnity duty is triggered by an allegation that a product is defective, while the statutory exception applies only upon an actual finding that the seller's independent conduct caused the plaintiff's injury.

KEY QUOTATIONS

"An allegation triggers the duty; a finding triggers the exception, not the duty." (9)

"We have thus held that, in multiple-products cases, the scope of each manufacturer's duty includes only those losses that a seller incurs related to the manufacturer's product, and does not include losses that another manufacturer incurs defending claims that its own product was defective." (14)

FACTUAL BACKGROUND

Bill Head alleged that a defective flex connector caused a leak and sued entities associated with the fuel system. Petroleum Solutions manufactured the finished underground fuel system, while Titeflex manufactured the flex connector component. Titeflex incurred attorney's fees and expenses defending claims alleging that its own flex connector was defective, and Petroleum Solutions disputed that section 82.002 required it to indemnify those losses.

PROCEDURAL HISTORY

The case reached the Supreme Court of Texas on Petroleum Solutions's petition for review from the Thirteenth Court of Appeals. According to the dissent, the majority held that the trial court abused its discretion by giving a spoliation instruction and striking Petroleum Solutions's statute-of-limitations defense, and also held that Petroleum Solutions owed Titeflex statutory indemnity for attorney's fees and expenses. Justice Boyd agreed with the sanctions ruling but disagreed with the indemnity ruling.

DISPOSITION

other

CASES CITED

- Brookshire Bros., Inc. v. Aldridge, ___ S.W.3d ___ (Tex. 2014)
- Gen. Motors Corp. v. Hudiburg Chevrolet, Inc., 199 S.W.3d 249 (Tex. 2006)
- Fitzgerald v. Advanced Spine Fixation Sys., Inc., 996 S.W.2d 864 (Tex. 1999)
- Meritor Auto., Inc. v. Ruan Leasing Co., 44 S.W.3d 86 (Tex. 2001)
- Owens & Minor, Inc. v. Ansell Healthcare Prods., Inc., 251 S.W.3d 481 (Tex. 2008)
- Ansell Healthcare Prods., Inc. v. Owens & Minor, 251 S.W.3d 499 (Tex. 2008)
- Bostrom Seating, Inc. v. Trane Carrier Co., 140 S.W.3d 681 (Tex. 2004)

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