Attorneys for plaintiffs

Doc. 384

1 William G. Earle Paul R. Xochihua Jonathan Henderson Davis Rothwell Earle & Xochihua 1300 S.W. Fifth Avenue, Suite 1900 Portland, Oregon 97201 4 Daniel F. Mullin 5 John A. McHugh Mullin Law Group 101 Yesler Way, Suite 400 6 Seattle, Washington 98104 Attorneys for defendant

HUBEL, Magistrate Judge:

This is an action by Arch Chemicals, Inc. (Arch) and Lexington Insurance Company (Lexington) against Radiator Specialty Company (RSC), asserting claims for contribution and Lexington brings a second claim for unjust enrichment. Arch and Lexington seek recovery of amounts paid in settlement of a lawsuit against Arch brought by members of the Davidson family. Before the court is RSC's Motion to Strike Lexington's Complaint (doc. # 357). For the reasons set forth below, I deny the motion.

#### **FACTS**

This case arises out of the wrongful death and bodily injury claims brought by the Davidson family against Arch Chemicals. The facts are summarized in multiple earlier opinions from the court and will not be repeated here.

On April 20, 2004, the Davidson family brought a lawsuit against Arch in Oregon state court alleging civil claims related to the fire. The litigation was resolved by a confidential settlement on December 7, 2006, which was jointly funded by Arch and Lexington.

On September 7, 2007, Arch brought the instant lawsuit against

2 - OPINION AND ORDER

7

8

9

10

11

12

13 14

15

16

17

18

19

20

21

22 23

24

25

26

27

28

RSC, seeking contribution for RSC's role in causing the fire. On June 30, 2009, on RSC's motion, Arch's insurer, Lexington, was joined as a real party in interest. While that order was reconsidered at the request of Arch, it was reaffirmed on September 25, 2009.

There was nothing filed by Lexington in this regard until nearly a year later. On September 14, 2010, after RSC had filed its motion for summary judgment, Lexington for the first time filed its own complaint against RSC. Lexington's First Claim for Relief was for contribution mirroring Arch's similar claim. Lexington's second claim for relief was for unjust enrichment/restitution. Arch has made no effort to assert a similar claim. RSC now moves to strike Lexington's entire complaint or its claim for unjust enrichment. (doc. #357)

## **STANDARD**

Rule 12(f) of the Federal Rules of Civil Procedure states that a district court "may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." "The function of a 12(f) motion to strike is to avoid the expenditure of time and money that must arise from litigating spurious issues by dispensing with those issues prior to trial[.]" Fantasy, Inc. v. Fogerty, 984 F.2d 1524, 1527 (9th Cir. 1993) (quotation marks, citation, and first alteration omitted), rev'd on other grounds by Fogerty v. Fantasy, Inc., 510 U.S. 517 (1994). Granting a motion to strike is within the broad discretion of the district court. Stanbury Law Firm v. IRS, 221 F.3d 1059, 1063 (9th Cir. 2000). However, "Rule 12(f) does not authorize district courts to strike claims for damages on the ground that such claims

3 - OPINION AND ORDER

are precluded as a matter of law." Whittlestone, Inc. v. Handi-Craft Co., 618 F.3d 970, 974-75 (9th Cir. 2010).

## **DISCUSSION**

# Motion to Strike

RSC advances two arguments for why the court should strike Lexington's Complaint and its second claim for unjust enrichment. First, it argues that Lexington's Complaint has no legal effect because there can only be one operative complaint at a time in any one case. RSC, however, cites no legal authority for this assertion, nor has this court found any authority so holding.

Second, RSC argues that Lexington is really trying to amend its complaint to add a new claim in violation of Fed. R. Civ. P. 15(a)(2), and that even if the court were to allow amendment, it would be futile. This argument, however, is not well taken since Lexington cannot amend a complaint that it never filed in the first place.

The substance of RSC's motion to strike focuses on elimination of the unjust enrichment claim for damages on the basis that the claim fails as a matter of law. The Ninth Circuit, however, has recently held that "a party may [not] seek dismissal of a pleading under Rule 12(f)," and that the rule "does not authorize district courts to strike claims for damages on the grounds that such claims are precluded as a matter of law." Whittlestone, 618 F.3d at 974-75.

Defendant argues orally it is unfair to allow a new claim after discovery closes. It argues it wants discovery about the alleged benefit conferred, but identifies no discovery in this regard not already in its grasp, nor any facts in dispute.

## 4 - OPINION AND ORDER

Last, defendant argues it is unfair to allow this complaint as a way to avoid defendant's summary judgment motion. That motion (# 317) is, however, denied on other grounds.

RSC's motion to strike, therefore, is an inappropriate vehicle to challenge Lexington's claim for unjust enrichment on the grounds asserted. Accordingly, RSC's motion is denied.

### CONCLUSION

Defendant's Motion to Strike Lexington's Complaint [doc. # 357] is denied.

IT IS SO ORDERED,

Dated this 10th day of December , 2010.

/s/ Dennis J. Hubel

Dennis James Hubel United States Magistrate Judge