

# What's in a Name? The Current State of "Logo Liability"

# LEGAL CORNER

BY LAWYER, NATHAN R. SKEEN

**B**eginning in the 1950s, the Interstate Commerce Commission ("ICC") adopted regulations that required motor carriers to place "identification devices" (i.e., placards or logos) on the vehicles they leased in order to identify that the vehicles were operating under the motor carriers' authority. 49 CFR § 1057.4(d)(1).



These regulations required the lessee motor carriers to remove the placards/logos and other identification markers from the leased vehicles before returning the equipment to the owner and terminating the lease. Based on these ICC regulations, several courts created and followed the doctrine of "logo" or "placard" liability. Under this theory, trucking companies could be held liable for the negligent operation of a vehicle that bore the company's placards regardless of whether or not the leased truck was being driven on behalf of the company. See *Rodriguez v. Ager*, 705 F.2d 1229 (10th Cir. 1983) (motor carrier held liable for accident caused by truck bearing carrier's logo, even though motor carrier notified owner that lease was terminated prior to accident and the motor carrier did not arrange or know of trip during which accident took place).

While most courts have departed from the doctrine of "logo liability," not all have completely abandoned the concept. For instance, a federal court in New York applied logo liability in 2001 to find a carrier vicariously liable for a driver's negligence because the truck was under lease to the carrier and bore the carrier's logo. *Reliance Nat. Ins. Co. v. Royal Indem. Co.*, 2001 WL 984737 (S.D.N.Y.). Other courts have recently indicated that the theory "may still be viable." *Occidental Fire & Cas. Co. of North Carolina v. Soczynski*, 2013 WL 101877 (D. Minn.). Additionally, even though the placement of logo's or placards may no longer establish the existence of a lease or responsibility for an accident, the use of placards may still be used as evidence to show that a lease continued to be in effect at the time of an accident. Based on this uncertainty, the safe approach is for carriers to ensure that their logos and placards are immediately removed from equipment upon the termination of a lease and to create a written record indicating the date and time a lease is terminated. If you have questions on what steps you need to take to protect your company, make sure you ask your lawyer for guidance.

For questions or comments about this article, please contact Nathan R. Skeen, Lawyer with the Transportation Practice Group with Snow, Christensen & Martineau | Telephone (801) 322-9166 Email: [nrs@scmlaw.com](mailto:nrs@scmlaw.com) | Website: [www.scmlaw.com](http://www.scmlaw.com)