



Companies, People, Ideas

Your Image in Court

Deborah Orr 04.24.06

When Terrence Collingsworth comes upon reports of torture, rape or slave labor at factories and farms overseas, he doesn't mess around with nearby jurisdictions. He finds the biggest companies in the supply chain and takes them to court in the biggest legal battlefield in the world: the U.S.

"I've tried working with legislators and negotiating with companies," says the 49-year-old former union lawyer, from his perch at the International Labor Rights Fund in Washington. "But it's become clear that companies would never change their practices unless there was a tangible threat."

Before Nestlé, he sued Unocal and won a reported \$30 million (plus legal fees) out-of-court settlement in 2004 for workers allegedly forced by the military to build a pipeline for the company in Burma. Both the plaintiffs and the defense declared it a victory. He filed a lawsuit against Coca-Cola in 2002 over the paramilitary-style killing of labor leaders at a Colombia bottler of Coke. Coke was dismissed from the case in 2003, but Collingsworth launched another against the company last year after police roughly broke up a union protest at a bottler in Turkey. Coke says trespassers were "removed" after not heeding warnings.

Other lawsuits claim that ExxonMobil hired Indonesian "military units" to guard a gas extraction-and-liquefaction project in troubled Aceh province and that Bridgestone Firestone's Liberian rubber plantation remains a "gulag of misery where little has changed" since 1926. Both firms have been fighting the suits.

But it is the lawsuit against Nestlé, and another last year against Wal-Mart alleging breach of its own Standards for Suppliers Agreement on workers, that have the legal departments at global companies taking notice. "The Wal-Mart case will test whether a company's code of conduct is legally binding," says Collingsworth.

When they get to court, most firms use this defense: We don't own it, we don't control it, or we were not aware of any abuses. Now, however, Collingsworth is using the companies' own promises to try to hoist them.

Wal-Mart promised in 1992 to police the work environment. Over the last decade a lot of companies have established codes that declare their abhorrence of indentured labor, sweatshop conditions or the employment of children, and proclaim the universal right of free association among workers (i.e., to unionize).

Since Collingsworth filed the Wal-Mart case in September, "a number of companies have contacted us to see what we consider to be reasonable compliance," he says.

Meanwhile, corporate lobbies are working in Washington to gut Collingsworth's primary legal handle, the 18th-century Alien Tort Claims Act that gives U.S. courts jurisdiction over international acts of piracy, genocide and torture.

Some of the companies Collingsworth goes after first try to pay him to go away, he says. "We have even had inquiries from a couple of other law firms offering us financial backing if we want to take down a company like Nestlé. But we aren't in this for the money," says the nonprofit lawyer. His organization's revenue was \$1.1 million last year, his compensation \$99,000.

Successful or not, his cases give him a grandstand to hit consumer brands where it hurts: their reputations.

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