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Miscellaneous—Application of Estoppel to Foreign Judgment

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could have motivated the court to keep the state free from liability on the master-servant principles on the facts presented in this case.

APPLICATION OF ESTOPPEL TO FOREIGN COURT JUDGMENT

The defendant, in *International Firearms Co., Ltd. v. Kingston Trust Company*,²⁴ sold a draft drawn on the Federal Reserve Bank of New York, naming the plaintiff's predecessor in interest as payee. As per contract requirements, the buyer forwarded the draft to an escrow agent in Canada, where a subsequent contract dispute was resolved by the Canadian courts in favor of the plaintiff who was awarded the draft, which decision was here resisted. The Appellate Division affirmed a judgment for the defendant,²⁵ concluding that while it may be true that once a bank draft, bought and paid for, has issued, the transaction is complete and may not be rescinded,²⁶ the defendant was capable of defending suit on the draft by questioning the validity of the plaintiff's title, which was found defective. The Court of Appeals reversed.

By permitting the defendant to contest the validity of the plaintiff's possession, the lower courts were allowing a re-examination of the identical issue settled by the Canadian judgment, and were not giving effect, as required under principles of comity, to that judgment.²⁷ Although the defendant was not a party to the foreign action, the judgment rendered there precludes him from asserting that title was not in the plaintiff, since the decree was not introduced here as binding upon the rights of the defendant, but merely as a link in the plaintiff's title.²⁸

In *Railroad Equipment Co. v. Blair*,²⁹ the plaintiff, in a previous suit, had been awarded possession of freight cars in a replevin action against the defendant therein, but the second defendant had resisted surrendering possession claiming that plaintiff had never acquired the right of possession against the former defendant. The Court held that while a former judgment is never allowed to defeat any right existing in a person not a party, or his privy, it is admissible against such person for purposes of proving that the plaintiff has been clothed with whatever right the defendant therein had.

Under these decisions the defendant may still resist claims of ownership by proving a defective title in the plaintiff, but is precluded from re-examining the validity of a judicially forged link in the chain of title where a determination of his rights and interests were not involved. Under the instant decision this is equally true when the judgment is of a foreign court as it is of a domestic judgment.

24. 6 N.Y.2d 406, 189 N.Y.S.2d 911 (1959).

25. 6 A.D.2d 171, 175 N.Y.S.2d 794 (1958).

26. *Kerr S. S. Co. v. Chartered Bank of India, Australia and China*, 292 N.Y. 253, 54 N.E.2d 813 (1944).

27. *Cowans v. Ticonderoga Pulp & Paper Co.*, 219 App. Div. 120, 219 N.Y. Supp. 284 (1927), *aff'd*, 246 N.Y. 603, 159 N.E. 669 (1927).

28. *Barr v. Gratz' Heirs*, 17 U.S. 213 (1819).

29. 145 N.Y. 607, 39 N.E. 962 (1895).