



Recent Decisions from the California Court of Appeals Indicate that the Component Parts/Raw Materials Supplier Defense May Not Apply to Injuries Incurred During the Manufacturing Process

The component parts/raw materials doctrine provides a defense for component manufacturers and raw material suppliers in products liability actions. Under the doctrine, a component part manufacturer or raw material supplier ordinarily is not liable for injuries caused by the finished product into which the component part/raw material is integrated. See RESTATEMENT (THIRD) OF TORTS: PRODUCTS LIABILITY § 5 (1998). The supplier will only be liable for such injury if the component part or material itself was defective or caused harm. *Id.* As many as 30 states, including California, have either expressly adopted or cited with approval the Restatement (Third) formulation of the doctrine. See *Davis v. Komatsu Am. Indus. Corp.*, 42 S.W. 3d 34, 38 (Tenn. 2001) (collecting cases from various states). However, recent decisions from California appellate courts indicate disagreement within the California courts regarding the scope of this doctrine.

In *Maxton v. Western States Metals*, 203 Cal. App. 4th 81, 85 (Cal. Ct. App. 2012) (Kitching, J.), the California Court of Appeal for the Second Appellate District (Division 3) first considered whether the doctrine applies in the context of injuries allegedly caused by the use of raw materials in the manufacture of a finished product. There, the plaintiff, a metal processing employee, brought an action against various suppliers of raw metal materials that he used in the manufacturing process. *Id.* at 86. The plaintiff alleged that his interstitial pulmonary fibrosis resulted from inhalation of airborne toxins released during processing of defendants' raw materials. *Id.* The lower court granted the defendants' motion for judgment on the pleadings based on the component parts/raw materials doctrine, and the Court of Appeals affirmed. *Id.* at 96. Specifically, the Court held:

Generally suppliers of raw materials to manufacturers cannot be liable for negligence or under a strict products liability theory to the manufacturers' employees who sustain personal injuries as a result of using the raw materials in the manufacturing process. Only in extraordinary circumstances—such as when the raw materials are contaminated, the supplier exercises substantial control of the manufacturing process, or the supplier provides inherently dangerous raw materials—can suppliers be held liable. No such circumstances exist here.

Id. at 85.

In a recent ruling, however, Judge Rothschild of the Second Appellate District (Division 1) refused to apply the component parts/raw materials doctrine in the context of injuries allegedly caused by raw materials during the manufacturing process. In *Uriarte v. Scott Sales Co.*, No. B244257, 2014 WL 2645288, at *1 (Cal. Ct. App. June 13, 2014), the court considered negligence and strict liability claims against manufacturers of silica sand, which the defendants supplied to the plaintiff's employer to be used as a sandblasting medium. The plaintiff, who worked as a sandblaster, alleged that the silica sand, when used in the manner as intended by the defendant manufacturers, "resulted in the generation and release of . . . toxic airborne fumes and dusts," which plaintiff was "exposed to and inhaled." *Id.* at *1. As a result of this exposure, plaintiff alleged that he developed interstitial pulmonary fibrosis. *Id.* As in *Maxton*, the lower court granted the defendants' motions for judgment on the pleadings based on the component parts/raw materials doctrine. *Id.* This time, however, the appeals court held that the defendants could not avail themselves of the component parts/raw materials defense and reversed. *Id.* at *2, *4.

The *Uriarte* court declined to shield the sand manufacturers from liability for several reasons. First, it noted that allegations of injuries incurred during the manufacturing process do not trigger the doctrine at all. *Id.* at *4. Rather, according to the *Uriarte* court, the defense is only available where the injuries can be traced to the finished product itself. *Id.*

Second, the court found the doctrine inapplicable as a matter of policy. *Id.* at *3. The court reasoned that imposing liability for manufacturing injuries does not burden the raw materials supplier with the duty of scrutinizing the manufacturing process; it merely requires the component part or raw material supplier to ensure that its own product is safe under its intended use. *Id.*

Third, and most notably, the *Uriarte* court expressly rejected the *Maxton* approach to manufacturing injuries. *Id.* at *4. The court first identified the *Maxton* decision as the only California case extending the component parts/raw materials doctrine to apply to injuries caused during the manufacturing process. *Id.* It then went on to express its disagreement with the *Maxton* decision. *Id.*

In highlighting the infirmities of the *Maxton* decision, the court relied heavily on the ruling of the California Court of Appeal for the Second District (Division 4) in *Ramos v. Brenntag Specialties, Inc.*, 224 Cal. App. 4th

1239, 1255 (Cal. Ct. App. 2014) (Manella, J.). The plaintiff in *Ramos* also alleged that he developed interstitial pulmonary fibrosis from exposure to respirable toxins released by raw materials during a manufacturing process. *Id.* at 1244. The *Ramos* court flatly rejected the *Maxton* rationale, holding that the component parts/raw materials doctrine, on its face, does not apply when a party alleges that “he suffered a direct injury from using a product as the supplier specifically intended.” *Id.* at 1243.

The *Uriarte* and *Ramos* rulings should stand as a cautionary signpost for component part manufacturers and raw materials suppliers. Under the reasoning in those cases, the component parts/raw materials doctrine does not shield suppliers from liability for injuries resulting from use of their raw materials in the manufacturing process. Additionally, *Uriarte* and *Ramos* provide a pleadings roadmap for plaintiffs’ attorneys seeking recoveries from raw materials suppliers. By alleging injuries from the raw materials during the manufacturing process, claimants may rely on this approach to circumvent the hurdles presented by the component parts/raw materials defense. Given the uncertainty these rulings have created in the products liability arena, raw materials suppliers should be cognizant of the inherent risks their products might pose for manufacturing employees.

For questions about how these changes may affect your business, please contact the authors below or visit www.mmmlaw.com.

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