CHAPTER 407
UNIFORM COMMERCIAL CODE — DOCUMENTS OF TITLE

SUBCHAPTER I
GENERAL
407.101 Short title. This chapter may be cited as uniform commercial code — documents of title.
History: 2009 a. 322.

407.102 Definitions and index of definitions. (1) In this chapter, unless the context otherwise requires:
(a) “Bailee” means a person that by a warehouse receipt, bill of lading, or other document of title acknowledges possession of goods and contracts to deliver them.
(b) “Carrier” means a person that issues a bill of lading.
(c) “Consignee” means a person named in a bill of lading to which or to whose order the bill promises delivery.
(d) “Consignor” means a person named in a bill of lading as the person from which the goods have been received for shipment.
(e) “Delivery order” means a record that contains an order to deliver goods directed to a warehouse, carrier, or other person that in the ordinary course of business issues warehouse receipts or bills of lading.
(f) “Good faith” means honesty in fact and the observance of reasonable commercial standards of fair dealing.
(g) “Goods” means all things that are treated as movable for the purposes of a contract for storage or transportation.
(h) “Issuer” means a bailee that issues a document of title or, in the case of an unaccepted delivery order, the person that orders the possessor of goods to deliver. The term includes a person for which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, even if the issuer did not receive any goods, the goods were misdescribed, or in any other respect the agent or employee violated the issuer’s instructions.
(i) “Person entitled under the document” means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.
(j) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
(k) “Shipper” means a person that enters into a contract of transportation with a carrier.
(L) “Sign” means, with present intent to authenticate or adopt a record, any of the following:
1. To execute or adopt a tangible symbol.
2. To attach to or logically associate with the record an electronic sound, symbol, or process.
(m) “Warehouse” means a person engaged in the business of storing goods for hire.

(2) Definitions in other chapters applying to this chapter and the sections in which they appear are:
(a) “Contract for sale,” s. 402.106.
(b) “Lessee in ordinary course of business,” s. 411.103.
(c) “Receipt” of goods, s. 402.103.

(3) In addition, ch. 401 contains general definitions and principles of construction and interpretation applicable throughout this chapter.
History: 2009 a. 322.

407.103 Relation of chapter to treaty or statute. (1) This chapter is subject to any treaty or statute of the United States or a regulatory statute of this state to the extent the treaty, statute, or regulatory statute is applicable.
(2) This chapter does not repeal or modify any law prescribing the form or contents of a document of title or the services or facilities to be afforded by a bailee, or otherwise regulating a bailee’s
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businesses in respects not specifically treated in this chapter. However, violation of such a law does not affect the status of a document of title that otherwise complies with the definition of a document of title.

(3) This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 USC 7001 to 7031, but does not modify, limit, or supersede section 101 (c) of that act, 15 USC 7001 (c), or authorize electronic delivery of any of the notices described in section 103 (b) of that act, 15 USC 7003 (b).

(4) To the extent there is a conflict between ch. 137 and this chapter, this chapter governs.

**History:** 2009 a. 322; 2019 a. 128.

407.104  **Negotiable and nonnegotiable document of title.** (1) Except as provided in sub. (3), a document of title is negotiable if by its terms the goods are to be delivered to bearer or to the order of a named person.

(2) A document of title other than one described in sub. (1) is nonnegotiable. A bill of lading that states that the goods are consigned to a named person is not made negotiable by a provision that the goods are to be delivered only against an order in a record signed by the same or another named person.

(3) A document of title is nonnegotiable if, at the time it is issued, the document has a conspicuous legend, however expressed, that it is nonnegotiable.

**History:** 2009 a. 322.

407.105  **Reissuance in alternative medium.** (1) Upon request of a person entitled under an electronic document of title, the issuer of the electronic document may issue a tangible document of title as a substitute for the electronic document if all of the following apply:

(a) The person entitled under the electronic document surrenders control of the document to the issuer.

(b) The tangible document when issued contains a statement that it is issued in substitution for the electronic document.

(2) Upon issuance of a tangible document of title in substitution for an electronic document of title in accordance with sub. (1), all of the following apply:

(a) The electronic document ceases to have any effect or validity.

(b) The person that procured issuance of the tangible document warrants to all subsequent persons entitled under the tangible document that the warrantor was a person entitled under the electronic document to the issuer.

(3) Upon request of a person entitled under a tangible document of title, the issuer of the tangible document may issue an electronic document of title as a substitute for the tangible document if all of the following apply:

(a) The person entitled under the tangible document surrenders possession of the document to the issuer.

(b) The electronic document when issued contains a statement that it is issued in substitution for the tangible document.

(4) Upon issuance of the electronic document of title in substitution for a tangible document of title in accordance with sub. (3), all of the following apply:

(a) The tangible document ceases to have any effect or validity.

(b) The person that procured issuance of the electronic document warrants to all subsequent persons entitled under the electronic document that the warrantor was a person entitled under the tangible document when the warrantor surrendered possession of the tangible document to the issuer.

**History:** 2009 a. 322.

407.106  **Control of electronic document of title.** (1) A person has control of an electronic document of title if a system employed for evidencing the transfer of interests in the electronic document reliably establishes that person as the person to which the electronic document was issued or transferred.

(2) A system satisfies sub. (1), and a person is deemed to have control of an electronic document of title, if the document is created, stored, and assigned in such a manner that satisfies all of the following:

(a) A single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in pars. (d), (e), and (f), unalterable.

(b) The authoritative copy identifies the person asserting control as one of the following:

1. The person to which the document was issued.

2. If the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred.

(c) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian.

(d) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control.

(e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy.

(f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

**History:** 2009 a. 322.

**SUBCHAPTER II**

**WAREHOUSE RECEIPTS: SPECIAL PROVISIONS**

407.201  **Person that may issue a warehouse receipt; storage under bond.** (1) A warehouse receipt may be issued by any warehouse.

(2) If goods, including distilled spirits and agricultural commodities, are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the goods is deemed to be a warehouse receipt even if issued by a person that is the owner of the goods and is not a warehouse.

**History:** 2009 a. 322.

407.202  **Form of warehouse receipt.** (1) A warehouse receipt need not be in any particular form.

(2) Unless a warehouse receipt provides for each of the following, the warehouse is liable for damages caused to a person injured by its omission:

(a) The location of the warehouse facility where the goods are stored.

(b) The date of issue of the receipt.

(c) The unique identification code of the receipt.

(d) A statement whether the goods received will be delivered to the bearer, to a named person, or to a named person or its order.

(e) The rate of storage and handling charges, but if goods are stored under a field warehousing arrangement, a statement of that fact is sufficient on a nonnegotiable receipt.

(f) A description of the goods or the packages containing them.

(g) The signature of the warehouse or its agent.

(h) If the receipt is issued for goods that the warehouse owns, either solely, jointly, or in common with others, the fact of that ownership.

(i) A statement of the amount of advances made and of liabilities incurred for which the warehouse claims a lien or security interest, but if the precise amount of advances made or of liabilities incurred is, at the time of the issue of the receipt, unknown to the warehouse or to its agent that issued the receipt, a statement
of the fact that advances have been made or liabilities incurred and the purpose of the advances or liabilities is sufficient.

(3) A warehouse may insert in its receipt any terms that are not contrary to chs. 401 to 411 and do not impair its obligation of delivery under s. 407.403 or its duty of care under s. 407.204. Any contrary provisions are ineffective.

History: 2009 a. 322.

407.203 Liability for nonreceipt or misdescription. A party to or purchaser for value in good faith of a document of title, other than a bill of lading, that relies upon the description of the goods in the document may recover from the issuer damages caused by the nonreceipt or misdescription of the goods, except to the extent that any of the following apply:

(1) The document conspicuously indicates that the issuer does not know whether all or part of the goods in fact were received or conform to the description, such as a case in which the description is in terms of marks or labels or kind, quantity, or condition, or the receipt or description is qualified by "contents, condition, and quality unknown," "said to contain," or words of similar import, if the indication is true.

(2) The party or purchaser otherwise has notice of the nonreceipt or misdescription.

History: 2009 a. 322.

407.204 Duty of care; contractual limitation of warehouse’s liability. (1) A warehouse is liable for damages for loss of or injury to the goods caused by its failure to exercise care with regard to the goods that a reasonably careful person would exercise under similar circumstances. However, unless otherwise agreed, the warehouse is not liable for damages that could not have been avoided by the exercise of that care.

(2) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage beyond which the warehouse is not liable. Such a limitation is not effective with respect to the warehouse’s liability for conversion to its own use. The warehouse’s liability, on request of the bailor in a record at the time of signing such storage agreement or within a reasonable time after receipt of the warehouse receipt, may be increased on part or all of the goods covered by the storage agreement or the warehouse receipt. In this event, increased rates may be charged based on an increased valuation of the goods.

(3) Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the bailment may be included in the warehouse receipt or storage agreement.

History: 2009 a. 322.

407.205 Title under warehouse receipt defeated in certain cases. A buyer in ordinary course of business of fungible goods sold and delivered by a warehouse that is also in the business of buying and selling such goods takes the goods free of any claim under a warehouse receipt even if the receipt is negotiable and has been duly negotiated.

History: 2009 a. 322.

407.206 Termination of storage at warehouse’s option. (1) A warehouse, by giving notice to the person on whose account the goods are held and any other person known to claim an interest in the goods, may terminate the right to vote at any time, in accordance with the provisions of ch. 407, to the extent that the warehouse has received all charges for storage or transportation, including demurrage and terminal charges, insurance, labor, or other charges, present or future, in relation to the goods, and for expenses necessary for the preservation of the goods or reasonably incurred in their sale pursuant to law. The person on whose account the goods are held is liable for similar charges or expenses in relation to other goods whenever deposited, and it is stated in the warehouse receipt or storage agreement that a lien is claimed for charges and expenses in relation to other goods, the warehouse also has a lien against the goods covered by the warehouse receipt or storage agreement or on the proceeds thereof in its possession for those charges and expenses, whether or not the other goods have been delivered by the warehouse. However, as a lien against a negotiable warehouse receipt is not a lien but is a security interest in the goods, a warehouse’s lien is limited to charges in an amount or at a rate specified in the warehouse receipt if, and only if, the receipt is a negotiable warehouse receipt.

(2) The warehouse may also reserve a security interest under ch. 409 against the bailor for the maximum amount specified on the receipt for charges other than those specified in sub. (1), such...
as for money advanced and interest. A security interest is governed by ch. 409.

(3) A warehouse’s lien for charges and expenses under sub. (1) or a security interest under sub. (2) is also effective against any person that so entrusted the bailor with possession of the goods that a pledge of them by the bailor to a good faith purchaser for value would have been valid. However, the lien or security interest is not effective against a person that before issuance of a document of title had a legal interest or a perfected security interest in the goods and that did not do any of the following:

(a) Deliver or entrust the goods or any document covering the goods to the bailor or the bailor’s nominee with actual or apparent authority to sell, store, or sell; or with power to obtain delivery under s. 407.403; or with power of disposition under s. 402.403, 409.320, 409.321 (3), 411.304 (2), or 411.305 (2), or other statute or rule of law.

(b) Acquiesce in the procurement by the bailor or its nominee of any document.

(4) A warehouse’s lien on household goods for charges and expenses in relation to the goods under sub. (1) is also effective against all persons if the depositor was the legal possessor of the goods at the time of deposit. In this subsection, “household goods” means furniture, furnishings, or personal effects used by the depositor in a dwelling.

(5) A warehouse loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

History: 2009 a. 322.

407.210 Enforcement of warehouse’s lien. (1) Except as otherwise provided in sub. (2), a warehouse’s lien may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification must include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the warehouse is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner.

The warehouse has sold in a commercially reasonable manner if the warehouse sells the goods in the usual manner in any recognized market therefor, sells at the price current in that market at the time of the sale, or has otherwise sold in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be delivered or unjustifiably refuses to deliver.

History: 2009 a. 322.

SUBCHAPTER III

BILLS OF LADING: SPECIAL PROVISIONS

407.301 Liability for nonreceipt or misdescription; “said to contain”; “shipper’s load and count”; improper handling. (1) A consignee of a nonnegotiable bill of lading which has given value in good faith, or a holder to which a negotiable bill has been duly negotiated, relying upon the description of the goods in the bill or upon the date shown in the bill, may recover from the issuer of the bill damages caused by the misdating of the bill or the nonreceipt or misdescription of the goods, except to the extent that the document of title indicates that the issuer does not know whether any part or all of the goods in fact were received or conform to the description, such as in a case in which the description in terms of marks or labels or kind, quantity, or condition or the receipt or description is qualified by “contents or condition of contents of packages unknown,” “said to contain,” “shipper’s weight, load, and count,” or words of similar import, if that indication is true.

(2) If goods are loaded by the issuer of the bill of lading, the issuer shall count the packages of goods if shipped in packages and ascertain the kind and quantity if shipped in bulk and words such as “shipper’s weight, load, and count,” or words of similar import indicating that the description was made by the shipper are ineffective except as to goods concealed by packages.

(3) If bulk goods are loaded by a shipper that makes available to the issuer of the bill of lading adequate facilities for weighing those goods, the issuer shall ascertain the kind and quantity within a reasonable time after receiving the shipper’s request in a record to do so. In that case, “shipper’s weight” or words of similar import are ineffective.

(4) The issuer, by including in the bill of lading the words “shipper’s weight, load, and count,” or words of similar import, may indicate that the goods were loaded by the shipper, and, if that statement is true, the issuer is not liable for damages caused by the improper loading. However, omission of such words does not imply liability for damages caused by improper loading.

(5) A shipper guarantees to the issuer the accuracy at the time of shipment of the description, marks, labels, number, kind, quan-
407.302 Through bills of lading and similar documents of title. (1) The issuer of a through bill of lading or other document of title embodying an undertaking to be performed in part by a person acting as its agent or by a performing carrier is liable to any person entitled to recover on the document for any breach by the other person or the performing carrier of its obligation under the document. However, to the extent that the bill covers an undertaking to be performed overseas or in territory not contiguous to the continental United States or an undertaking including matters other than transportation, this liability for breach by the other person or the performing carrier may be varied by agreement of the parties.

(2) If goods covered by a through bill of lading or other document of title embodying an undertaking to be performed in part by a person other than the issuer are received by that person, the person is subject, with respect to its own performance while the goods are in its possession, to the obligation of the issuer. The person’s obligation is discharged by delivery of the goods to another person pursuant to the document and does not include liability for breach by any other person or by the issuer.

(3) The issuer of a through bill of lading or other document of title described in sub. (1) is entitled to recover from the performing carrier, or other person in possession of the goods when the breach of the obligation under the document occurred, all of the following:

(a) The amount of any expense reasonably incurred by the issuer in defending any action commenced by any person entitled to recover on the document for the breach.

(b) The amount of any expense reasonably incurred by the issuer for the storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to law. However, against a purchaser for value of a negotiable bill of lading, a carrier’s lien is limited to charges stated in the bill or the applicable tariffs or, if no charges are stated, a reasonable charge.

(2) Unless instructions described in sub. (1) are included in a negotiable bill of lading, a person to which the bill is duly negotiated may hold the bailee according to the original terms.

History: 2009 a. 322.

407.303 Diversion; reconsignment; change of instructions. (1) Unless the bill of lading otherwise provides, a carrier may deliver the goods to a person or destination other than that stated in the bill or may otherwise dispose of the goods, without liability for misdelivery, on instructions from any of the following:

(a) The holder of a negotiable bill.

(b) The consignor on a nonnegotiable bill even if the consignee has given contrary instructions.

(c) The consignee on a nonnegotiable bill in the absence of contrary instructions from the consignor, if the goods have arrived at the billed destination or if the consignee is in possession of the tangible bill or in control of the electronic bill.

(d) The consignee on a nonnegotiable bill, if the consignee is entitled as against the consignor to dispose of the goods.

(2) Unless instructions described in sub. (1) are included in a negotiable bill of lading, a person to which the bill is duly negotiated may hold the bailee according to the original terms.

History: 2009 a. 322.

407.304 Tangible bills of lading in a set. (1) Except as customary in international transportation, a tangible bill of lading may not be issued in a set of parts. The issuer is liable for damages caused by violation of this subsection.

(2) If a tangible bill of lading is lawfully issued in a set of parts, each of which contains an identification code and is expressed to be valid only if the goods have not been delivered against any other part, the whole of the parts constitutes one bill.

(3) If a tangible negotiable bill of lading is lawfully issued in a set of parts and different parts are negotiated to different persons, the title of the holder to which the first due negotiation is made prevails as to both the document of title and the goods even if any later holder may have received the goods from the carrier in good faith and discharged the carrier’s obligations by surrendering its part.

(4) A person that negotiates or transfers a single part of a tangible bill of lading issued in a set is liable to holders of that part as if it were the whole set.

(5) The bailee is obliged to deliver in accordance with subch. IV against the first presented part of a tangible bill of lading lawfully issued in a set. Delivery in this manner discharges the bailee’s obligation on the whole bill.

History: 2009 a. 322.

407.305 Destination bills. (1) Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier, at the request of the consignor, may procure the bill to be issued at destination or at any other place designated in the request.

(2) Upon request of any person entitled as against a carrier to control the goods while in transit and on surrender of possession or control of any outstanding bill of lading or other receipt covering the goods, the issuer, subject to s. 407.105, may procure a substitute bill to be issued at any place designated in the request.

History: 2009 a. 322.

407.306 Altered bills of lading. An unauthorized alteration or filling in of a blank in a bill of lading leaves the bill enforceable according to its original tenor.

History: 2009 a. 322.

407.307 Lien of carrier. (1) A carrier has a lien on the goods covered by a bill of lading or on the proceeds thereof in its possession for charges after the date of the carrier’s receipt of the goods for storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to law. However, against a purchaser for value of a negotiable bill of lading, a carrier’s lien is limited to charges stated in the bill or the applicable tariffs or, if no charges are stated, a reasonable charge.

(2) A lien for charges and expenses under sub. (1) on goods that the carrier was required by law to receive for transportation is effective against the consignor or any person entitled to the goods unless the carrier had notice that the consignor lacked authority to subject the goods to those charges and expenses. Any other lien under sub. (1) is effective against the consignor and any person that permitted the bailee to have control or possession of the goods unless the carrier had notice that the bailor lacked authority.

(3) A carrier loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

History: 2009 a. 322.

407.308 Enforcement of carrier’s lien. (1) A carrier’s lien on goods may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification must include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the carrier is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The carrier has sold goods in a commercially reasonable manner if the carrier sells the goods in the usual manner in any recognized market therefor, sells at the price current in that market at the time of the sale, or has otherwise sold in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.
(2) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but must be retained by the carrier, subject to the terms of the bill of lading and this chapter.

(3) A carrier may buy at any public sale pursuant to this section.

(4) A purchaser in good faith of goods sold to enforce a carrier’s lien takes the goods free of any rights of persons against which the lien was valid, despite the carrier’s noncompliance with this section.

(5) A carrier may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the carrier would have been bound to deliver the goods.

(6) The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

(7) A carrier’s lien may be enforced pursuant to either sub. (1) or the procedure set forth in s. 407.210 (2).

(8) A carrier is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

History: 2009 a. 322.

407.309 Duty of care; contractual limitation of carrier’s liability. (1) A carrier that issues a bill of lading, whether negotiable or nonnegotiable, shall exercise the degree of care in relation to the goods which a reasonably careful person would exercise under similar circumstances. This subsection does not affect any statute, regulation, or rule of law that imposes liability upon a common carrier for damages not caused by its negligence.

(2) Damages may be limited by a term in the bill of lading or in a transportation agreement that the carrier’s liability may not exceed a value stated in the bill or transportation agreement if the carrier’s rates are dependent upon value and the consignor is afforded an opportunity to declare a higher value and the consignor is advised of the opportunity. However, such a limitation is not effective with respect to the carrier’s liability for conversion to its own use.

(3) Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the shipment may be included in a bill of lading or a transportation agreement.

History: 2009 a. 322.

SUBCHAPTER IV
WAREHOUSE RECEIPTS AND BILLS OF LADING: GENERAL OBLIGATIONS

407.401 Irregularities in issue of receipt or bill or conduct of issuer. The obligations imposed by this chapter on an issuer apply to a document of title even if any of the following are satisfied:

(1) The document does not comply with the requirements of this chapter or of any other statute, rule, or regulation regarding its issue, form, or content.

(2) The issuer violated laws regulating the conduct of its business.

(3) The goods covered by the document were owned by the bailee when the document was issued.

(4) The person issuing the document is not a warehouse but the document purports to be a warehouse receipt.

History: 2009 a. 322.

407.402 Duplicate document of title; overissue. A duplicate or any other document of title purporting to cover goods already represented by an outstanding document of the same issuer does not confer any right in the goods, except as provided in the case of tangible bills of lading in a set of parts, overissue of documents for fungible goods, substitutes for lost, stolen, or destroyed documents, or substitute documents issued pursuant to s. 407.105. The issuer is liable for damages caused by its overissue or failure to identify a duplicate document by a conspicuous notation.

History: 2009 a. 322.

407.403 Obligation of warehouse or carrier to deliver; excuse. (1) A bailee shall deliver the goods to a person entitled under a document of title if the person complies with subs. (2) and (3), unless and to the extent that the bailee establishes any of the following:

(a) Delivery of the goods to a person whose receipt was rightful as against the claimant.

(b) Damage to or delay, loss, or destruction of the goods for which the bailee is not liable.

(c) Previous sale or other disposition of the goods in lawful enforcement of a lien or on a warehouse’s lawful termination of storage.

(d) The exercise by a seller of its right to stop delivery pursuant to s. 402.705 or by a lessor of its right to stop delivery pursuant to s. 411.526.

(e) A diversion, reconsignment, or other disposition pursuant to s. 407.303.

(f) Release, satisfaction, or any other fact affording a personal defense against the claimant.

(g) Any other lawful excuse.

(2) A person claiming goods covered by a document of title shall satisfy the bailee’s lien if the bailee so requests or the bailee is prohibited by law from delivering the goods until the charges are paid.

(3) Unless a person claiming the goods is one against which the document of title does not confer a right under s. 407.503 (1), all of the following apply:

(a) The person claiming under a document shall surrender possession or control of any outstanding negotiable document covering the goods for cancellation or indication of partial deliveries.

(b) The bailee shall cancel the document or conspicuously indicate in the document the partial delivery or be liable to any person to which the document is duly negotiated.

History: 2009 a. 322.

407.404 No liability for good faith delivery pursuant to document of title. A bailee that in good faith has received goods and delivered or otherwise disposed of the goods according to the terms of a document of title or pursuant to this chapter is not liable for the goods even if any of the following apply:

(1) The person from which the bailee received the goods did not have authority to procure the document or to dispose of the goods.

(2) The person to which the bailee delivered the goods did not have authority to receive the goods.

History: 2009 a. 322.

SUBCHAPTER V
WAREHOUSE RECEIPTS AND BILLS OF LADING: NEGOTIATION AND TRANSFER

407.501 Form of negotiation and requirements of due negotiation. (1) The following rules apply to a negotiable tangible document of title:

(a) If the document’s original terms run to the order of a named person, the document is negotiated by the named person’s endorsement and delivery. After the named person’s endorsement in blank or to bearer, any person may negotiate the document by delivery alone.
407.505

Endorser not guarantor for other parties. The endorsement of a tangible document of title issued by a bailee does...
not make the endorser liable for any default by the bailee or previous endorsers.

History: 2009 a. 322.

407.506 Delivery without endorsement; right to compel endorsement. The transferee of a negotiable tangible document of title has a specifically enforceable right to have its transferor supply any necessary endorsement, but the transfer becomes a negotiation only as of the time the endorsement is supplied.

History: 2009 a. 322.

407.507 Warranties on negotiation or delivery of document of title. If a person negotiates or delivers a document of title for value, otherwise than as a mere intermediary under s. 407.508, unless otherwise agreed, the transferor warrants to its immediate purchaser only in addition to any warranty made in selling or leasing the goods that all of the following apply:

1. The document is genuine.
2. The transferor does not have knowledge of any fact that would impair the document’s validity or worth.
3. The negotiation or delivery is rightful and fully effective with respect to the title to the document and the goods it represents.

History: 2009 a. 322.

407.508 Warranties of collecting bank as to documents of title. A collecting bank or other intermediary known to be entrusted with documents of title on behalf of another or with collection of a draft or other claim against delivery of documents warrants by the delivery of the documents only its own good faith and authority even if the collecting bank or other intermediary has purchased or made advances against the claim or draft to be collected.

History: 2009 a. 322.

407.509 Adequate compliance with commercial contract. Whether a document of title is adequate to fulfill the obligations of a contract for sale, a contract for lease, or the conditions of a letter of credit is determined by ch. 402, 405, or 411.

History: 2009 a. 322.

SUBCHAPTER VI
WAREHOUSE RECEIPTS AND BILLS OF LADING: MISCELLANEOUS PROVISIONS

407.601 Lost, stolen, or destroyed documents of title. (1) If a document of title is lost, stolen, or destroyed, a court may order delivery of the goods or issuance of a substitute document and the bailee may without liability to any person comply with the order. If the document was negotiable, a court may not order delivery of the goods or issuance of a substitute document without the claimant’s posting security unless it finds that any person that may suffer loss as a result of nonsurrender of possession or control of the document is adequately protected against the loss. If the document was nonnegotiable, the court may require security. The court may also order payment of the bailee’s reasonable costs and attorney fees in any action under this subsection.

2. A bailee that without court order delivers goods to a person claiming under a missing negotiable document of title is liable to any person injured thereby. If the delivery is not in good faith, the bailee is liable for conversion. Delivery in good faith is not conversion if the claimant posts security with the bailee in an amount at least double the value of the goods at the time of posting to indemnify any person injured by the delivery which files a notice of claim within one year after the delivery.

History: 2009 a. 322.

407.602 Attachment of goods covered by negotiable document of title. Unless a document of title was originally issued upon delivery of the goods by a person that did not have power to dispose of them, a lien does not attach by virtue of any judicial process to goods in the possession of a bailee for which a negotiable document of title is outstanding unless possession or control of the document is first surrendered to the bailee or the document’s negotiation is enjoined. The bailee may not be compelled to deliver the goods pursuant to process until possession or control of the document is surrendered to the bailee or to the court. A purchaser of the document for value without notice of the process or injunction takes free of the lien imposed by judicial process.

History: 2009 a. 322.

407.603 Conflicting claims; interpleader. If more than one person claims title to or possession of the goods, the bailee is excused from delivery until the bailee has a reasonable time to ascertain the validity of the adverse claims or to commence an action for interpleader. The bailee may assert an interpleader either in defending an action for nondelivery of the goods or by original action.

History: 2009 a. 322.