

MARKS & WEINBERG, P.C.

Abbott Laboratories, Inc. v. General Electric Capital, 765 So.2d 737 (Fla.App. 5 Dist., 2000)

GECC and Abbott entered into a Vendor Program Agreement (VPA) in which GECC was to furnish customer financing in the form of leases and/or secured financing to maintain Abbott's domestic sales of medical equipment. Four years later, Abbott entered into an agreement with one of its customers, Jeff Goodgame, M.D., without GECC's knowledge. This agreement violated a provision of the contract between GECC and Abbott, which states: "(f) there will be no agreements between [Abbott] or its agents and any Customer in connection with any Transaction, except as contained in any purchase agreement between such Customer and [Abbott] or its agents..."

The agreement between Abbott and Goodgame stated that Abbott would refund the purchase price of medical equipment to Goodgame or pay the balance on Goodgame's obligation to GECC if certain financial downfalls impaired Goodgame's medical practice. Several years later, Goodgame defaulted on his obligation to GECC, and GECC filed a breach of contract claim. GECC then amended its complaint, including two counts against Abbott. One count was for breach of the VPA by entering into a separate agreement with Goodgame, and the other was for indemnity for any amount which GECC was found to be liable to Goodgame. Both parties moved for summary judgment, and the trial court ruled in favor of GECC.

On appeal, however, the Fifth Circuit District Court of Appeal of Florida, granted summary judgment in favor of Abbott. Relying on Florida Statute § 95.031 (1), the Court stated that the 5-year statute of limitations begins to run when "the last element constituting the cause of action occurs." The Court held that the statute of limitations began to run from the time the breach occurred, not the time at which GECC learned of the breach. Therefore, GECC was barred from bringing its claim against Abbott because the statute of limitations had expired.

