

Where Will Oil Spill Work Injury & Wrongful Death Cases Be Tried?

On behalf of Johnston, Moore & Thompson

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The Gulf Oil Spill -- the largest oil spill and one of the largest industrial accidents in history -- has already resulted in hundreds of lawsuits seeking billions of dollars in damages. [Wrongful death](#) and [workers' compensation](#)-type claims for those who were injured or killed in the rig explosion were only the first. They have been followed by lost revenue claims by thousands of Gulf Coast businesses, shareholder lawsuits against BP, and cleanup claims by the federal government.

Most of the lawsuits have been filed in federal courts in Texas, Louisiana, Alabama and Florida, but economic loss and environmental damage claims have been filed in federal courts in a dozen states. Most of the cases name BP, Transocean Ltd., Halliburton Energy Services and Cameron International Corp. as co-defendants.

As if it weren't enough to have hundreds of lawsuits filed in at least a dozen jurisdictions, eight federal judges in the area have said they can't take on any oil spill-related cases because they have potential conflicts of interest. For example, they may own property affected by the oil spill, or they may own stock in one or more of the companies. That has severely limited the availability of area judges to handle these cases.

All of this may mean another record for the Gulf Oil Spill -- the most complex litigation maze in history.

To address challenges like these, the U.S. Supreme Court appointed a panel of federal judges in 1968 called the Judicial Panel on Multi-District Litigation. The panel held the first hearings last week to decide where the oil spill cases should be heard and whether similar claims can be grouped or consolidated.

BP Argues for a Texas Venue, Federal Government Wants Louisiana

BP's U.S. headquarters are located in Houston, and the company argues that most of the cases should be tried there. The federal government and plaintiffs located in Louisiana prefer the cases to be handled in New Orleans.

Under both state and federal law, cases are generally handled by the court that has jurisdiction where the events leading to the controversy took place. There are a wide variety of exceptions, however -- especially in cases like this one where the events took place in multiple jurisdictions.

Federal law is the same throughout the United States, so the location of the court doesn't matter when it comes to what law will be applied. The decision on which federal court will take on some or all of the cases is being made mostly for practical reasons. Ideally, the right scheme would consolidate evidence, avoid duplication and promote fairness.

One lawyer representing victims of the oil spill thinks the most important consideration should be justice. "The place that has suffered the most impact deserves to have the scales balanced," he told the Judicial Panel on Multi-District Litigation.

Groups of Cases Could Be Consolidated or Tried by the Same Court

The panel may also decide that similar cases should be consolidated into a single lawsuit, or that similar cases should be tried in the same court. This could make it easier to ensure that similar plaintiffs receive comparable results.

The wrongful death and workers' compensation-type claims by workers on the Deep Horizon rig might represent one group, claims for lost revenue could be a second, environmental harm claims a third and shareholder disputes could be a fourth, for example.

Most important in the justice system is for the process to promote a fair result based on the law and the facts at hand.

"The entire country has watched this disaster 24/7," summarized one plaintiffs' lawyer. "They'll be watching the litigation. This case requires a jurist above reproach."

Related Resource:

["BP Fights U.S., Spill Victims Over Venue for Lawsuits"](#) (Bloomberg, July 29, 2010)