

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Shaffer v. Mitchell Transport, Inc.

635 F.2d 261 (3d Cir. 1980) · Decided December 23, 1980

SUMMARY

The Third Circuit held that a dispute over whether Mitchell Transport, as successor to Martin Trucking, was bound by a prior arbitration award was arbitrable under the broad arbitration clause in the collective bargaining agreement. The court concluded that the district court lacked jurisdiction to decide the merits and should have stayed the proceedings pending arbitration. It vacated the district court’s judgment and remanded with instructions to stay further proceedings.

CASE DETAILS

COURT	United States Court of Appeals for the Third Circuit
WRITING FOR THE COURT	Van Dusen, Senior Circuit Judge
JURISDICTION	Federal
DECIDED	December 23, 1980
DISPOSITION	vacated
PROCEDURAL POSTURE	Plaintiffs sued in federal district court to enforce against Mitchell, the successor to their former employer Martin Trucking, an arbitration award issued against Martin. The district court held that the dispute was not arbitrable, enforced the award against Mitchell, and entered judgments awarding damages and costs. Mitchell appealed.
STANDARD OF REVIEW	The court independently considered the district court's jurisdiction and the arbitrability of the dispute under the collective bargaining agreement.
PRECEDENTIAL VALUE	published and precedential federal appellate opinion
PARTIES	Mitchell Transport, Inc. v. Robert D. Shaffer and other former employees of Martin Trucking, Inc., Teamsters Local 261

TOPICS

- employment arbitration
- labor law
- collective bargaining
- arbitration
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the dispute over Mitchell's obligation to comply with JAC 1108 was arbitrable under the broad arbitration clause in the collective bargaining agreement.
2. Whether the district court had jurisdiction to enforce against Mitchell, before arbitration, an award issued against Martin.
3. Whether the successorship doctrine independently authorized the district court to impose JAC 1108 on Mitchell.

HOLDINGS

1. The dispute was arbitrable under the broad arbitration clause in the collective bargaining agreement Mitchell signed.
2. The district court lacked jurisdiction to adjudicate the merits or enforce JAC 1108 against Mitchell before the parties arbitrated whether Mitchell was bound by the award.
3. Under the circumstances presented, the district court should not have relied on the successorship doctrine because Mitchell had expressly assumed the collective bargaining agreement and its arbitration clause provided an appropriate means of resolving the dispute.

KEY QUOTATIONS

"We hold that here the successor employer expressly assumed a collective bargaining agreement which contained a broad arbitration clause and that, under the circumstances of this case, an arbitration award issued against the predecessor employer is not enforceable by a court against the new employer prior to arbitration of the controversy." (267)

"The district court was therefore without jurisdiction to address the merits of the complaint and should have stayed its proceedings." (264)

"In a situation where the enforcement of an expressly agreed to provision will resolve the dispute, it seems inappropriate for the court to go further and impose implied duties." (266)

FACTUAL BACKGROUND

Martin Trucking employed owner-drivers who leased their trucks to Martin and drove them under a collective bargaining agreement with Teamsters Local 261. A 1974 Joint Area Committee arbitration order, JAC 1108, limited Martin's use of company-owned trucks and required it to lease additional trucks from owner-drivers. Mitchell purchased Martin's cement-hauling business, expressly agreed to assume the collective bargaining agreements, signed the agreement with the Union, but immediately announced that it would use only its own newly purchased trucks and refused to lease the owner-drivers' trucks.

PROCEDURAL HISTORY

The plaintiffs initially pursued a grievance through the collective bargaining agreement's arbitration procedure and then filed suit in the district court. The district court denied a preliminary injunction, later entered findings of fact, conclusions of law, and judgments totaling \$172,833.12 plus costs, and held that Mitchell was bound by the arbitration award. The Third Circuit held that the dispute was arbitrable, vacated the judgment, and remanded for a stay pending arbitration.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The district court was directed to stay further proceedings pending arbitration under the collective bargaining agreement. The arbitrator was to determine whether Mitchell agreed to be bound by JAC 1108 and, if so, resolve the entire dispute and determine damages.

CASES CITED

- *Steelworkers v. American Mfg. Co.*, 363 U.S. 564, 80 S. Ct. 1343, 4 L. Ed. 2d 1403 (1960)
- *Steelworkers v. Warrior & Gulf Co.*, 363 U.S. 574, 80 S. Ct. 1347, 4 L. Ed. 2d 1409 (1960)
- *Steelworkers v. Enterprise Corp.*, 363 U.S. 593, 80 S. Ct. 1358, 4 L. Ed. 2d 1424 (1960)
- *Atkinson v. Sinclair Refining Co.*, 370 U.S. 238, 241, 82 S. Ct. 1318, 1320, 8 L. Ed. 2d 462 (1961)
- *Westinghouse Broadcasting v. Local 804, International Alliance*, 616 F.2d 97, 98 (3d Cir. 1980)
- *Bechtel Corp. v. Local 215, Laborers' International Union*, 544 F.2d 1207, 1212 (3d Cir. 1976)
- *Teamsters Local Union No. 30 v. Helms Express, Inc.*, 591 F.2d 211 (3d Cir.), cert. denied, 444 U.S. 837 (1979)
- *Howard Johnson Co. v. Hotel Employees*, 417 U.S. 249, 257, 262-63 n. 9, 94 S. Ct. 2236, 2241, 2243-44, 41 L. Ed. 2d 46 (1974)
- *Golden State Bottling Co. v. NLRB*, 414 U.S. 168, 181, 184, 94 S. Ct. 414, 423, 425, 38 L. Ed. 2d 388 (1973)
- *NLRB v. Burns Security Services*, 406 U.S. 272, 287-88, 92 S. Ct. 1571, 1582, 32 L. Ed. 2d 61 (1972)
- *John Wiley & Sons v. Livingston*, 376 U.S. 543, 549, 551, 84 S. Ct. 909, 914-15, 11 L. Ed. 2d 898 (1964)
- *NLRB v. Security-Columbian Banknote Co.*, 541 F.2d 135 (3d Cir. 1976)
- *Bartenders & Culinary Workers v. Howard Johnson Co.*, 535 F.2d 1160 (9th Cir. 1976)
- *Local 103 of International Union of Electrical, Radio & Machine Workers v. RCA Corp.*, 516 F.2d 1336 (3d Cir. 1975)
- *Smith v. Evening News Assn.*, 371 U.S. 195 n. 1, 83 S. Ct. 267, 9 L. Ed. 2d 246 (1962)
- *Hart v. Overseas National Airways, Inc.*, 541 F.2d 386 (3d Cir. 1976)
- *Pharmadyne Laboratories, Inc. v. Kennedy*, 596 F.2d 568, 570 n. 3 (3d Cir. 1979)
- *In re Trimble Co.*, 479 F.2d 103, 110 (3d Cir. 1973)
- *Louisville & Nashville Railroad Co. v. Mottley*, 211 U.S. 149, 152, 29 S. Ct. 42, 43, 53 L. Ed. 126 (1908)

- *International Association of Machinists v. NLRB*, 134 U.S. App. D.C. 239, 244, 414 F.2d 1135, 1140 (1969) (Leventhal, J., concurring)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/federal/third-circuit/1980/shaffer-v-mitchell-transport-inc-vumqjoc0>