Judge Dismisses Lawsuit Against Chevron

TORONTO (AP) — An attempt by Ecuadorian villagers to have a Canadian court enforce a $19 billion judgment against multinational oil giant Chevron Corp has been dismissed by the Ontario Superior Court.

Justice David Brown ruled Wednesday that the Canadian courts have no jurisdiction to enforce the controversial award handed down by an Ecuadorian court against Chevron.

The award to the villagers was made in Ecuador for black sludge contamination of a rainforest between 1972 and 1990 by Texaco, which Chevron Corp. bought in 2001. U.S.-based Chevron Corp. maintains it won't pay because it says Texaco dealt with the problem before it was bought.

Brown concluded the judgment was levied against Chevron Corp., and not Chevron Canada, therefore the subsidiary's assets do not belong to the U.S. parent company.

The villagers launched the court action in Canada last May, and started similar proceedings in Argentina and Brazil.

Alan Lenczner, the Toronto lawyer for the Ecuadorians, said they would appeal.

"It cannot be right that a multinational company that operates entirely through subsidiaries is immune from the enforcement of a judgment in Canada, particularly where the subsidiary is 100% owned," Lenczner said in a statement.

Chevron said it was pleased with the court decision.

"This is a significant setback to the Ecuadorian plaintiffs' worldwide enforcement strategy given that it is premised on seeking to enforce the judgment against assets of Chevron Corporation subsidiaries that were not even parties to the Ecuadorian litigation," said Chevron spokesman Justin Higgs in an email. "The plaintiffs should be seeking enforcement in the United States — where Chevron Corporation resides."

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