

**THE COMPONENT PARTS DOCTRINE:
A SURFACING TREND LIMITING LIABILITY FOR
COMPONENT PART MANUFACTURERS**

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INTRODUCTION

Traditionally, strict liability has been a substantial risk to component manufacturers because plaintiffs can establish liability without having to prove the elements of negligence. Instead of having to satisfy the stricter negligence standard, a plaintiff may prevail by simply making a showing that the product was defective. For that reason, plaintiffs are eager to add component manufacturers to the list of defendants in order to broaden their shotgun approach to air crash litigation.

Courts have readily acknowledged that a strict liability cause of action may result in an uneven distribution of liability. The component parts doctrine is part of a recent trend among certain U.S. jurisdictions to remedy this disparity. In essence, the doctrine states that “an entity supplying a nondefective raw material or a component part is not strictly liable for defects in the final product over which it had no control.”²

The rationale establishing the component parts doctrine was recognized by the aviation community as early as 1980 in *Orion v. United Technologies Corp.*, 502 F. Supp. 173 (E.D. Pa. 1980). *Orion* addressed the public policy concerns that would surface if

¹ The author gratefully acknowledges the assistance of Stephanie Dowds in the preparation of this article.

² *Tellez-Cordova v. Campbell-Hausfeld/Scott Fetzer Co.*, 129 Cal.App.4th 577, 581 (2004) (citing *Summit Community Assn. v. Shell Oil Co.*, 51 Cal.App.4th 726, 772 (1996) (citing *Lee v. Electric Motor Division*, 169 Cal.App.3d 375, 385-87 (1985)); *Wiler v. Firestone Tire & Rubber Co.*, 95 Cal.App.3d 669, 674 (1979).

manufacturers of nondefective component parts were continually held liable for faulty finished products in which they had no input or control.³ The court addressed compelling fundamental policy considerations, such as stifled innovation and burdensome expenses.⁴ These policy concerns provided the underlying principles on which the component parts doctrine is now premised.

Nearly 20 years after *Orion*, the component parts doctrine developed to a point where it received widespread acceptance across the United States. In 1998, the *Third Restatement of Torts, Products Liability*, §5, codified the doctrine of various states' common law, which in turn spurred the adoption of the component parts doctrine by most jurisdictions. Since this time, the component parts doctrine has become increasingly influential, with multiple state supreme courts having favorably cited the doctrine.⁵ Most notably, a recent Tennessee Supreme Court case discussed the implementation of the doctrine by other jurisdictions.⁶ This court found "that every court presented with the issue" has elected to adopt the component parts doctrine.⁷

³ See *Orion Ins. Co., Ltd. v. United Tech. Corp.*, 502 F. Supp. 173, 178 (E.D. Pa. 1980).

⁴ *Id.*

⁵ See *Bostrom Seating v. Crane Carrier Co.*, 40 S.W.3d 681 (Tex. 2004); *Davis v. Komatsu American Ind.*, 42 S.W.3d 34 (Tenn. 2001).

⁶ *Davis*, 42 S.W.3d at 38; *Toshiba Int'l Corp. v. Henry*, 152 S.W.3d 774, 781 (Tex. Ct. App. 2004).

⁷ *Davis*, 42 S.W.3d at 38-39 (citing *TMJ Implants Products Liability Litigation*, 872 F. Supp. 1019 (D. Minn. 1995), *aff'd*, 97 F.3d 1050 (8th Cir. 1996) (applying Minnesota law)); *Kealoha v. E.I. Du Pont de Nemours & Co.*, 844 F. Supp. 590 (D. Hawaii 1994), *aff'd*, *Kealoha v. E.I. Du Pont de Nemours & Co., et al.*, 82 F.3d 894 (9th Cir. 1996) (applying Hawaii law); *Jacobs v. E.I. Du Pont de Nemours & Co.*, 67 F.3d 1219 (6th Cir. 1995) (applying Ohio law); *Apperson v. E.I. Du Pont de Nemours & Co.*, 41 F.3d 1103 (7th Cir. 1994) (applying Illinois law); *Crossfield v. Quality Control Equip. Co., Inc.*, 1 F.3d 701 (8th Cir. 1993) (applying Missouri law); *Childress v. Gresen Mfg. Co.*, 888 F.2d 45 (6th Cir. 1989) (applying Michigan law); *In Re: Silicone Gel Breast Implants Products*, 996 F. Supp. 1110 (N.D. Ala. 1997); *Travelers Ins. Co. v. Chrysler Corp.*, 845 F. Supp. 1122 (M.D.N.C. 1994); *Sperry v. Bauermeister*, 786 F. Supp. 1512 (E.D. Mo.

STATE OF THE LAW

To invoke the component parts doctrine, a manufacturer needs to first establish its component part was nondefective before distribution.⁸ A component “manufacturer which supplies a non-defective and safe component part will generally not be held liable for a defect or unreasonably dangerous final product.”⁹ However, this safeguard is not absolute.

“When a component manufacturer participates in designing a defective or unreasonably dangerous final product, the component manufacturer may be held liable for injuries caused by the final product even though the component itself was not defective or unreasonably dangerous.”¹⁰

1992); *Estate of Carey v. Hy-Temp Mfg., Inc.*, 702 F. Supp. 666 (N.D. Ill. 1988); *Orion Ins. Co., Ltd. v. United Tech. Corp.*, 502 F. Supp. 173 (E.D. Pa. 1980); *Mayberry v. Akron Rubber Machinery Corp.*, 483 F. Supp. 407 (N.D. Okla. 1979); *Artiglio v. General Electric Co.*, 61 Cal.App.4th 830 (Cal. Ct. App. 1998); *Bond v. E.I. Du Pont de Nemours & Co.*, 868 P.2d 1114 (Colo. Ct. App. 1993); *Shaw v. General Motors Corp.*, 727 P.2d 387 (Colo. Ct. App. 1986); *Castaldo v. Pittsburgh-Des Moines Steel Co., Inc.*, 376 A.2d 88 (Del. 1977); *Depre v. Power Climber, Inc.*, 263 Ill.App.3d 116 (Ill. App. Ct. 1994); *Curry v. Louis Allis Co., Inc.*, 100 Ill.App.3d 910 (Ill. App. Ct. 1981); *Murray v. Goodrich Eng'g Corp.*, 30 Mass. App. Ct. 918 (Mass. App. Ct. 1991); *Welsh v. Bowling Electric Machinery, Inc.*, 875 S.W.2d 569 (Mo. Ct. App. 1994); *Zaza v. Marquess & Nell, Inc.*, 144 N.J. 34 (N.J. 1996); *Parker v. E.I. Du Pont de Nemours & Co., Inc.*, 121 N.M. 120 (N.M. Ct. App. 1995); *Munger v. Heider Mfg. Corp.*, 90 A.D.2d 645 (N.Y. App. Div. 1982); *Hoyt v. Vittek, Inc.*, 134 Ore. App. 271 (Or. Ct. App. 1995); *Moor v. Iowa Mfg. Co.*, 320 N.W.2d 927 (S.D. 1982); *Davis v. Dresser Indus., Inc.*, 800 S.W.2d 369 (Tex. App. 1990); *Bennett v. Span Indus., Inc.*, 628 S.W.2d 470 (Tex. App. 1982); *Westphal v. E.I. Du Pont de Nemours & Co.*, 192 Wis. 2d 347 (Wis. Ct. App. 1995); *Noonan v. Texaco, Inc.*, 713 P.2d 160 (Wyo. 1986).

⁸ *Davis*, 42 S.W.3d at 38

⁹ *Id.*

¹⁰ *Id.*

Courts have varied on what is considered to be “substantial participation” by a manufacturer of a component part.¹¹ The courts in both *Davis v. Komatsu American Ind.*, 42 S.W.3d 34 (Tenn. 2001) and *Toshiba International Corp. v. Henry*, 152 S.W.3d 774, 781 (Tex. Ct. App. 2004) looked to the *Third Restatement’s* analysis of “substantial participation:” (1) The manufacturer or assembler of the integrated product invited the component manufacturer to design a component that would perform specifically as a part of the integrated product, (2) The component part manufacturer assisted the seller in modifying the design of the integrated product so that it would accept the component part, or (3) The component part manufacturer played a substantial role in deciding which component best serves the requirements of the seller’s integrated product.¹² “When the component seller substantially participates in the design of the integrated product, it is fair and reasonable to hold the component seller responsible for harm caused by the defective, integrated product.”¹³ However, courts have agreed that a manufacturer can evade liability if it produces a “product in accordance with the buyer’s specifications, which fail to reveal any inherent danger.”¹⁴

a) Application of the Component Parts Doctrine: design defect

With respect to claims of design defect, courts have looked to the level of involvement the component manufacturer had with the final product in which the component is incorporated.

The defendants in *Leahy v. Mid-West Conveyor Co.*, 20 A.D.2d 16, 18 (N.Y. Ct. App. 1986) manufactured conveyors to be used at various Owens-Corning plants throughout the country.¹⁵

¹¹ *Id.* at 41.

¹² *Toshiba*, 152 S.W.3d at 779; *Davis*, 42 S.W.3d at 41

¹³ *Davis*, 42 S.W.3d at 41.

¹⁴ *City of Cohoes v. Kestner Engineers, P.C.*, 226 A.D.2d 914, 920 (1996) (citing *Leahy v. Mid-West Conveyor Co.*, 120 A.D.2d 16, 18 (1986)).

¹⁵ *Leahy*, 120 A.D.2d at 17.

Owens-Corning provided the defendants with the design and specifications for the conveyors, but not for the overall system in which the conveyors were incorporated.¹⁶ The plaintiff was injured when he stepped between the freestanding roller and one of the conveyors while attempting to unjam the production line.¹⁷ The court granted summary judgment in favor of the defendants.¹⁸

“Here, defendants manufactured their conveyors in accordance with Owens-Corning’s design and specifications. Further, Plaintiff had not shown that the design and specifications submitted by Owens-Corning to the defendants revealed inherent dangers in the component parts.”¹⁹ “Since defendants were not provided with the design and specifications of the entire conveyor system, the plans and specifications Owens-Corning did provide would not have revealed this possible inherent danger.”²⁰

Similarly, the court in *Toshiba* focused on the defendant’s participation in the integration of the component part into the final product.²¹ In this case, Defendant-Toshiba manufactured and sold an inverter to Alcoa.²² Alcoa designed and assembled a control panel wired to the Toshiba inverter, which regulates the power to the scrap winder.²³ The winder had two modes: “run” speed, and

¹⁶ *Id.*

¹⁷ *Id.* at 18.

¹⁸ *Id.* at 19.

¹⁹ *Id.* at 18.

²⁰ *Id.*

²¹ *Toshiba*, 152 S.W.3d at 777.

²² *Id.* (Alcoa processes raw aluminum into roll form and then paints it. This process produces scrap aluminum that is recycled onto a “scrap winder.” The scrap aluminum is then taped onto the scrap winder, which is powered by an electrical system.)

²³ *Id.*

“jog” speed.²⁴ The plaintiff was injured when he asked a fellow co-worker to turn the winder onto jog mode, which instead started spinning at a fast speed.²⁵ The plaintiff was startled and backed away; his pants were caught in hydraulic lines which caused him to fall on his back.²⁶ The plaintiff argued that “even though Toshiba did not design, manufacture, or install the scrap winder system including switches and the control panel, it did substantially participate in the integration of the component (the inverter) into the system by supplying to Alcoa a manual consisting of forty-six pages, a part of which showed how to install this inverter or how it should be wired.”²⁷ The court rejected the plaintiff’s argument, finding the defendant’s “generic installation manual for a product that could be used in many applications was not sufficient participation by the component manufacturer to impose liability for a defect in the integrated system.”²⁸

b) Application of the Component Parts Doctrine: safety devices and failure to warn

As noted above, manufacturers who design their products in accordance with the specifications of others are generally not liable.²⁹ However, a question of liability can arise when a product has been manufactured and assembled in more than one stage.³⁰ The leading case regarding this issue is *Verge v. Ford Motor Co.*, 581 F.2d 384, 385 (3d Cir. 1978). The *Verge* analysis is more limited in scope because it applies specifically to the installation of safety devices in products manufactured in multiple stages. Courts have also cited *Verge* when determining liability in failure to warn cases.³¹

²⁴ *Id.*

²⁵ *Id.* at 778.

²⁶ *Id.*

²⁷ *Id.* at 780.

²⁸ *Id.* at 783.

²⁹ See *Leahy*, 120 A.D.2d at 13.

³⁰ *Verge v. Ford Motor Co.*, 581 F.2d 384, 385 (3d Cir. 1978).

³¹ See *Orion*, 502 F. Supp. at 173.

Yet, despite the specificity of *Verge*, this analysis is synonymous with the component parts doctrine.

In *Verge*, Plaintiff-garbage collector was injured when struck by a reversing garbage truck.³² The court determined that when “the finished product is the result of substantial work by more than one party, we must determine responsibility for the absence of a *safety device* by looking primarily to at least three factors:”³³ trade custom (what stage is a safety device generally installed),³⁴ relative expertise (which party is best acquainted with the design problems and safety techniques),³⁵ and practicality (what stage is instillation of device most feasible).³⁶ The court held that the converter of the chassis into the garbage truck had more expertise in garbage vehicle design and was therefore the party responsible for installing a safety device.³⁷ Ford, accordingly, was absolved of liability because the “plaintiff failed to prove that it was practical for (component part manufacturer) Ford to install such a warning device on all of its vehicles when such a device would not be required for many uses of the vehicle.”³⁸

³² *Id.* (Plaintiff claimed Ford, the manufacturer of the chassis, was responsible for his injuries because they did not include a warning buzzer that would sound when the truck was put into reverse gear. *Id.* at 386.)

³³ *Verge*, 385 F.2d at 386-87. (emphasis added)

³⁴ *Id.* at 386-87 citing *State Stove Mfg. Co. v. Hodges*, 189 So.2d 113 (Miss. 1966); *Yates v. Hodges*, 386 U.S. 912 (1967); *Schipper v. Levitt and Sons, Inc.*, 44 N.J. 70 (1965).

³⁵ *Verge*, 581 F.2d 384 at 387 (citing *Cf. Schell v. AMF, Inc.*, F.2d 1259, 1263 (3d Cir. 1977)).

³⁶ *Verge*, 581 F.2d 384 at 387 (citing *Taylor v. Paul O. Abbe, Inc.*, 516 F.2d 145, 147 (3d Cir. 1975)); *Bexiga v. Havir Mfg. Co.*, 60 N.J. 402 (1972); *Stove*, 189 So.2d at 113.

³⁷ *Verge*, 581 F.2d at 389.

³⁸ *Id.* at 389.

c) California's Variation of the Component Parts Doctrine:

California's interpretation of the component parts doctrine is consistent with other jurisdictions. However, in addition to assessing a component part manufacturer's level of participation, the California courts also address the actual purpose of the specific component part. A supplier of a "generic multi-use [part]" is less likely to be found liable because their component parts can be used in a variety of finished products.³⁹ Thus, manufacturers of parts that were specifically designed to be used in a particular product will have a more difficult time avoiding liability.⁴⁰

POLICY

The component parts doctrine is a product of public policy intended to protect component part manufacturers from liability that would stifle innovation and impose unreasonably harsh financial burdens.⁴¹ These policy concerns, echoed in case law as well as the *Restatement*, are the reason courts have increasingly applied the component parts doctrine throughout most jurisdictions.⁴² Often cited by courts for their leading policy discussions are *Childress v. Gresen Manufacturing*, 888 F.2d 45 (6th Cir. 1989) and *Orion v. United Tech Corp.*⁴³

In *Childress* the defendant specifically manufactured and designed a hydraulic valve to be incorporated into a log splitter.⁴⁴ The plaintiff, an employee of the manufacturer of the log splitter, was injured when his thumb became caught between a log and a wedge.⁴⁵ The court affirmed the defendant's motion for summary

³⁹ *Tellez* 129 Cal.App.4th at 582 citing *Springmeyer*, 60 Cal.App.4th at 1554.

⁴⁰ *Id.*

⁴¹ *Davis*, 42 S.W.3d at 40 (citing *Orion*, 502 F. Supp at 178).

⁴² *Tellez*, 129 Cal. App. 4th at 582.

⁴³ See generally *Childress*, 888 F.2d at 45; *Orion*, 502 F. Supp. at 173

⁴⁴ *Childress*, 888 F.2d at 46.

⁴⁵ *Id.* at 46. (Plaintiff maintained that the valve was defectively designed, not because it malfunctioned or deviated from its intended operation, but because

judgment based on a public policy analysis.⁴⁶ “The district court reasoned that such a standard would be contrary to public policy, as it would encourage ignorance on the part of component part manufacturers or alternatively require them to “retain an expert in the client’s field of business to determine whether the client intends to develop a safe product.”⁴⁷ The court differentiates between “knowing the identity of the equipment into which a component part will be integrated” and “anticipating any hazardous operation by that equipment that might be facilitated by the addition of the component part.”⁴⁸

In summary, the court found that the law does not go so far as to extend liability to a component part manufacturer whose product is nondefective.⁴⁹ “Extending the duty to make a product safe to the manufacturer of a non-defective component part would be tantamount to charging a component part manufacturer with knowledge that is superior to that of the completed product manufacturer.”⁵⁰

Jurisdictions continue to borrow the analysis from *Childress* to justify the incorporation of the component parts doctrine into common law. The *Restatement Third of Torts, Products Liability*, §5, in addition to case law, has built upon the reasoning of the *Childress* decision. As stated by the *Restatement*:

“A seller ordinarily is not liable for failing to incorporate a safety feature that is peculiar to

when incorporated into the log splitter it caused the log splitter to function in an unreasonably dangerous manner.” *Id.* at 47. The court affirmed summary judgment for Defendants, holding a component part supplier has no duty, independent of the completed product manufacturer, to analyze the design of the completed product which incorporates its nondefective component part.” *Id.* at 49.)

⁴⁶ *Id.* at 48-49.

⁴⁷ *Id.* at 49.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

the specific adaptation for which another utilizes the incomplete product. A safety feature important for one adaptation may be wholly unnecessary or inappropriate for a different adaptation. The same considerations also militate against imposing a duty on the seller of the incomplete product to warn purchasers of the incomplete product, or end-users of the integrated product, of dangers arising from special adaptations of the incomplete product by others.”⁵¹

As originally noted by the court in *Orion*, “no public policy can be served by imposing a civil penalty on a manufacturer of specialized parts for a highly technical machine according to the specifications supplied by one who is expert at assembling these technical machines, who does so without questioning the plans or warning of the ultimate user.”⁵² A decision of this effect would be exceedingly severe on manufacturers and suppliers of component parts.⁵³ The court concluded that added costs imposed on manufacturers and suppliers, “both financially and in terms of stifled innovation,” outweigh any public benefit of giving plaintiffs an additional pocket for recovery.⁵⁴

AVIATION

Application of the component parts doctrine in the aviation context is limited; nevertheless, the theory is appropriate and useful. Without naming the doctrine, the court in *Goldberg v. Kollman Instrument Corp.* 12 N.Y.2d 432, 437 (Ct. App. N.Y. 1963) addressed the liability of the component manufacturer and found

⁵¹ *Tellez*, 129 Cal. App. 4th at 582 (citing *Rest.3d Torts*, Products Liability, §5, comment, p. 135).

⁵² *Orion*, 502 F. Supp at 178.

⁵³ *Id.*

⁵⁴ *Id.*

that liability was not necessary. Following *Goldberg* some 20 years later, in *Orion*, the court readdressed the liability of a component manufacturer more thoroughly.⁵⁵ This time, the court in *Orion* delivered the notable decision that later articulated the public policy behind the component parts doctrine.⁵⁶

In *Goldberg*, the plaintiff's daughter was a passenger on an American Airlines flight from Chicago to New York.⁵⁷ The plaintiff's daughter died as a result of injuries suffered when the airplane crashed near La Guardia Airport.⁵⁸ Suit was brought against multiple parties, including component part manufacturer Kollsman, who was responsible for manufacturing the plane's altimeter.⁵⁹ While predating the widespread acceptance of the doctrine, the court held that component part manufacturers should be absolved of liability where their component part was nondefective.⁶⁰

“We do not think it necessary...to hold liable the manufacturer [defendant Kollsman] of a component part. Adequate protection is provided for the passengers by casting in liability the airplane manufacturer which put into the market the completed aircraft.”⁶¹

Orion arises from the crash of a helicopter in Jeddah, Saudi Arabia.⁶² The plaintiffs brought suit against various parties including the defendant company which machined the “stationary star” of the main rotor head assembly. The plaintiffs alleged both

⁵⁵ See generally *Orion*, 502 F. Supp. 173.

⁵⁶ *Id.* at 178. (For public policy discussion, see *supra*).

⁵⁷ *Goldberg*, 12 N.Y.2d at 434.

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.* at 437.

⁶¹ *Id.*

⁶² *Orion*, 502 F. Supp. at 174.

design defect and failure to warn.⁶³ The court dismissed the defendant's liability on the design defect cause of action under the "substantial participation" standard.⁶⁴ The court held that the defendants "manufactured the star to Sikorsky's specifications and then sold the product to Sikorsky, and because the design defect arose in this case, if at all, from Sikorsky's incorporation of the star into their final product, the helicopter," defendant was not liable.⁶⁵

Correspondingly, the defendant was granted summary judgment on the failure to warn cause of action.⁶⁶ In this case, the court analogized the "safety device cases" to the plaintiff's failure to warn assertion, absolving defendant of liability based on the *Verge* factors.⁶⁷ Here, the court reiterated the fact that Sikorsky is "in the business of manufacturing aircraft," whereas defendants are not.⁶⁸ For that reason, the defendant "did not have the expertise required to know enough to give a warning."⁶⁹

CONCLUSION

Before asserting the component parts doctrine, a component manufacturer should ensure that its component part was nondefective before distribution.⁷⁰ Keeping a record of all documents, including emails, with respect to the component part is a key aspect to avoiding liability. These documents should be maintained in a manner consistent with the component manufacturer's document retention policy.

A claim of design defect will require a component part manufacturer to show it has not "substantially participated" in the

⁶³ *Id.*

⁶⁴ *Id.* at 175.

⁶⁵ *Id.*

⁶⁶ *Id.* at 178.

⁶⁷ *Id.*

⁶⁸ *Id.* at 177.

⁶⁹ *Id.* at 178.

⁷⁰ *Davis*, 42 S.W.3d at 38

integration of their component part into the finished product.⁷¹ If a manufacturer can show it has essentially designed the component part to the specification of others, it will generally not be held liable.⁷² To do this, it is imperative to keep a record of all communications with the manufacturer of the finished product. Under most circumstances, providing a generic manual with the component part is not substantial integration.⁷³ However, if the manual is specific to a particular end product in which that component part is to be integrated, chances of liability increase.

Generally speaking, an invitation to participate in any design or modification of the end product is an invitation to accountability. The more generic the component part, the more likely the component parts doctrine will provide protection.⁷⁴

⁷¹ *Id.*

⁷² See *Leahy*, 120 A.D.2d at 13.

⁷³ *Toshiba*, 152 S.W.3d at 783.

⁷⁴ *Tellez*, 129 Cal.App.4th at 582 (citing *Springmeyer*, 60 Cal.App.4th at 1554).