

## **Supply Chain**

## **Overview**

A company's supply chain is one of its most critical assets, which means that having a healthy supply chain is essential. Failing to thoughtfully address the legal challenges facing the supply chain can have significant operational, financial, and reputational impacts on the company's business. Issues often arise from the complexity of managing the intersection of multiple bodies of law while nurturing the intricate relationships between suppliers, manufacturers, and distributors.

Steptoe & Johnson's Supply Chain team takes a holistic approach to meet these challenges. Our lawyers help clients to proactively manage risks, ensure compliance, and foster transparent and sound relationships with suppliers and partners. We provide comprehensive legal counsel to manufacturers, suppliers, and distributors, ensuring that their operations remain compliant, efficient, and resilient against disruptions.

Our approach is multi-disciplinary and strategic, leading to legal solutions that enable clients to not only manage risks but also to improve operations and remain competitive in an increasingly challenging environment.

## Service Areas

- Contract Drafting and Negotiation: Supply chains involve numerous contracts between businesses, suppliers, and third-party service providers. These contracts should be handled in a coordinated fashion, and our attorneys take that approach in helping to structure supplier agreements, distribution contracts, service-level agreements, procurement terms, and more. We help to minimize inconsistencies and risks that could arise in the agreements that form the lifeblood of the supply chain.
- Antitrust: Cooperation and collaboration in the supply chain environment is key, whether that involves
  a supply contract, a joint venture, a merger or acquisition, working together regarding sustainability
  or environmental goals, or even simply sharing information in times of scarcity. While cooperation
  and collaboration are positive things, they can expose companies to antitrust risk. Our attorneys work
  with clients to help navigate, understand, and comply with antitrust laws and regulations arising in the
  supply chain environment.



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• Cybersecurity and Data Privacy: As supply chains increasingly rely on digital platforms, data protection becomes a critical concern. Businesses need to comply with data privacy laws and protect sensitive customer and supplier information from cyber threats. We understand and help clients comply with data privacy laws and regulations, planning and developing organization-wide data security plans, and planning for and responding to security breaches.

- Corporate Sustainability and Risk Management: Global supply chains are vulnerable to unethical practices, which might include bribery and corruption in violation of the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws; child and forced labor; unsafe working conditions; and environmentally unsound and unsustainable sourcing practices. These practices are increasingly important for investors, consumers, government regulators, or others who may scrutinize these, and other practices, throughout a company's supply chain. Our attorneys can evaluate these aspects of your company's supply chain and help to develop practices that balance the company's sustainability goals, legal responsibilities, and reputational concerns.
- **Government Contracts:** Frequently, supply chains end with or otherwise touch government entities. We work with local, state, and federal agencies on contracts and grants from initial bid to the contract award, protests related to the award or contract terms, contract administration, and work through suspension and debarment issues to termination and closeout.
- Intellectual Property (IP): Supply chains may involve sharing proprietary information, designs, and technologies. The risk of intellectual property theft, counterfeiting, or infringement increases, especially when sourcing products or components from global suppliers with differing IP protection standards. We help protect patents, trademarks, copyrights, and trade secrets, assist with meeting regulatory advertising requirements, and provide support with trademark and copyright registration.
- Labor & Employment: Supply chains include the people adding value to the goods and services companies provide. Our attorneys help clients comply with labor laws including the Fair Labor Standards Act (FLSA), Occupational Safety and Health Administration (OSHA) regulations and investigations, and provide advice with employment contracts, and claims of discrimination.
- Products Liability/Emerging Contaminants: Companies are legally responsible for the safety of their products. If a product defect occurs within the supply chain, manufacturers, distributors, and suppliers could be held liable for injuries or product damages caused by the product, leading to lawsuits, recalls, or reputational harm. We defend our clients against product liability and other claims associated with alleged product defects. We also have a team of attorneys who are experienced with emerging contaminants such as PFAS and microplastics, which are new product safety risks across industries.
- Regulatory Compliance: Companies must comply with an array of local, national, and international
  regulations, such as trade laws, tariffs, import/export restrictions, environmental laws, and labor
  standards. Non-compliance can lead to fines, penalties, or other restrictions. Our attorneys are wellversed with environmental laws and regulations as well as with the regulatory laws that govern imports



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and exports in international supply chains, including those governed by federal agencies such as the U.S. Department of Transportation (DOT).

- Force Majeure and Supply Chain Disruption: Unforeseen events like natural disasters, pandemics, or political instability can disrupt supply chains. Our attorneys not only handle these issues after-the-fact but also assist clients in developing policies and programs that allow companies to prepare for and respond to force majeure in a routine and thoughtful way.
- Litigation and Dispute Resolution: Even the best relationships can sour, and even the best laid plans are not without risk. Litigation and disputes can arise at any point along the supply chain and can involve suppliers, customers, third-party vendors, government entities, non-profits, or some combination of these. These can be as simple as collections disputes or can be as complex as an injunction to keep a supply chain going or even litigation involving mass toxic tort. No matter the size or complexity, our attorneys are equipped to handle every type of dispute and recognize that cost control and time are critical factors when it comes to resolving cases quickly and efficiently.

## Representative Experience

- Defended global tier 2 automotive parts manufacturer in commercial litigation brought by tier 1
  automotive parts manufacturer seeking injunction and nine figure damages award for alleged failure
  to make timely deliveries under a just-in-time supply contract
- Represented global tier 1 automotive parts manufacturer in commercial contractual dispute with third party vendor over the vendor's performance under a QA/QC sorting contract impacting the quality of parts supplied to the tier 1's OEM
- Provided training to a global tier 1/tier 2 automotive parts manufacturer's executives, in-house counsel, and front-line sales team across the client's operations in seven countries regarding force majeure or other impediment to performance in the global automotive supply chain
- Advised global tier 1/tier 2 automotive parts manufacturer on commercial issues, including supply contracts both in the United States and internationally
- Represented seamless expandable tubulars company in complex multi-party commercial litigation against third party fabricator, supplier, and large oil & gas operator over alleged breach of contract, negligence, and products liability
- Represented large coal company in commercial litigation against large natural gas transport company
  pertaining to the natural gas transport company's failure to mitigate its pipelines and resulting
  interference with company's interest in coal



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Handled transactions for public and private businesses in connection with large and small acquisitions
and dispositions of equity interests and assets of companies in the manufacturing, health care,
automotive, retail, hospitality, aviation, services, and technology industries

- Represented a Scandinavian manufacturer of accessibility products in a dispute against a former U.S. based marketing representative
- Drafted contracts for importing and exporting goods in cross-border transactions, including the analysis
  of relevant customs regulations, border controls, and bilateral trade agreements
- Drafted Foreign Corrupt Practices Act (FCPA) and related compliance policies for export clients
- Advised on transactions involving foreign investors and the Committee on Foreign Investment in the United States (CFIUS) process and the Foreign Agents Registration Act (FARA)
- Assisted advanced manufacturing company in responding to subpoena from U.S. Department of Commerce Bureau of Industry and Security regarding alleged Export Administration Regulations (EAR) violations related to exports to Russia, China, India, and Turkey
- Updated and implemented company's export management and compliance program, technology control plan, and related compliance programs
- Advised clients on U.S. export and import laws and regulations
- Prepared client to secure its supply chain from the risk presented by the implementation of the Uyghur
   Forced Labor Prevention Act including updating their Supplier Code of Conduct
- Assisted client in recovering goods from a freight forwarder after the termination of a sales contract with an overseas buyer
- Represented client in preparing multiple supply and distribution agreements in the food and beverage industry
- Represented client in contract litigation involving tripartite raw material supplier, processor, and end product buyer relationship with multiple supply chain and services contract issues



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