

In this chapter, the words “common carrier” are substituted for “carrier” because the source provisions restated in this section provide that this chapter applies to bills of lading issued by common carriers.

In clause (2), the words “territory or possession” are substituted for “Territory” for consistency in the revised title and with other titles of the United States Code.

§ 80103. Negotiable and nonnegotiable bills

(a) NEGOTIABLE BILLS.—(1) A bill of lading is negotiable if the bill—

(A) states that the goods are to be delivered to the order of a consignee; and

(B) does not contain on its face an agreement with the shipper that the bill is not negotiable.

(2) Inserting in a negotiable bill of lading the name of a person to be notified of the arrival of the goods—

(A) does not limit its negotiability; and

(B) is not notice to the purchaser of the goods of a right the named person has to the goods.

(b) NONNEGOTIABLE BILLS.—(1) A bill of lading is nonnegotiable if the bill states that the goods are to be delivered to a consignee. The indorsement of a nonnegotiable bill does not—

(A) make the bill negotiable; or

(B) give the transferee any additional right.

(2) A common carrier issuing a nonnegotiable bill of lading must put “nonnegotiable” or “not negotiable” on the bill. This paragraph does not apply to an informal memorandum or acknowledgment.

(Pub. L. 103–272, §1(e), July 5, 1994, 108 Stat. 1346.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
80103(a)(1) ..	49 App.:83.	Aug. 29, 1916, ch. 415, §§2, 3, 6, 7, 29 (last sentence), 39 Stat. 539, 543.
80103(a)(2) ..	49 App.:87.	
80103(b)(1) ..	49 App.:82. 49 App.:109 (last sentence).	
80103(b)(2) ..	49 App.:86.	

In subsection (a)(1), the words “A bill of lading is negotiable if . . . states that the goods are to be delivered to the order of a consignee” are substituted for “A bill in which it is stated that the goods are consigned or destined to the order of any person named in such bill is an order bill” for clarity and consistency in the revised title and with other titles of the United States Code. The words “does not contain on its face an agreement with the shipper that the bill is not negotiable” are substituted for 49 App.:83 (last sentence) for clarity and to eliminate unnecessary words.

In subsection (a)(2)(B), the words “right the named person has” are substituted for “rights or equities of such person” for clarity.

In subsection (b)(1), before clause (A), the words “A bill of lading is nonnegotiable if” are substituted for “A bill in which . . . is a straight bill” in 49 App.:82 for consistency in the revised title and with other titles of the Code. The words “free from existing equities” in 49 App.:109 (last sentence) are omitted as surplus.

§ 80104. Form and requirements for negotiation

(a) GENERAL RULES.—(1) A negotiable bill of lading may be negotiated by indorsement. An

indorsement may be made in blank or to a specified person. If the goods are deliverable to the order of a specified person, then the bill must be indorsed by that person.

(2) A negotiable bill of lading may be negotiated by delivery when the common carrier, under the terms of the bill, undertakes to deliver the goods to the order of a specified person and that person or a subsequent indorsee has indorsed the bill in blank.

(3) A negotiable bill of lading may be negotiated by a person possessing the bill, regardless of the way in which the person got possession, if—

(A) a common carrier, under the terms of the bill, undertakes to deliver the goods to that person; or

(B) when the bill is negotiated, it is in a form that allows it to be negotiated by delivery.

(b) VALIDITY NOT AFFECTED.—The validity of a negotiation of a bill of lading is not affected by the negotiation having been a breach of duty by the person making the negotiation, or by the owner of the bill having been deprived of possession by fraud, accident, mistake, duress, loss, theft, or conversion, if the person to whom the bill is negotiated, or a person to whom the bill is subsequently negotiated, gives value for the bill in good faith and without notice of the breach of duty, fraud, accident, mistake, duress, loss, theft, or conversion.

(c) NEGOTIATION BY SELLER, MORTGAGOR, OR PLEDGOR TO PERSON WITHOUT NOTICE.—When goods for which a negotiable bill of lading has been issued are in a common carrier’s possession, and the person to whom the bill has been issued retains possession of the bill after selling, mortgaging, or pledging the goods or bill, the subsequent negotiation of the bill by that person to another person receiving the bill for value, in good faith, and without notice of the prior sale, mortgage, or pledge has the same effect as if the first purchaser of the goods or bill had expressly authorized the subsequent negotiation.

(Pub. L. 103–272, §1(e), July 5, 1994, 108 Stat. 1347.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
80104(a)(1) ..	49 App.:108.	Aug. 29, 1916, ch. 415, §§27, 28, 30, 37, 38, 39 Stat. 542, 543, 544.
80104(a)(2) ..	49 App.:107.	
80104(a)(3) ..	49 App.:110.	
80104(b)	49 App.:117.	
80104(c)	49 App.:118.	

In subsection (a)(1), the words “If the goods are deliverable to the order of a specified person” are substituted for “the person to whose order the goods are deliverable by the tenor of the bill” for clarity. The text of 49 App.:108 (last sentence) is omitted as unnecessary because of the restatement.

§ 80105. Title and rights affected by negotiation

(a) TITLE.—When a negotiable bill of lading is negotiated—

(1) the person to whom it is negotiated acquires the title to the goods that—

(A) the person negotiating the bill had the ability to convey to a purchaser in good faith for value; and