

PRESENTED AT

The University of Texas School of Law 26th Annual Admiralty and Maritime Law Conference

September 29, 2017 South Texas College of Law, Houston, Texas

RECENT DEVELOPMENTS IN ADMIRALTY AND MARITIME LAW AT THE NATIONAL LEVEL AND IN THE FIFTH AND ELEVENTH CIRCUITS

David W. Robertson
William Powers, Jr. and Kim L. Heilbrun Chair in Tort Law
University Distinguished Teaching Professor
University of Texas at Austin

Michael F. Sturley
Fannie Coplin Regents Chair in Law
University of Texas at Austin
Visiting Professor (August-December 2017)
National University of Singapore Faculty of Law

Matthew H. Ammerman Law Office of Matthew H. Ammerman, P.C.

Author Contact Information:

David W. Robertson University of Texas School of Law <u>drobertson@law.utexas.edu</u> 512-232-1339

Matthew H. Ammerman
LAW OFFICE OF MATTHEW H. AMMERMAN, P.C.
mha@MaritimeDefense.net
713-227-1404

Michael F. Sturley
University of Texas School of Law
msturley@law.utexas.edu
512-232-1350
National University of Singapore
Faculty of Law
msturley@nus.edu.sg
+65-6601-5973

RECENT DEVELOPMENTS IN ADMIRALTY AND MARITIME LAW AT THE NATIONAL LEVEL AND IN THE FIFTH AND ELEVENTH CIRCUITS

I. Introduction	1
	3
A. Federal Rules Amendments	3
	3
C. Increased Penalty Amounts under the LHWCA	3
III. THE WORK OF THE SUPREME COURT	4
	4
General (All-Purpose) Personal Jurisdiction BNSF Railway Co. v. Tyrrell	5
Specific (Case-Linked) Personal Jurisdiction	1
Bristol-Myers Squibb Co. v. Superior Court	
B. Petition for Certiorari1	7
Touchet v. Estis Well Service, L.L.C.	
IV. SELECTED DECISIONS FROM AROUND THE COUNTRY	9
A. Admiralty Jurisdiction in Tort	9
1. Problems with the "Maritime Connection" Requirements	9
Hargus v. Ferocious & Impetuous, LLC	
2. Problems with the "Location" Requirement	0
Rios v. United States	
Mello v. Young Brothers	
B. Admiralty Jurisdiction in Contract Cases	3
Interpool, Inc. v. Four Horsemen, Inc	
C. The Rights of Seamen 2	4
1. Seaman Status 2-	4
Lewan v. Soo Marine Supply	
2. Maintenance and Cure 2.	5
a. Restatement-style summary: Shipowners' Liability Convention 2.	5
b. Thwarted nonlitigiousness aspirations	6
Ward v. EHW Constructors	
c. Maximum medical recovery; voluntary refusal of needed medical treatment 2'	7

	d. T	he intentional concealment defense	29
		Coastal Villages Pollock, LLC v. Naufahu	
	e. T	he recoupment (restitution) issue	29
		Block Island Fishing, Inc. v. Rogers	
		Williams v. Central Contracting & Marine Inc.	
3.	Jones	Act and Unseaworthiness Litigation	30
	a. C	ausation in Jones Act cases	30
		Ghaleb v. American Steamship Co.	
	b. P	rejudgment interest in Jones Act/unseaworthiness actions	32
		Nevor v. Moneypenny Holdings, LLC	
	c. P	unitive damages in unseaworthiness actions	35
		Batterton v. Dutra Group	
		Tabingo v. American Triumph LLC	
4.	Forus Conti	m Selection and Arbitration Clauses in Seamen's Employment racts	37
		Tu Vo v. Trident Seafoods Corp	
		Castro v. Tri Marine Fish Company, LLC	
D. I	Limitat	tion of Liability; General Maritime Tort Law	39
		Holzhauer v. Golden Gate Bridge Highway & Transportation District	
		In re Aramark Sports and Entertainment Services, LLC	
E. (Carriag	ge of Goods	44
1.	Conti	inued Validity of COGSA	44
		Liberty Woods International, Inc. v. M/V Ocean Quartz	
2.	Negli	gent Third Parties and Himalaya Clauses	46
		Lofthouse Manufacturing Ltd. v. Ports America Baltimore, Inc.	
3.	Forus Ladir	m Non Conveniens and Forum Selection Clauses in Bills of	48
		Amazon Produce Network, LLC v. NYK Line	
		Goal Zero, LLC v. Cargo Freight Services, Ltd.	
		Thyssenkrupp Materials NA, Inc. v. M/V Kacey	
		Liberty Woods International, Inc. v. M/V Ocean Quartz	
4.	Carri	ers' Actions Against Cargo Interests	50
		Mediterranean Shipping Co. v. Best Tire Recycling, Inc.	
		BMW of North America LLC v. M/V Courage	

5. Custom	ary Freight Units5	1
	Vinnlustodin HF v. Sea Tank Shipping AS ("The Aqasia")	
	Maritime Tort and Contract Law5	4
	In re Cooper Marine & Timberlands Corp.	•
	Nieves v. Cooper Marine & Timberlands Corp.	
G. Marine In		5
	Travelers Property Casualty Co. of America v. Klick	J
	Sullivan v. Certain Underwriters at Lloyds	
	AGCS Marine Insurance Co. v. World Fuel Services, Inc.	
	QBE Seguros v. Morales-Vasquez	
	National Liability & Fire Insurance Co. v. Rooding	
	re and Harbor Workers' Compensation Act (LHWCA) 5	Q
_	_	
1. Tort Ca		ð
	Arbogast v. Georgia-Pacific, LLC	
	Cruz v. United States	
	Fernandez v. City of New York	
2. Administrative Cases 6		0
	Chugach Management Services v. Jetnil	
-	Fenske v. Service Employers International	
	Kealoha II	
	Knutson Towing v. Wakely	
	Metro Machine Corp. v. Director, OWCP	
	Navalo v. Cochise Consultancy, Inc.	
	Ansello v. Wisconsin Central, Ltd	
I. Maritime	Liens 6	6
	ING Bank, N.V. v. M/V Temara	
J. Removal	6	8
	Gonzalez v. Red Hook Container Terminal LLC	
	Atlantic Coast Marine Group, Inc. v. Willis	
K. Miscellan	•	9
	New York Shipping Association v. Waterfront Commission	_
	neous Nonmaritime Cases 70	Λ
	vernment Contractor Doctrine 70	U
	Ripley v. Foster Wheeler LLC	

2. The <i>Twiqbal</i> Criteria for the Validity of Federal-Court Complaints	71
West Bend Mutual Insurance Co. v. Schumacher	
Ex Parte Austal USA, LLC	
V. THE WORK OF THE COURTS IN THE FIFTH AND ELEVENTH CIRCUITS	76
A. Admiralty Jurisdiction	76
Admiralty Jurisdiction in Tort	76
a. The navigable water requirement	76
Tundidor v. Miami-Dade County	
Frickey v. Shell Pipeline Co.	
b. The "SRTMA" requirement re shipbuilding torts	77
Crace v. Northrop Grummon Ship Systems	
Babineaux v. Diamond B. Industries	
c. The "PDMC" requirement	78
Ledesma v. Airbus Helicopters, Inc.	
2. Jurisdiction in Limitation of Liability Proceedings	79
In re Texas Petroleum Investment Co.	
3. Admiralty Jurisdiction in Contract Cases	80
Larry Doiron, Inc. v. Specialty Rental Tools & Supply, L.L.P.	
In re Crescent Energy Services, LLC	
B. The Federal vs. State Law Consequences of Admiralty Jurisdiction	81
Frickey	
Davis v. Dynamic Offshore Resources, L.L.C.	
C. Vessel Status	82
Helix Energy Solutions Group, Inc. v. Gold	
D. The Rights of Seamen	83
1. Seaman Status	83
a. The substantial-in-duration requirement	83
Guidry v. ABC Insurance Co.	
Wade v. Baywater Drilling	
b. The substantial-in-nature requirement	85
Welch v. Prop Transport & Trading, LLC	
c. Seaman Status Under the FLSA	86
Halle v. Galliano Marine Service	

2.	Maintenance and Cure			
	a.	Too much litigation; preemptive declaratory actions; related shenanigans	88	
		Atlantic Sounding Co., Inc. and Weeks Marine, Inc. v. Pervel		
		Coastal Drilling Co. v. Creel		
	b.	The "McCorpenesque" defense: a background essay on McCorpen and Brown	91	
	c.	A sampling of current cases treating the "McCorpenesque" defense	96	
		Bosarge v. Cheramie Marine, L.L.C.,		
		Cenac Marine Services, LLC v. Clark		
		Rinehart v. National Oilwell Varco L.P		
	d.	Punitive damages in M&C actions	97	
		Satterfield v. Harvey Gulf International Marine,		
	e.	Availability and amount of daily maintenance payments	98	
		Armstrong v. Offshore Specialty Fabricators		
		Moody v. Noble Drilling (U.S.) LLC		
3.	Joi	Jones Act and Unseaworthiness Litigation		
	a.	The Primary Duty Doctrine	99	
		DE Jean v. Caillou Island Towing Co.,		
	b.	Forum Selection Clauses in Seamen's Employment Contracts	99	
		In re OSG Ship Management, Inc		
		Tu Vo v. Trident Seafoods Corp.		
		Castro v. Pullmantur, S.A.		
	c.	Punitive Damages in Jones Act and Unseaworthiness Cases	102	
		Wade v. Clemco Industries Corp.		
	d.	Other Damages Issues in Seamen's Cases	103	
		Bell v. Foster Wheeler Energy Corp.		
		Rockett v. Belle Chasse Marine Transport, LLC		
		Rinehart v. National Oilwell Varco L.P.		
		McBride v. Estis Well Service, L.L.C.		
	e.	Arbitration Clauses and Enforcement in Seamen's Actions	106	
		Alberts v. Royal Caribbean Cruises, Ltd.		
		Cvoro v. Carnival Corp.		
		Shah v. Blue Wake Shipping		
		Wexler v. Solemates Marine, Ltd.		

E. Carriage of Goods		
Negligent Third Parties and Himalaya Clauses	112	
Royal SMIT Transformers BV v. HC Bea-Luna M/V		
2. The Cargo Claimant's Prima Facie Case, Delivery, Q Clause	114	
United States v. Sealift, Inc.		
3. "Restraint of Princes"	115	
Eitzen Chemical A/S v. Carib Petroleum		
4. Carriers' Actions Against Cargo Interests	115	
GIC Services, L.L.C. v. Freightplus USA, Inc.		
5. Forum Non Conveniens and Forum Selection Clauses in Bills of		
Lading	118	
Maxima International, S.A. v. Interocean Lines, Inc.		
F. Marine Insurance	118	
Continental Insurance Co. v. L&L Marine Transportation, Inc.		
G. Collision		
Moench v. Marquette Transportation Co. Gulf-Inland, L.L.C.		
Marquette Transportation Co. v. M/V Century Dream		
Maya Special Maritime Enterprises v. Tug M.L. Crochet		
H. Longshore and Harbor Workers' Compensation Act (LHWCA)		
1. The Act's Coverage		
Mays v. Chevron Pipe Line Co.,		
Baker v. Director, Office of Workers' Compensation Programs		
2. Tort Cases	125	
Koch v. United States		
Miller v. Navalmar (U.K.) Ltd.		
Dixon v. NYK Reefers Ltd.		
Deperrodil v. Bozovic Marine, Inc.		
3. Administrative Cases	129	
Bollinger Shipyards, Inc. v. Director, Office of Worker's Compensation Programs		
Continental Insurance Co. v. Dawson		
Chugach Management Services v. Jetnil,		
Triple Canopy, Inc. v. United States Department of Labor		
Blackmon v. Huntington Ingalls		

I.	Outer Co	ontinental Shelf Lands Act	134
		Butler v. Superior Energy Service, Inc.	
		Richard v. Anadarko Petroleum Corp.	
		Hammer v. PHI, Inc	
J.	General	Maritime Tort and Contract Law	138
		International Marine, L.L.C. v. Integrity Fisheries, Inc.	
		Abston v. Jungerhaus Maritime Services GMBH & Co.	
		LLOG Exploration Co., L.L.C. v. Signet Maritime Corp.	
K.	Salvage		140
		Evans v. Vidalia Dock & Storage Co.	
		Salvors, Inc. v. Unidentified Wrecked & Abandoned Vessel	
L.	Procedu	re	142
1	Person	al Jurisdiction	142
_		O'Berry v. Ensco International, LLC	
2	. Genera	al Procedural Issues	143
_	. Genere	In re C.F. Bean LLC	1.0
		Lee v. Offshore Logistical and Transport, L.L.C.	
М	Remova		144
1,1,	Ttomo va	Zeringue v. Crane Co.	
		Savoie v. Pennsylvania General Insurance Co.	
		Moreau v. Weston Solutions, Inc.	
N	Oil Pollı		148
111		Settoon Towing, L.L.C. v. Marquette Transportation Co., L.L.C.	110
0	Forum Selection Clauses in General		149
Ο.	1 orain 5	Chang v. Carnival Corp	117
D	Missalla	nagus Cosas	150
Υ.	Miscella		130
		Edwards v. Continental Casualty Co.	
		In re Fairway Methanol LLC	
		Heniff Transportation Systems, L.L.C. v. Trimac Transportation Services	

RECENT DEVELOPMENTS IN ADMIRALTY AND MARITIME LAW AT THE NATIONAL LEVEL AND IN THE FIFTH AND ELEVENTH CIRCUITS

David W. Robertson
William Powers, Jr. and Kim L. Heilbrun Chair in Tort Law
University Distinguished Teaching Professor
University of Texas
727 East Dean Keeton Street, Austin, Texas 78705
512/232-1339; Fax 512/858-1045
drobertson@law.utexas.edu

Michael F. Sturley
Fannie Coplin Regents Chair in Law
University of Texas
727 East Dean Keeton Street, Austin, Texas 78705
512/232-1350; Fax 512/471-6988
msturley@law.utexas.edu

Visiting Professor (August-December 2017)
National University of Singapore Faculty of Law
469G Bukit Timah Road, Singapore 259776
+65-6601-5973
msturley@nus.edu.sg

Matthew H. Ammerman LAW OFFICE OF MATTHEW H. AMMERMAN, P.C. 2040 North Loop West, Ste. 390, Houston, Texas 77018-8114 713/227-1404; Fax 713/456-2634 mha@MaritimeDefense.net

September 1, 2017

I. Introduction

This is the seventeenth paper in a series of annual reports on U.S. admiralty and maritime law and practice. ¹ In these papers we try to call attention to the principal national-

¹ The preceding sixteen papers are David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 41 Tul. Mar. L.J. 437 (2017) [hereinafter 2016 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 40 Tul. Mar. L.J. 343 (2016) [hereinafter 2015 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 39 Tul. Mar. L.J. 471 (2015)

level developments that bear on the work of admiralty judges, lawyers, and scholars, and we look more closely at the relevant work of the U.S. Courts of Appeals for the Fifth and Eleventh Circuits. We do not warrant full coverage, although with respect to the Fifth and Eleventh Circuit Courts of Appeals, we try to be fairly thorough.²

[hereinafter 2014 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 38 Tul. Mar. L.J. 419 (2014) [hereinafter 2013 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 37 Tul. Mar. L.J. 401 (2013) [hereinafter 2012 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 36 Tul. Mar. L.J. 425 (2012) [hereinafter 2011 Recent Developments]; David W. Robertson & Michael F. Sturley, Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 35 Tul. MAR. L.J. 493 (2011) [hereinafter 2010 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 34 Tul. MAR. L.J. 443 (2010) [hereinafter 2009 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 33 Tul. MAR. L.J. 381 (2009) [hereinafter 2008 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 32 Tul. Mar. L.J. 493 (2008) [hereinafter 2007 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 31 Tul. Mar. L.J. 463 (2007) [hereinafter 2006 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 30 Tul. Mar. L.J. 195 (2006) [hereinafter 2005 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 29 Tul. Mar. L.J. 369 (2005) [hereinafter 2004 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 16 U.S.F. MAR. L.J. 147 (2004) [hereinafter 2003 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 27 Tul. Mar. L.J. 495 (2003) [hereinafter 2002 Recent Developments]; David W. Robertson & Michael F. Sturley, Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits, 26 Tul. Mar. L.J. 193 (2001) [hereinafter 2001 Recent Developments].

² We make no attempt to be thorough respecting district court decisions, although we have included some for their information value. "A decision by a federal district judge is not binding precedent in either a different judicial district, the same judicial district, or even upon the same judge in a different case." 18 MOORE'S FEDERAL PRACTICE

II. MISCELLANEOUS DEVELOPMENTS AT THE NATIONAL LEVEL

A. Federal Rules Amendments

Amendments to the Federal Rules of Appellate and Civil Procedure will go into effect on December 1, 2017, unless Congress acts on them prior to that date. The affected rules are FRAP 4(a)(4)(B)(iii) (dealing with notices of appeal) and FRCP 4(m) (specifying the time limit for service). Both amendments are highly technical. The FRAP amendment corrects an inadvertent glitch in the 2009 amendments. The FRCP amendment corrects a similar glitch in the 2016 amendment.³

B. Maximum Compensation Rate Under the LHWCA

Section 10(f)(1) of the Longshore and Harbor Workers' Compensation Act⁴ ties the maximum weekly compensation rate to the national average weekly wage. Effective October 1, 2017, the maximum weekly compensation rate will be \$1,436.48 (up from \$1,406.00 in fiscal 2016).

C. Increased Penalty Amounts under the LHWCA

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015⁵ requires agencies to adjust the levels of existing civil monetary penalties annually based on inflation. In October 2016 the penalties were more than doubled for an LHWCA employer's failure to notify the Office of Workers' Compensation Programs (OWCP) if LHWCA compensation is suspended or terminated within 16 days and for failing to file a notice of injury within 10 days of a lost-time injury. Those same penalties were later marginally increased on January 13, 2017. The penalty for failure to file a notice of final payment or suspension of payment is now \$279, and the maximum penalty for an employer's failure to report a LHWCA-covered injury to the OWCP has increased to \$22,957.⁶

^{§ 134.02[1][}d], p. 138-24.1 (3d ed. 2007). *See also American Electric Power Co. v. Connecticut*, 564 U.S. 410, 428 (2011) ("[F]ederal district judges, sitting as sole adjudicators, lack authority to render precedential decisions binding other judges, even members of the same court.").

³ See Amendments to Federal Rules: What Practitioners Should Know, 85 U.S. Law Week 1503 (2017).

⁴ 33 U.S.C. § 910(f)(1).

⁵ Pub. L. 114-74.

⁶ 20 C.F.R. § 702.204; *See* also Industry Notice 160 (January 25, 2017), *available at* https://www.dol.gov/owcp/dlhwc/lsindustrynotices/industrynotice160.htm.





Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the <u>UT Law CLE eLibrary (utcle.org/elibrary)</u>

Title search: Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits

Also available as part of the eCourse 2017 Admiralty and Maritime Law eConference

First appeared as part of the conference materials for the 26^{th} Annual Admiralty and Maritime Law Conference session "Recent Developments in Admiralty and Maritime Law at the National Level and in the Fifth and Eleventh Circuits"