

SUPREME COURT OF TEXAS

Lexington Insurance Company, as Subrogee of Burr Computer
Environments, Inc. and J. Supor and Sons Trucking and Rigging Co.
v. Daybreak Express, Inc.

393 S.W.3d 242 (Tex. 2013) · No. 11-0597 · Decided January 25, 2013

SUMMARY

The Supreme Court of Texas held that a cargo-damage claim under the Carmack Amendment related back under Texas Civil Practice and Remedies Code section 16.068 to an earlier timely claim for breach of a settlement agreement. Because both claims arose from the shipment and resulting damage to the computer equipment, the cargo-damage claim was not barred by limitations. The court reversed the court of appeals and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Texas
WRITING FOR THE COURT	Per Curiam
JURISDICTION	Texas
DECIDED	January 25, 2013
DOCKET	11-0597
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Lexington petitioned for review after the Texas Fourteenth Court of Appeals reversed a trial-court judgment in Lexington's favor and held that Lexington's amended Carmack Amendment cargo-damage claim did not relate back to its timely breach-of-settlement claim.
STANDARD OF REVIEW	The Supreme Court reviewed the court of appeals' legal conclusion concerning statutory relation back and limitations; no deference was owed to that legal determination.
PRECEDENTIAL VALUE	Published Texas Supreme Court opinion; precedential and binding under Texas law.
PARTIES	Lexington Insurance Company, as Subrogee of Burr Computer Environments, Inc. and J. Supor and Sons Trucking and Rigging Co. v. Daybreak Express, Inc.

TOPICS

statute of limitations

civil procedure

breach of contract

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QUESTIONS PRESENTED

1. Whether, under Texas Civil Practice and Remedies Code section 16.068, a cargo-damage claim under the Carmack Amendment relates back to a timely action for breach of an agreement to settle the cargo-damage claim.
2. Whether the cargo-damage claim and the breach-of-settlement claim were wholly based on a new, distinct, or different transaction or occurrence.

HOLDINGS

1. A Carmack Amendment cargo-damage claim relates back to a timely breach-of-settlement claim when both claims arise from the same occurrence and the amendment is not wholly based on a new, distinct, or different transaction or occurrence.
2. The federal complete-preemption doctrine under the Carmack Amendment does not compel the conclusion that a breach-of-settlement claim and a cargo-damage claim arise from wholly different transactions or occurrences.

KEY QUOTATIONS

“We hold that under Section 16.068, Lexington’s cargo-damage claim was not barred by limitations.” (393 S.W.3d at 247)

“In the present case, the cargo-damage claim and the breach-of-settlement claim both arose out of the same occurrence: Daybreak’s shipment of Burr’s computer equipment.” (393 S.W.3d at 246)

FACTUAL BACKGROUND

Supor engaged Daybreak to transport Burr's computer equipment from New Jersey to Texas, and Burr claimed the equipment was damaged on arrival. Lexington, as subrogee after paying Burr \$87,500, initially sued Daybreak only for breach of an alleged agreement to settle the cargo-damage claim for \$166,655. More than four years after Daybreak rejected Burr's claim, Lexington amended its petition to assert a cargo-damage claim under the Carmack Amendment, arguing that the amendment related back to the timely settlement action.

PROCEDURAL HISTORY

Lexington initially sued Daybreak in state court for breach of an alleged settlement agreement concerning damage to transported computer equipment. The case was removed to federal court, which remanded it because the pleaded claim was a settlement-enforcement action rather than a Carmack Amendment cargo-damage claim. After remand, Lexington amended its petition to assert the cargo-damage claim. The trial court found for

Lexington after a bench trial, but the court of appeals reversed on limitations grounds. The Supreme Court of Texas reversed the court of appeals and remanded for further proceedings.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The judgment of the court of appeals was reversed, and the case was remanded to that court for further proceedings.

CASES CITED

- Adams Express Co. v. Croninger, 226 U.S. 491, 505 (1913)
- Hoskins v. Bekins Van Lines, 343 F.3d 769, 773, 778 (5th Cir. 2003)
- Lexington Ins. Co. v. Daybreak Express, Inc., 391 F. Supp. 2d 538, 541 (S.D. Tex. 2005)
- Barr v. Resolution Trust Corp., 837 S.W.2d 627 (Tex. 1992)
- Moore v. N.Y. Cotton Exch., 270 U.S. 593, 610 (1926)
- Leonard v. Texaco, Inc., 422 S.W.2d 160, 161-63 (Tex. 1967)
- Humble Oil & Ref. Co. v. Williams, 420 S.W.2d 133, 134 (Tex. 1967)