§ 80103. Negotiable and nonnegotiable bills

(a) Negotiable Bills.—
   (1) A bill of lading is negotiable if the bill—
      (A) states that the goods are to be delivered to the order of a consignee; and
      (B) does not contain on its face an agreement with the shipper that the bill is not negotiable.
   (2) Inserting in a negotiable bill of lading the name of a person to be notified of the arrival of
      the goods—
      (A) does not limit its negotiability; and
      (B) is not notice to the purchaser of the goods of a right the named person has to the goods.

(b) Nonnegotiable Bills.—
   (1) A bill of lading is nonnegotiable if the bill states that the goods are to be delivered to a
      consignee. The indorsement of a nonnegotiable bill does not—
      (A) make the bill negotiable; or
      (B) give the transferee any additional right.
   (2) A common carrier issuing a nonnegotiable bill of lading must put “nonnegotiable” or
       “not negotiable” on the bill. This paragraph does not apply to an informal memorandum or
       acknowledgment.


Historical and Revision Notes

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In subsection (a)(1), the words “A bill of lading is negotiable if . . . states that the goods are to be delivered to the order of a consignee” are substituted for “A bill in which it is stated that the goods are consigned or destined to the order of any person named in such bill is an order bill” for clarity and consistency in the revised title and with other titles of the United States Code. The words “does not contain on its face an agreement with the shipper that the bill is not negotiable” are substituted for 49 App.:83 (last sentence) for clarity and to eliminate unnecessary words.

In subsection (a)(2)(B), the words “right the named person has” are substituted for “rights or equities of such person” for clarity.

In subsection (b)(1), before clause (A), the words “A bill of lading is nonnegotiable if” are substituted for “A bill in which . . . is a straight bill” in 49 App.:82 for consistency in the revised title and with other titles of the Code. The words “free from existing equities” in 49 App.:109 (last sentence) are omitted as surplus.