



Alerts

California Supreme Court Finds That Equipment Manufacturers Are Not Liable in Negligence or Strict Liability for Component Parts Manufactured by Third Party

January 17, 2012
Hinshaw Alert

On January 12, 2012, the California Supreme Court held in *Barbara J. O'Neil, et al. v. Crane Co., et al.*, that manufacturers of products whose component parts contained asbestos may not be held liable in strict liability or negligence for injuries caused by another manufacturer's asbestos-containing component (or replacement) products subsequently added by the end-user.

O'Neil involved two manufacturers of pumps and valves used in U.S. Navy ships. Plaintiffs sought liability against the manufacturers under the theories of strict liability and negligence for defective products and warnings. The subject decedent worked in the engine and boiler rooms aboard a Navy ship in the 1960s and alleged that he was exposed to asbestos from external insulation and internal gaskets and packing inside this equipment, which ultimately caused him to contract an asbestos-related disease. The pumps and valves had indisputably been in service for several years prior to the decedent's exposure dates. As such, the asbestos-containing external insulation and internal gaskets and packing were manufactured by a third party and added to the pumps and valves years after being sold by the manufacturers.

These particular equipment manufacturers never manufactured any of the asbestos-containing materials to which the decedent was exposed. Additionally, the pump and valve manufacturers produced these products pursuant to strict military specifications requiring asbestos for their internal components. The pump and valve manufacturers purchased these components from Navy-approved vendors. No evidence was produced that the pumps and valves required asbestos-containing insulation or gaskets and packing in order to operate. There also was no evidence that the Navy purchased asbestos-containing gaskets or valves from the pump and valve manufacturers.

The original components pertaining to the pumps and valves had long been replaced prior to the time the decedent embarked on the ship. However, plaintiffs argued that even if the decedent had no exposure to asbestos originating from the pumps and valves, the manufacturers bore the responsibility for the injuries because the pumps and valves originally included asbestos-containing components, and the use of replacement parts and related maintenance were foreseeable. After surveying the recent case law in California

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and other jurisdictions on this issue, the California Supreme Court found in favor of the manufacturers on both the strict liability and negligence theories, and imposed no liability for these subsequent replacement components.

With respect to plaintiffs' strict liability count, the Court held that any design defect in the pumps and valves was not the legal cause of injury to the decedent and these manufacturers owed no duty to warn of the risks from another manufacturer's products. The Court found that strict liability only should be imposed on those entities responsible for placing the defective product in the stream of commerce.

With respect to plaintiffs' negligence claim, the Court found that the pump and valve manufacturers had no duty of care to prevent injuries to the decedent solely from another manufacturer's products.

The Court's decision in *O'Neil* is a victory for equipment manufacturers and is expected to influence other courts currently reviewing similar pending issues in other jurisdictions.

For more information, please contact [Craig T. Liljestrand](#) or your regular [Hinshaw attorney](#).