Oh v. Teachers Ins. & Annuity Assn. of America
(2020) 53 Cal.App.5th 71

Civil Procedure – Landowner owed no duty to decedent because it had no knowledge of dangerousness of product, which was stored in drums that did not disclose it was hazardous

FACTS/ PROCEDURE

This case arises out of an industrial accident. Decedent was working for I.B.S. Beauty dispensing a hair oil product from a 55-gallon drum into smaller containers when the drum exploded and he died in the resulting fire. Decedent's parents brought suit against his employer, I.B.S. Beauty as well as the owner and lessor of the premises, Teachers Ins. & Annuity Assn. and its management company.

Plaintiffs brought an action for negligence per se, wrongful death, and a survivor claim. Plaintiffs claimed Teachers Ins. knew or should have known the 3 drums of hair oil were hazardous. There was a factual dispute over where the drums were stored, inside or outside within a fenced area connected to the building and who controlled that area under the lease. The drums were light blue with no hazardous labels on them; the only label said KF-9008. Plaintiffs also argued under the lease, the drums were stored in a fenced outdoor area and therefore as the landlord had a duty to maintain the 'outside areas' the drums were under their control and they had a duty to inspect them and would have discovered the oil was hazardous. Finally, defendants were negligent per se because they violated fire safety regulations in not obtaining permits to store hazardous materials.

Teachers Ins., the owner and landlord brought an MSJ arguing they owed no duty to decedent because they had no knowledge of the hazard. The trial court granted the MSJ; Plaintiffs appealed.

2nd APPELLATE DISTRICT

Affirmed. The court found the obligation to inspect only arises if the landowner had some reason to know there was a need for such action. The court agreed the drums were stored within the leased area and therefore were under the tenant's control, not the landlord. The key point was there was no evidence the defendants knew or should have known the tenant was storing hazardous, flammable oil in the drums. The owner of I.B.S. Beauty testified he did not even know the oil was flammable, therefore he would not have told the landlord it was flammable. Further, the drums did not indicate they were hazardous as they were merely labeled KF-9008.

Despite plaintiff's argument the property manager, who saw the drums on a walk through, should have inquired what was in the drums and investigated whether the contents were hazardous, the court ruled a "landlord need not take extraordinary measures or make unreasonable expenditures of time and money in trying to discover hazards unless the circumstances so warrant." (*Id.* at p.86 citing to *Mora v. Baker Commodities, Inc.* (1989) 210 Cal.App.3d 771.) Here, the drums bore no indication their contents were hazardous so the landowner was not put on notice of a potential danger. For this same reason, as the landowner was not aware of the hazardous material, it did not violate the fire code. Plaintiff argued ignorance of the law is not a defense, to which the court stated it was not ignorance of the law but ignorance of the facts – that the tenant was storing hazardous materials – that was determinative and declined to impose strict liability upon an owner for their lessees' actions.