

## No Liability for Raw Materials Under the Component Parts Doctrine

### *Toxic Tort and Environmental Law Update*

March 2012 by [Steven Di Saia](#), [Matthew Stein](#)

The California Court of Appeal has reinforced a series of prior decisions, finding that a supplier of raw materials cannot be held liable under theories of negligence and strict product liability for injuries claimed to arise from the use of such raw materials in the manufacture of finished goods.

In *Maxton v. Western States Metals, et al.*, No. B227000 (Cal. Ct. App., 2d Dist., 2/1/12), the plaintiff alleged personal injuries, resulting from his manufacturing work with raw metal products provided by the defendants. Specifically, the plaintiff alleged that he was exposed to "toxicologically significant amounts of toxic fumes and dust" in his work with the raw materials and that the defendants failed to warn of and fraudulently concealed this hazard. In ruling on demurrers and motions for judgment on the pleadings, the trial court found that these assertions failed to state facts sufficient to state a cause of action against such raw materials suppliers.

The Court of Appeal agreed, relying primarily on the Component Parts Doctrine, as expressed in Section 5 of the *Restatement Third of Torts, Product Liability*, and its analysis, as expressed in *Artiglio v General Electric Company* (1998) 61 Cal.App.4th 830.

For all causes of action asserted, including that for fraudulent concealment, the court found that raw material component suppliers are not generally found liable for claimed losses arising from the end product, based on matters of equity and public policy. To hold otherwise would require such suppliers to scrutinize the end result and manufacturing processes for all actual and possible end products into which such raw materials could be incorporated. The resulting expense and burden, in becoming essentially experts on a breadth of possible production, would pose an intolerable load on the business world.

The court then looked to whether fairness would nonetheless dictate the imposition of potential liability, based on the independent risk posed by the raw component product itself. Applying *Artiglio*, the court weighed four factors: (1) was the material inherently dangerous, (2) was it sold to a sophisticated buyer in bulk, (3) was it substantially changed in the manufacturing process, and (4) did the supplier have a limited role in design of the end product. As the metal products were not found to pose any risk, unless altered in the manufacturing process, and that the suppliers had no involvement in the end products made by the plaintiff's employer, itself a sophisticated company, all four factors weighed against grounds for liability here.

The Court of Appeal made a point of distinguishing this determination from prior applications of the doctrine to raw asbestos. Since asbestos was previously determined to pose a health risk, as supplied and without alteration in the manufacture of end products, the raw component product was found to be distinct from the metals at issue.

The *Maxton* decision's broad language seems to bar claims involving an array of raw materials. Furthermore, as the court specifically affirmed dispositive motions brought at the pleading stage of the litigation involved, the decision supports the use of such tools to prevent similar costly and involved product liability and toxic tort actions.

## **Related Practices:**

[Complex Litigation](#)

[Environmental & Toxic Tort](#)

[Product Liability](#)