UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION

# Signet Maritime Corporation v. International Shipbreaking Limited, LLC

Signet Maritime · No. Civil Action No. 24-2904 · Decided March 5, 2026

## SUMMARY

The United States District Court for the Southern District of Texas addresses cross-motions for summary judgment in a maritime towage-contract dispute between Signet Maritime Corporation and International Shipbreaking Limited, LLC. The court concludes that International Shipbreaking repudiated the contract but denies all motions because material issues remain concerning anticipatory-breach election, impossibility or impracticability, contractual risk allocation, fault, and whether the temporary governmental prohibition suspended or discharged the parties' duties.

## CASE DETAILS

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| COURT | United States District Court for the Southern District of Texas, Houston Division |
| WRITING FOR THE COURT | Lee H. Rosenthal |
| JURISDICTION | United States District Court for the Southern District of Texas, Houston Division |
| DECIDED | March 5, 2026 |
| DOCKET | Civil Action No. 24-2904 |
| DISPOSITION | other |
| PROCEDURAL POSTURE | Cross-motions for summary judgment concerning liability and damages in a maritime contract dispute. |
| STANDARD OF REVIEW | Summary judgment is appropriate when the movant shows that no genuine dispute of material fact exists and the movant is entitled to judgment as a matter of law. The court views facts and reasonable inferences in the light most favorable to the nonmovant; the movant bears the initial burden, and the nonmovant must identify specific evidence showing a genuine issue for trial. |
| PRECEDENTIAL VALUE | Nonprecedential district-court memorandum opinion; persuasive authority only. |

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| **PARTIES** | Signet Maritime Corporation v. International Shipbreaking Limited, LLC |

## TOPICS

admiralty · anticipatory repudiation · impossibility of performance · contract interpretation · summary judgment

## PRACTICE AREAS

admiralty · maritime contracts · commercial litigation · contract remedies · civil procedure

## QUESTIONS PRESENTED

1. Whether International Shipbreaking's statements and conduct constituted an absolute and unconditional repudiation of the towing contract.
2. Whether Signet timely elected to treat the alleged anticipatory repudiation as a breach.
3. Whether the government order and osprey nest made performance impossible or impracticable, and whether the contract assigned the risk of that event to either party.
4. Whether the temporary impediment suspended or discharged the parties' contractual duties and whether Signet was ready, willing, and able to perform when performance again became possible.
5. Whether the contract entitled Signet to the full lump-sum payment or instead to ordinary benefit-of-the-bargain damages, and whether the damages limitation barred those damages.

## HOLDINGS

1. International Shipbreaking's statements that the government order prevented performance and automatically terminated the towing contract constituted an unequivocal repudiation.
2. Signet could not prevail on an anticipatory-repudiation theory because it filed suit after the contractual performance date and therefore elected to ignore the anticipatory repudiation; it must instead establish a traditional breach.
3. Neither party was entitled to summary judgment on liability because the record did not resolve whether the contract allocated the risk of the government order, whether International Shipbreaking was at fault, or whether the temporary impediment suspended or discharged the parties' duties.
4. Section 5 did not establish Signet's entitlement to the full lump-sum payment as a liquidated-damages remedy when the tow never began.
5. Section 22(c)'s exclusion of loss-of-profits and consequential or indirect losses did not bar Signet from seeking benefit-of-the-bargain damages based on the contract's payment obligation.
6. Signet was not entitled to summary judgment awarding $995,750 because its projected avoided costs and mitigation evidence did not eliminate genuine disputes concerning the damages calculation.

## KEY QUOTATIONS

> *“International Shipbreaking’s statement that the government order prevented contract performance and therefore automatically terminated the contract was an unequivocal repudiation of the contract.”* (at 9)

> *“Signet cannot claim anticipatory repudiation and must instead prevail under traditional contract breach principles.”* (at 11)

> *“The court must decide whether the parties’ contractual duties were delayed or discharged.”* (at 15)

> *“By contrast, in this case, the undertaking never occurred because the government order made timely performance impossible.”* (at 19)

> *“If International Shipbreaking is liable for breaching the contract, then Signet is entitled to its benefit-of-the bargain damages, which is the $1,835,970 value of the contract, less the costs avoided by nonperformance and profits earned through mitigation efforts.”* (at 25)

### FACTUAL BACKGROUND

International Shipbreaking hired Signet to tow the decommissioned aircraft carrier JFK from Philadelphia to Brownsville for a lump-sum payment of $1,835,970, with delivery scheduled between May 29 and June 5, 2024. Before the tow began, the Navy reported an active osprey nest on the vessel's main mast and advised that movement of the vessel without a federal permit would violate the Migratory Bird Treaty Act. International Shipbreaking initially described the tow as canceled for the time being, then stated that the government order made performance impossible and automatically terminated the contract. The parties disputed whether the contract allocated the risk of this event, whether International Shipbreaking was at fault for allowing the nest, whether the temporary impediment suspended or discharged contractual duties, and the proper measure of damages.

### PROCEDURAL HISTORY

Signet sued International Shipbreaking, alleging that International Shipbreaking repudiated a vessel-towage contract by canceling the tow after a government order prevented the vessel from moving because of an active osprey nest. Signet moved for partial summary judgment on liability and damages; International Shipbreaking cross-moved on liability and separately moved for summary judgment limiting damages. The court denied all four motions because material factual and contractual issues remained.

### DISPOSITION

other

### REMAND INSTRUCTIONS

None. The court denied all four summary-judgment motions and stated that the parties may pursue further summary-judgment briefing or proceed to a bench trial.

### CASES CITED

- Springboards to Educ., Inc. v. Pharr-San Juan-Alamo Indep. Sch. Dist., 33 F.4th 747, 749 (5th Cir. 2022)

- Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 250-51 (1986)
- Ion v. Chevron USA, Inc., 731 F.3d 379, 389 (5th Cir. 2013)
- MDK S.R.L. v. Proplant Inc., 25 F.4th 360, 368 (5th Cir. 2022)
- Jackson v. Royal Caribbean Cruises, Ltd., 389 F. Supp. 3d 431, 446 (N.D. Tex. 2019)
- Borden v. Amoco Coastwise Trading Co., 985 F. Supp. 692, 696 (S.D. Tex. 1997)
- Ham Marine, Inc. v. Dresser Indus., Inc., 72 F.3d 454, 459 & n.4 (5th Cir. 1996)
- Smith Int'l, Inc. v. Egle Grp., LLC, 490 F.3d 380, 387 (5th Cir. 2007)
- CMA-CGM (Am.), Inc. v. Empire Truck Lines, Inc., 416 S.W.3d 495, 519 (Tex. App.—Houston [1st Dist.] 2013, pet. denied)
- Gonzalez v. Denning, 394 F.3d 388, 394 (5th Cir. 2004)
- Narvaez v. Wilshire Credit Corp., 757 F. Supp. 2d 621, 631 (N.D. Tex. 2010)
- Preston v. Love, 240 S.W.2d 486, 487 (Tex. Civ. App.—Austin 1951, no writ)
- Koonce v. Barclays Cap. Real Est. Inc., 2011 WL 13385435, at *6 (Tex. App.—Houston [1st Dist.] Dec. 22, 2011, no pet.)
- Bumb v. Intercomp Technologies, L.L.C., 64 S.W.3d 123, 124-25 (Tex. App.—Houston [14th Dist.] 2001, no pet.)
- Franconia Assocs. v. United States, 536 U.S. 129, 142 (2002)
- International Shipbreaking Ltd. LLC v. Smith, 44 F. App'x 653, at *4 (5th Cir. 2002)
- Coker v. Coker, 650 S.W.2d 391, 393 (Tex. 1983)
- Sweet Additions Ingredient Processors, LLC v. Meelunie Am., Inc., 139 F.4th 1217, 1229-34 (11th Cir. 2025)
- Occidental Petroleum Corp. v. Wells Fargo Bank, N.A., 622 F. Supp. 3d 495, 518-19 (S.D. Tex. 2022), aff'd, 117 F.4th 628 (5th Cir. 2024)
- Signature Indus. Servs., LLC v. Int'l Paper Co., 638 S.W.3d 179, 186 (Tex. 2022)
- Mays v. Pierce, 203 S.W.3d 564, 577 (Tex. App.—Houston [14th Dist.] 2006, pet. denied)
- Sacks v. Hall, 481 S.W.3d 238, 247 (Tex. App.—Houston [1st Dist.] 2015, pet. denied)
- Qaddura v. Indo-European Foods, Inc., 141 S.W.3d 882, 889 (Tex. App.—Dallas 2004, pet. denied)
- Marine Transp. Lines, Inc. v. M/V Tako Invader, 37 F.3d 1138, 1141 (5th Cir. 1994)
- Kim Crest, S.A. v. M.V. Sverdlovsk, 753 F. Supp. 642, 649 (S.D. Tex. 1990)