

**TITLE 5: UNIFORM COMMERCIAL CODE**  
**DIVISION 7: WAREHOUSE RECEIPTS, ETC.**

**§ 7503. Document of Title to Goods Defeated in Certain Cases.**

(1) A document of title confers no right in goods against a person who before issuance of the document had a legal interest or a perfected security interest in them and who neither:

(a) Delivered or entrusted them or any document of title covering them to the bailor or his nominee with actual or apparent authority to ship, store or sell or with power to obtain delivery under this division (5 CMC § 7403) or with power of disposition under this title (5 CMC §§ 2403 and 9307) or other statute or rule of law; nor

(b) Acquiesced in the procurement by the bailor or his nominee of any document of title.

(2) Title to goods based upon an unaccepted delivery order is subject to the rights of anyone to whom a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. Such a title may be defeated under 5 CMC § 7504 to the same extent as the rights of the issuer or a transferee from the issuer.

(3) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of anyone to whom a bill issued by the freight forwarder is duly negotiated; but delivery by the carrier in accordance with chapter 4 of this division [5 CMC § 7401 et seq.] pursuant to its own bill of lading discharges the carrier's obligation to deliver.

**Source:** PL 3-56, § 1 (§ 7503).