

DISTRICT OF COLUMBIA COURT OF APPEALS

Debnam v. Crane Co.

976 A.2d 193 (D.C. 2009) · No. No. 06-CV-952 · Decided July 23, 2009

SUMMARY

The District of Columbia Court of Appeals held that an asset purchase agreement's provision requiring Crane Company to assume National-U.S. Radiator Corporation's warranty obligations was ambiguous as to whether it covered third-party asbestos-injury claims. Because the provision was reasonably susceptible to more than one interpretation, the court reversed the grant of summary judgment for Crane and remanded for trial.

CASE DETAILS

COURT	District of Columbia Court of Appeals
WRITING FOR THE COURT	Washington, Chief Judge; Glickman, Associate Judge; King, Senior Judge
JURISDICTION	District of Columbia
DECIDED	July 23, 2009
DOCKET	No. 06-CV-952
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The trial court granted Crane summary judgment in a wrongful-death and survival action alleging liability for asbestos-related injuries based on Crane's contractual assumption of National-U.S. Radiator Corporation's product-warranty obligations. The District of Columbia Court of Appeals reviewed the summary-judgment ruling.
STANDARD OF REVIEW	The court independently reviews a grant of summary judgment and applies the same standard as the trial court, viewing the evidence in the light most favorable to the nonmoving party and affirming only when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	published and precedential
PARTIES	Mildred Debnam, individually and as Personal Representative of the Estate of Plummer Debnam v. Crane Company

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QUESTIONS PRESENTED

1. Whether Paragraph 17 of the 1959 asset-purchase agreement was unambiguous in limiting Crane's assumption of National's warranty obligations to traditional repair-or-replacement obligations.
2. Whether the contractual language was sufficiently ambiguous to create a genuine issue of material fact concerning Crane's assumption of liability for third-party warranty claims.
3. Whether the agreement's New York choice-of-law provision established that Crane could not have assumed liability for claims that lacked contractual privity under New York law in 1959.

HOLDINGS

1. Paragraph 17 was ambiguous because it could reasonably be interpreted either as limiting Crane's assumption to traditional repair-or-replacement warranty obligations or as requiring Crane to assume all obligations under National's product warranties, including the third-party warranty obligation asserted by Debnam.
2. Summary judgment for Crane was improper because a reasonable factfinder could interpret Paragraph 17 as encompassing the warranty obligation asserted by Debnam.

KEY QUOTATIONS

"The writing must be interpreted as a whole, giving a reasonable, lawful, and effective meaning to all its terms," (197)

"Because the language of Paragraph 17 is susceptible to either interpretation, we find Paragraph 17 of the 1959 Agreement to be ambiguous." (198)

"In sum, because Paragraph 17 could reasonably be read as having more than one reasonable interpretation, and the choice-of-law clause does not so clearly support the trial court's conclusion that no reasonable juror could find that Crane expressly or impliedly agreed to assume the warranty obligations that Debnam claims were breached here, summary judgment was improper." (200)

FACTUAL BACKGROUND

Plummer Debnam worked for the District of Columbia Public Schools from 1964 through 1998 with and around asbestos-containing boilers, including two Pacific-brand boilers acquired from National-U.S. Radiator Corporation in 1948. In 1959, Crane purchased substantially all of National's property and assets and agreed to assume National's obligations under warranties for products sold in the ordinary course of business. After Debnam developed lung cancer and asbestosis and died, his estate sought to hold Crane liable under negligence, strict-liability, and breach-of-warranty theories based on the alleged asbestos exposure. The dispute centered on whether the 1959 agreement's warranty-assumption provision covered third-party injury claims.

PROCEDURAL HISTORY

Mildred Debnam brought claims against Crane after Plummer Debnam died from lung cancer and asbestosis allegedly caused by exposure to asbestos-containing boilers manufactured by National. The trial court concluded that the asset-purchase agreement unambiguously limited Crane's assumed warranty obligations to traditional repair-or-replacement obligations and did not encompass third-party claims. The Court of Appeals reversed, holding that the relevant contract language was reasonably susceptible to more than one interpretation and that summary judgment was improper.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for trial because the ambiguity in Paragraph 17 presented a factual issue concerning the scope of Crane's assumed warranty obligations.

CASES CITED

- Clawson v. St. Louis Post-Dispatch, L.L.C., 906 A.2d 308, 312 (D.C. 2006)
- Holland v. Hannan, 456 A.2d 807, 814 (D.C. 1983)
- 1010 Potomac Assocs. v. Grocery Mfrs. of Am., Inc., 485 A.2d 199, 205-06 (D.C. 1984)
- Patterson v. District of Columbia, 795 A.2d 681, 683 (D.C. 2002)
- Yazdani v. Access ATM, 941 A.2d 429, 432 (D.C. 2008)
- Akassy v. William Penn Apartments Ltd. P'ship, 891 A.2d 291, 299 (D.C. 2006)
- Bolling Fed. Credit Union v. Cumis Ins. Soc'y, Inc., 475 A.2d 382, 385 (D.C. 1984)
- Rastall v. CSX Transp., Inc., 697 A.2d 46, 51 (D.C. 1997)
- Mamo v. Skvirsky, 960 A.2d 595 (D.C. 2008)
- Campo v. Scofield, 301 N.Y. 468, 95 N.E.2d 802, 803 (1950)
- Greenberg v. Lorenz, 9 N.Y.2d 195, 213 N.Y.S.2d 39, 173 N.E.2d 773 (1961)
- Lopata v. Bemis Co., 406 F. Supp. 521, 522-23 (E.D. Pa. 1975)
- Burr v. Sherwin Williams Co., 42 Cal. 2d 682, 268 P.2d 1041, 1048-49 (1954)
- Rogers v. Toni Home Permanent Co., 167 Ohio St. 244, 147 N.E.2d 612 (1958)
- District of Columbia v. Coleman, 667 A.2d 811, 816 (D.C. 1995)
- Richards v. United States, 369 U.S. 1, 11-13 (1962)
- Barron v. Kane & Roach, Inc., 79 Ill. App. 3d 44, 34 Ill. Dec. 569, 398 N.E.2d 244, 246 (1979)
- Litarowich v. Wiederkehr, 170 N.J. Super. 144, 405 A.2d 874, 878 (Law Div. 1979)
- Bingham v. Goldberg Marchesano, Kohlman, Inc., 637 A.2d 81, 89-90 (D.C. 1994)
- Bud Antle, Inc. v. E. Foods, Inc., 758 F.2d 1451, 1456 (11th Cir. 1985)

