



News & Updates

NEW YORK APPELLATE DIVISION, FIRST DEPARTMENT (NYCAL) - PIERCING CORPORATE VEIL, ROLE IN DISTRIBUTION AND PERSONAL JURISDICTION (FEB. 26, 2015)

In this case, the plaintiff brought suit against certain defendants, including Ford UK and its parent company Ford USA, claiming exposure to asbestos in Ireland from automotive work. Ford USA moved for summary judgment on the ground that it cannot be held liable under a piercing the corporate veil theory for products allegedly sold by Ford UK. Ford UK also moved to dismiss based on lack of personal jurisdiction.

While the First Department agreed with Ford USA that it could not be held liable under a piercing the corporate veil theory, it concluded there were questions of fact as to Ford USA's direct involvement in the distribution chain: "Ford USA contends that it cannot be held liable for the asbestos-containing auto parts manufactured and distributed by Ford UK, its wholly owned subsidiary, and that there is no basis for piercing the corporate veil. We agree that there is no basis for piercing the corporate veil. However, the record demonstrates that Ford USA acted as the global guardian of the Ford brand, having a substantial role in the design, development, and use of the auto parts distributed by Ford UK, with the apparent goal of the complete standardization of all products worldwide that carried the signature Ford logo. Thus, issues of fact exist whether Ford USA may be held directly liable as a result of its role in facilitating the distribution of the asbestos-containing auto parts on the ground that it was 'in the best position to exert pressure for the improved safety of products' or to warn the end users of these auto parts of the hazards they presented." The court granted the motion of Ford UK to dismiss for lack of personal jurisdiction.

[Click here for a copy of this decision.](#)

If you have questions about how this case may impact your business, please contact:

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Files

[Asbestos Case Tracker February 27 - New York.pdf](#)

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