



BAIRD WILLIAMS  
& GREER LLP  
*Attorneys at Law*

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Contact: Karin M. Scheehle, Office Manager  
[www.bwglaw.net](http://www.bwglaw.net)  
[kscheehle@bwglaw.net](mailto:kscheehle@bwglaw.net)

Phoenix, Az. - August 30, 2006 - In the first published decision on the issue in the United States, the Arizona Court of Appeals ruled that comparative fault principles apply to defendants in the chain of distribution in a products liability case.

Robert L. Greer of Baird Williams & Greer, LLP, represented the defendant seller.

The case began in 2001, when an insured of the plaintiff, State Farm Insurance, discovered that the reverse osmosis filtration system in his house had leaked, damaging his property. State Farm paid for the loss and then sued Premier Manufacturing Systems, Inc., which had packaged and sold the filtration system, and Worldwide Distributing, which had manufactured internal parts in the system, contending that the filtration system was defective.

Worldwide, however, went bankrupt after State Farm filed the complaint. This meant that under the common law doctrine of joint and several liability, which has traditionally governed products liability cases, Premier would be liable for the entire amount of the loss. Mr. Greer successfully argued that comparative fault principles should apply to product liability cases, and the trial court found that Premier was only 25% at fault for the loss. State Farm appealed.

The Arizona court of Appeals affirmed the trial court, reasoning that the Arizona Legislature had abolished joint several liability in almost all tort cases.

Mr. Greer commented, "The traditional treatment as a single entity of all defendants in the chain of distribution of a defective product has been brought into question by legislation adopting comparative fault. The concept that a defendant should be liable for its own fault but no more simply has been taken to its logical conclusion."

Robert L. Greer is one of Lawdragon.com's 500 Leading Litigators in the United States. Baird Williams & Greer is an AV rated firm which defends products liability and aviation cases and litigates complex commercial matters.

*State Farm Insurance Companies v. Premier Manufactures Systems, Inc.*, 2006 WL 2473626, Ariz.App. Div. 1, August 29, 2006.