

SUPREME COURT OF KENTUCKY

Union Underwear Company, Inc. v. Barnhart

50 S.W.3d 188 (Ky. 2001) · No. 1999-SC-0091-DG · Decided April 26, 2001

SUMMARY

The Supreme Court of Kentucky held that the Kentucky Civil Rights Act does not apply extraterritorially to an employee who lived and worked outside Kentucky, even though the employer was headquartered in Kentucky. The court distinguished subject-matter jurisdiction from the Act's territorial reach and reversed the judgment for the employee, remanding with directions to dismiss the complaint.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	Johnstone, Justice; Cooper, Justice; Graves, Justice; Keller, Justice; Lambert, Chief Justice; Stumbo, Justice; Wintersheimer, Justice
JURISDICTION	Kentucky
DECIDED	April 26, 2001
DOCKET	1999-SC-0091-DG
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	After a jury found for Barnhart in his age-discrimination action and awarded compensatory and punitive damages, the Warren Circuit Court entered judgment. The Kentucky Court of Appeals affirmed. The Supreme Court of Kentucky granted discretionary review.
STANDARD OF REVIEW	De novo review of the legal questions concerning subject-matter jurisdiction, statutory applicability, and the sufficiency of the complaint.
PRECEDENTIAL VALUE	Published Kentucky Supreme Court opinion; precedential.
PARTIES	Union Underwear Company, Inc., d/b/a Fruit of the Loom v. Joel O. Barnhart, Zack N. Womack, Deep & Womack, Andrew P. Campbell, Dave Loper, Leitman, Siegal, Payne & Campbell, P.C.

TOPICS

age discrimination

employment discrimination

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PRACTICE AREAS

employment law

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QUESTIONS PRESENTED

1. Whether the Warren Circuit Court had subject-matter jurisdiction over Barnhart's Kentucky Civil Rights Act claim.
2. Whether the Kentucky Civil Rights Act applies extraterritorially to alleged age discrimination occurring against an employee who lived and worked outside Kentucky.
3. Whether the complaint stated a claim under the Kentucky Civil Rights Act when the alleged discriminatory conduct occurred outside Kentucky.

HOLDINGS

1. The Warren Circuit Court had subject-matter jurisdiction over an employment-discrimination action brought under the Kentucky Civil Rights Act, even though the Act did not apply to the claim on the facts presented.
2. The Kentucky Civil Rights Act does not apply extraterritorially absent a positive showing that the General Assembly intended such application.
3. Applying the Kentucky Civil Rights Act to Barnhart's claim would be an impermissible extraterritorial application because he lived and worked outside Kentucky and the alleged discrimination occurred outside Kentucky.

KEY QUOTATIONS

“Thus, we will not infer the extraterritorial reach of the KCRA absent a positive showing by Barnhart that the General Assembly intended that the Act be applied extraterritorially.” (50 S.W.3d at 190)

“For the reasons set forth above, we hold that the Kentucky Civil Rights Act does not have extraterritorial application.” (50 S.W.3d at 193)

FACTUAL BACKGROUND

Barnhart was employed by Union Underwear, whose headquarters were in Bowling Green, Kentucky, but he lived and worked outside Kentucky, in Alabama or South Carolina. He was employed in South Carolina when he was dismissed, and the alleged age discrimination occurred outside Kentucky. Barnhart's only identified connection to Kentucky was that his employer maintained its headquarters there.

PROCEDURAL HISTORY

Barnhart sued Union Underwear under the Kentucky Civil Rights Act after being discharged from employment. A jury awarded \$250,000 in compensatory damages and \$750,000 in punitive damages, and the trial court entered judgment accordingly. The Court of Appeals affirmed, but the Supreme Court of Kentucky reversed and remanded with instructions to dismiss the complaint.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reverse the Court of Appeals and remand with directions for the trial court to enter an order dismissing the complaint.

CASES CITED

- Duncan v. O'Nan, 451 S.W.2d 626, 631 (Ky. 1970)
- Milby v. Wright, 952 S.W.2d 202, 205 (Ky. 1997)
- Equal Employment Opportunity Commission v. Arabian American Oil Co., 499 U.S. 244 (1991)
- McCulloch v. Sociedad Nacional de Marineros de Honduras, 372 U.S. 10, 20-22 (1963)
- Oscar Mayer & Co. v. Evans, 441 U.S. 750, 755, 757 (1979)
- Nickel v. Shatterproof Glass Corp., 424 F. Supp. 884, 886 (D. Mich. 1976)
- Edgar v. MITE Corp., 457 U.S. 624, 642-43 (1982)
- Campbell v. Arco Marine, Inc., 42 Cal. App. 4th 1850, 50 Cal. Rptr. 2d 626, 631-32 (1996)
- Pfeiffer v. Wm. Wrigley Jr. Co., 755 F.2d 554, 559 (7th Cir. 1985)
- Wolf v. J.I. Case Co., 617 F. Supp. 858, 861 (E.D. Wis. 1985)
- Bryant v. Jericol Mining, Inc., 758 S.W.2d 45 (Ky. App. 1988)
- Meyers v. Chapman Printing Co., 840 S.W.2d 814 (Ky. 1992)