

HALLIBURTON COMPANY vs. JOHN DOE CORPORATION

A local product distributor was sued by Halliburton Company, an international engineering and manufacturing firm. Halliburton claimed the local company had failed to pay \$150,000 that was owed as the purchase price for equipment the distributor ordered. Jack Scarola, Greg Barnhart and David Sales defended the local company and brought a counterclaim against Halliburton for profits lost when Halliburton's equipment failed to perform as specified. Halliburton tried to limit its liability with a written contract provision capping damages at the amount of the contract price. There was also the practical problem of proving lost profits for a new business venture that lacked an established track record of profitability. These major obstacles were overcome. After two separate jury trials and a successful appellate proceeding, the local company achieved a major victory. Not only was Halliburton's claim for payment defeated on the basis that the equipment was defective, but Halliburton was also found liable for over \$4 million in losses the local company claimed. ■