

SUMMARY STATEMENT

Alcala v. Verbruggen

Docket Nos. 49473 and 49474

This consolidated appeal arose out of personal injuries Adrian Carillo Alcala (“Carillo”) suffered at a potato packaging plant, SunRiver of Idaho, Inc. (“SunRiver”), after his head and shoulders were crushed by a box palletizer designed, manufactured, delivered, and installed by a Dutch company, Verbruggen Emmeloord, B.V. (“VE”), along with its United States affiliate, Verbruggen Palletizing Solutions, Inc. (“VPS”). The box palletizer was one of seven machines SunRiver purchased in a transaction with Volm Companies, Inc. (“Volm”). Because this was a workplace injury, Carillo received worker’s compensation benefits through his employers, SunRiver, Employers Resource Management Company, and Employers Resource of America, Inc.—and the surety American Zurich Insurance Company (collectively “the SunRiver Plaintiffs”). Afterwards, the SunRiver Plaintiffs jointly with, and in the name of Carillo, sued Volm, VE, and VPS. Pursuant to a stipulation and compromise agreement, Volm was dismissed from this suit before this appeal.

The district court granted summary judgment in favor of VE and VPS and dismissed all claims after concluding that VE and VPS were Carillo’s statutory co-employees under the Worker’s Compensation Law, immune from suit in tort under *Richardson v. Z & H Construction, LLC*, 167 Idaho 345, 470 P.3d 1154 (2020). The SunRiver Plaintiffs and Carillo appealed and argued that the transaction between SunRiver and Volm did not make Carillo, VE, and VPS statutory co-employees because it was a “hybrid” transaction consisting of goods with incidental services under *Kelly v. TRC Fabrication, LLC*, 168 Idaho 788, 487 P.3d 723 (2021). VE and VPS cross-appealed the district court’s denial of attorney fees under Idaho Code section 12-120(3).

After clarifying *Kelly*, the Idaho Supreme Court concluded that VE and VPS (the contractual entities under Volm) were “third parties” not entitled to immunity from suit in tort because the predominant factor of the hybrid transaction between SunRiver and Volm was for the sale of goods—not the provision of services. The Court also rejected VE’s and VPS’s alternative argument that the SunRiver Plaintiffs’ subrogation interest was barred at summary judgment. The Court vacated the district court’s judgment dismissing all claims, reversed the grant of summary judgment to VE and VPS, and remanded the case for further proceedings. As for the cross-appeal by VE and VPS, without reaching the merits, the Court vacated the district court’s decision denying attorney fees under Idaho Code section 12-120(3) because there was not yet a prevailing party below. After explaining that no party will be entitled to fees on appeal or cross-appeal, the Court instructed that the district court may, if there ultimately is a prevailing party below, revisit a request for attorney fees for the proceedings below under section 12-120(3) at that time.

***** This summary constitutes no part of the opinion of the Court but has been prepared by court staff for the convenience of the public. *****