The Puerto Rico Ports Authority v. Umpierre-Solares United States Court of Appeals, First Circuit 456 F.3d 220 (Decided July 27, 2006)

Alan Schindler, Class of 2009

In the instant case, Sanchez provided such a stipulation, and should therefore be entitled to the dissolution of the injunction which prevented him from bringing his Jones Act claim in the Galveston District Court. Accordingly, the United States Court of Appeals for the 5th Circuit reversed the order of the United States District Court for the Northern District of Mississippi denying the plaintiff Sanchez's motion to dissolve the injunction entitling Sanchez to bring his suit in the Galveston District Court subject to the stipulated liability limitations prescribed by the Mississippi District Court.

Andrew Charles Pelzer
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JURISDICTIONAL QUESTION REGARDING A SUNKEN SHIP AND THE APPLICABILITY OF THE LACHES DOCTRINE IN A BREACH OF CONTRACT CLAIM

A contract for the removal and disposition of a sunken ship is considered maritime in nature and thus within the admiralty jurisdiction. Additionally, the Puerto Rico Ports Authority's eleven year delay in bringing this action was barred by the doctrine of laches.

The Puerto Rico Ports Authority v. Umpierre-Solares
United States Court of Appeals, First Circuit.
456 F.3d 220
(Decided July 27, 2006)

In 1989, the vessel, "La Isla Nena" sunk in the navigable waters of San Juan Harbor. As a result, the Puerto Rico Ports Authority (PRPA) was instructed to remove it because the sunken vessel was an obstruction to navigation. PRPA then contracted with the Defendants for the removal and disposition of the vessel. The Defendants removed the vessel to a shipyard but as a result of a storm, the vessel was only partially sunk. Thus, the contract had not been fully performed by the Defendants. The PRPA issued payment to the Defendants in 1992, and eleven years later, it filed a complaint in 2003 seeking specific performance under the contract.

The Defendants filed a motion for summary judgment claiming that the action was barred pursuant to the laches doctrine and that the contract was subject to a two-year statute of limitations. The PRPA argued that the laches doctrine did not apply and that the Contract was for professional services and thus subject to a fifteen-year statute of limitations. The district court granted the Defendants' motion for summary judgment under the laches doctrine. On appeal, the PRPA, in addition to its claim that the contract was subject to a fifteen-year statute of limitations, argued that the district court lacked admiralty jurisdiction under the "dead ship doctrine".

Despite the PRPA's argument that under the dead ship doctrine, a ship loses its status as a vessel subject to admiralty jurisdiction, the Court of Appeals held that the district court did not lack admiralty jurisdiction. The Court based its conclusion on Section 1331 of Title 28 U.S.C.

which provides that federal district courts shall have jurisdiction over any civil case of admiralty jurisdiction. Furthermore, the Supreme Court has stated that the "fundamental issue giving rise to maritime jurisdiction is the protection of maritime commerce." Exxon Corp.. v. Cent. Gulf Lines, 500 U.S. 603, 608 (1991). The Court further explained that the PRPA's reliance on cases supporting the dead ship doctrine was misplaced because unlike the issue at hand, the cases cited did not involve ships obstructing navigable waters. Because the La Isla Nena was an obstruction to navigable waters, it falls within admiralty jurisdiction.

Turning to the question of whether the district court erred in holding that the PRPA's action was time-barred by the laches doctrine, the Court of Appeals held that it did not. There was no factual dispute regarding PRPA's eleven year delay in filing its claim. The PRPA instead argued that laches did not apply because the contract was for professional services and thus subject to a fifteen-year statute of limitations. 31 P.R. Laws Ann. §5294. The Court of Appeals held that, even if the fifteen-year statute of limitations applied, it would still not save the action from being barred by the laches doctrine.

The laches doctrine is premised on the maxim of equity aids the vigiliant not those who slumber on their rights. In essence, an action will be barred by laches if there was an excessive and unreasonable delay which economically prejudiced the Defendants. The Court of Appeals concluded that, there was no valid explanation given for the eleven year delay and that the Defendants would be "unquestionably prejudiced" by the cost of a second re-float of La Isla Nena. Accordingly, the district court's bar of the PRPA'a action pursuant to the laches doctrine was affirmed.

Alan Schindler
Class of 2009

GENUINE ISSUE OF MATERIAL FACT PRECLUDES SUMMARY JUDGMENT UNDER JONES ACT AND UNSEAWORTHINESS CLAIMS

The Court of Appeals for the First Circuit reversed and remanded the magistrate judge's ruling that the plaintiff, Napier, had not presented sufficient evidence to defeat defendant's motion for summary judgment on the Jones Act and unseaworthiness claims.

James Napier v. F/V Deesie, Inc.
United States Court of Appeal for the 1st Circuit
454 F.3d 61
(Decided July 11, 2006)

James Napier ("Napier"), plaintiff-appellant, was employed as a crewman aboard a fishing vessel owned by F/V Deesie, Inc. ("Deesie"), defendant-appellee. On or about April 13th, 2001 the crew was fishing 1,500 miles south to southeast of Puerto Rico. Napier was attaching baited hooks to a fishing line when a rusty, six-inch hook impaled his lower left abdomen. After