

554.7503 Document of title to goods defeated in certain cases.

1. A document of title confers no right in goods against a person who before issuance of the document had a legal interest or a perfected security interest in them and who neither

a. delivered or entrusted them or any document of title covering them to the bailor or the bailor's nominee with actual or apparent authority to ship, store or sell or with power to obtain delivery under this Article (section 554.7403) or with power of disposition under this chapter (sections 554.2403 and 554.9320) or other statute or rule of law; nor

b. acquiesced in the procurement by the bailor or the bailor's nominee of any document of title.

2. Title to goods based upon an unaccepted delivery order is subject to the rights of anyone to whom a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. Such a title may be defeated under the next section to the same extent as the rights of the issuer or a transferee from the issuer.

3. Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of anyone to whom a bill issued by the freight forwarder is duly negotiated; but delivery by the carrier in accordance with Part 4 of this Article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

[S13, § 3138-a41, -b31, -b42; C24, 27, 31, 35, 39, § **8276, 8287, 9701, 9962**; C46, 50, 54, 58, 62, § 487.32, 487.43, 542.41, 554.34; C66, 71, 73, 75, 77, 79, 81, § 554.7503]

2000 Acts, ch 1149, §148, 187