

Client Alert

Ode to Boilerplate

May 2, 2014

In *DMS Imaging Inc. v. U.S.* (CFC Apr. 30, 2014), a boilerplate severability clause may have saved the contractor's claim for damages after equipment it leased to the government was destroyed. The government argued that the contractor's standard lease terms, expressly incorporated into the contract with the government, were invalid because they included an indemnification clause alleged to violate the Anti-Deficiency Act, but the CFC found the government liable for damages to the equipment under a separate, risk-of-loss clause, which was not invalidated because, even if the indemnification clause were unenforceable, a third boilerplate provision provided that unenforceable or void provisions would be deemed severable.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

J. Chris Haile

Partner – Washington, D.C.

Phone: +1.202.624.2898

Email: chaile@crowell.com