

SUPREME COURT OF TEXAS

MCI Sales and Service, Inc. v. Hinton

329 S.W.3d 475 (Tex. 2010) · No. No. 09-0048 · Decided December 17, 2010

SUMMARY

The Supreme Court of Texas held that federal motor vehicle safety standards did not preempt state common-law claims alleging that a motorcoach should have had passenger seatbelts and laminated-glass windows. The court also held that a bankruptcy-court plan allocating a debtor's insurance proceeds rendered the debtor a settling person under Chapter 33 of the Texas Civil Practice and Remedies Code for proportionate-liability purposes. The court affirmed the court of appeals' judgment and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Texas
WRITING FOR THE COURT	Justice Guzman; Chief Justice Jefferson; Justice Hecht; Justice Wainwright; Justice Medina; Justice Johnson; Justice Willett; Justice Lehrmann
JURISDICTION	Texas
DECIDED	December 17, 2010
DOCKET	No. 09-0048
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a jury verdict and judgment in a products-liability action; the court of appeals reversed and remanded in part, and the Supreme Court of Texas granted both parties' petitions for review.
STANDARD OF REVIEW	Federal preemption and statutory-construction issues are reviewed de novo. The court reviewed the trial court's refusal to submit a proportionate-responsibility question under the statutory-construction standard because the issue presented a legal question.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	MCI Sales and Service, Inc., Motor Coach Industries Mexico, S.A. de C.V. v. James Hinton, individually and as representative of the Estate of Dolores Hinton, deceased, et al.

TOPICS

products liability

federalism

bankruptcy

comparative fault

negligence

PRACTICE AREAS

products liability

bankruptcy

federal preemption

tort damages

QUESTIONS PRESENTED

1. Whether federal motor-vehicle safety regulations preempted the jury's common-law finding that the motorcoach should have included passenger seatbelts when federal regulations were silent on passenger seatbelts.
2. Whether FMVSS 205 preempted the jury's finding that the motorcoach should have used laminated rather than tempered glass when the federal standard permitted both materials.
3. Whether a debtor and its insurer participating in a bankruptcy-court plan that allocated insurance proceeds among claimants were settling persons under the applicable version of Texas Civil Practice and Remedies Code Chapter 33.

HOLDINGS

1. Regulatory silence does not preempt state common-law claims unless the agency clearly and manifestly indicates an intent to forbid all state regulation in the area. NHTSA's decision not to require passenger seatbelts in motorcoaches did not express such an intent, so the jury's seatbelt verdict was not preempted.
2. FMVSS 205 is a minimum safety standard and does not preempt a state-law finding that a manufacturer should have selected laminated glass rather than another permitted glazing material.
3. Central Texas was a settling person under the applicable version of Texas Civil Practice and Remedies Code section 33.011(5), and the trial court erred by refusing to submit Central Texas's proportionate responsibility to the jury.

KEY QUOTATIONS

“Instead, the agency must, consistent with the authority delegated to it by Congress, affirmatively indicate that no regulation is appropriate.” (491)

“Regulatory silence will not preempt a state law absent a clear and manifest statement of intent to forbid all regulation in that area.” (495)

“We hold that FMVSS 205 is a minimum standard that merely limits the possible glazing materials a manufacturer may choose for incorporation in its vehicles.” (499)

“Despite how the bankruptcy court or the Plaintiffs might describe these events, we conclude they constitute a settlement under Chapter 33.” (504)

FACTUAL BACKGROUND

A motorcoach traveling from Temple to Dallas in heavy rain and fog lost control on Interstate 35, crossed the median, collided with an SUV, and tipped over. Its non-laminated glass windows shattered, passengers were ejected, and five passengers died while others were injured. The bus owner and operator entered Chapter 11 bankruptcy, and its insurer deposited policy limits into the bankruptcy court's registry under an apportionment and litigation plan for crash claimants. The injured passengers and estates sued the motorcoach manufacturer, importer, and distributor, alleging that the bus was defectively designed because it lacked passenger seatbelts and laminated-glass windows.

PROCEDURAL HISTORY

A McLennan County jury found MCI liable for defective design based on the absence of passenger seatbelts and the use of tempered rather than laminated window glass and awarded more than \$17 million in damages. The trial court declined to submit Central Texas and the bus driver as settling persons for proportionate-responsibility purposes. The court of appeals rejected MCI's federal-preemption arguments but held that the trial court should have submitted the settling-person issue, reversed, and remanded. The Supreme Court of Texas affirmed the court of appeals' judgment and remanded to the trial court for further proceedings.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

The case was remanded to the trial court for further proceedings consistent with the opinion, including submission of Central Texas's proportionate responsibility as a settling person and retrial-related consideration of the glazing-material issue.

CASES CITED

- Maryland v. Louisiana, 451 U.S. 725 (1981)
- Mills v. Warner Lambert Co., 157 S.W.3d 424 (Tex. 2005) (per curiam)
- Wyeth v. Levine, 555 U.S. 555 (2009)
- Cipollone v. Liggett Group, Inc., 505 U.S. 504 (1992)
- Hines v. Davidowitz, 312 U.S. 52 (1941)
- Geier v. American Honda Motor Co., 529 U.S. 861 (2000)
- Sprietsma v. Mercury Marine, 537 U.S. 51 (2002)
- Freightliner Corp. v. Myrick, 514 U.S. 280 (1995)
- O'Hara v. General Motors Corp., 508 F.3d 753 (5th Cir. 2007)
- Morgan v. Ford Motor Co., 680 S.E.2d 77 (W. Va. 2009)
- C & H Nationwide, Inc. v. Thompson, 903 S.W.2d 315 (Tex. 1994)
- F.F.P. Operating Partners, L.P. v. Duenez, 237 S.W.3d 680 (Tex. 2007)
- Ratcliff v. Fibreboard Corp., 819 F. Supp. 584 (W.D. Tex. 1992)
- McNair v. Owens-Corning Fiberglas Corp., 890 F.2d 753 (5th Cir. 1989)

- Cimino v. Raymark Industries, Inc., 751 F. Supp. 649 (E.D. Tex. 1990), rev'd in part on other grounds, 151 F.3d 297 (5th Cir. 1998)
- Edinburg Hospital Authority v. Trevino, 941 S.W.2d 76 (Tex. 1997)

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