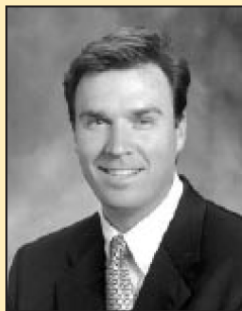


P I T T S B U R G H

# BUSINESS TIMES

February 19, 2010

## ask the LEGAL ♦ PROFESSIONALS



### CONTRACT LAW

**Q** Is my business protected in the event of a recall or outbreak associated with a supplier's product?

**A** Lawsuits for claims regarding defective products, such as tainted or adulterated foods, may be asserted against any person or entity that is part of the distribu-

tion chain. Most state laws impose strict liability on any entity in the chain to protect the ultimate user or consumer.

Companies often purchase goods or products from suppliers by use of a purchase order or standard contract that may lack sufficient protection in the event of a claim or lawsuit arising out of the sale of the product. Companies should ensure that the contracts used in connection with the purchase of the products or goods have adequate language requiring that the seller indemnify (i.e. pay for claims, legal fees and costs associated with the defective product) for claims or lawsuits.

Separately, the buyer should also demand to be listed as an "additional insured" on the supplier's insurance policies in the event the supplier cannot adequately indemnify the buyer.

**Dickie McCamey**

*Integrity. Experience. Solutions.*

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