SUPREME COURT OF THE UNITED STATES

Honda Motor Co., Ltd. v. Oberg

512 U.S. 415 (1994) · No. No. 93-644 · Decided June 24, 1994

SUMMARY

The Supreme Court held that Oregon's prohibition on judicial review of the amount of punitive damages violated the Due Process Clause of the Fourteenth Amendment. The Court concluded that judicial review of punitive damages awards is a fundamental procedural safeguard against arbitrary deprivations of property and reversed and remanded the judgment.

CASE DETAILS

COURT	Supreme Court of the United States
WRITING FOR THE COURT	Justice Stevens; Justice Blackmun; Justice O'Connor; Justice Scalia; Justice Kennedy; Justice Souter; Justice Thomas; Chief Justice Rehnquist; Justice Ginsburg
JURISDICTION	Federal
DECIDED	June 24, 1994
DOCKET	No. 93-644
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Honda sought review of an Oregon Supreme Court judgment affirming a product-liability judgment that included $5 million in punitive damages. The United States Supreme Court granted certiorari to determine whether Oregon's restriction on judicial review of the amount of punitive damages violated the Due Process Clause.
STANDARD OF REVIEW	Constitutional review under the Due Process Clause of the Fourteenth Amendment; the Court examined whether Oregon's procedures provided constitutionally adequate judicial review of punitive-damages amounts.
PRECEDENTIAL VALUE	binding
PARTIES	Honda Motor Co., Ltd., et al. v. Karl Oberg

TOPICS

procedural due process · due process · fourteenth amendment · punitive damages · appellate procedure

PRACTICE AREAS

constitutional law · torts · products liability · punitive damages · appellate procedure

QUESTIONS PRESENTED

1. Whether the Due Process Clause of the Fourteenth Amendment requires judicial review of the amount of a punitive-damages award.
2. Whether Oregon's constitutional restriction on reexamining jury findings, which allowed review only when there was no evidence supporting the verdict, violated procedural due process by denying review of the amount of punitive damages.

HOLDINGS

1. Oregon's denial of judicial review of the size of punitive-damages awards violates the Due Process Clause of the Fourteenth Amendment.
2. Review determining only whether there is evidence supporting some punitive damages is not an adequate substitute for review of whether the amount awarded has a rational basis.

KEY QUOTATIONS

> *"The question presented is whether that prohibition is consistent with the Due Process Clause of the Fourteenth Amendment. We hold that it is not."* (418)

> *"evidence of culpability warranting some punishment is not a substitute for evidence providing at least a rational basis for the particular deprivation of property imposed by the State to deter future wrongdoing."* (429)

> *"For these reasons, we hold that Oregon's denial of judicial review of the size of punitive damages awards violates the Due Process Clause of the Fourteenth Amendment."* (432)

> *"A decision to punish a tortfeasor by means of an exaction of exemplary damages is an exercise of state power that must comply with the Due Process Clause of the Fourteenth Amendment."* (435)

FACTUAL BACKGROUND

Honda manufactured and sold a three-wheeled all-terrain vehicle that overturned while Karl Oberg was driving, causing severe and permanent injuries. Oberg alleged that Honda knew or should have known that the vehicle had an inherently and unreasonably dangerous design. A jury found Honda liable and awarded $919,390.39 in compensatory damages and $5 million in punitive damages; the compensatory award was reduced by 20% for Oberg's comparative negligence.

PROCEDURAL HISTORY

Oberg sued Honda after a three-wheeled all-terrain vehicle overturned and caused severe injuries. A jury awarded compensatory and punitive damages; the Oregon Court of Appeals and Oregon Supreme Court affirmed. The United States Supreme Court reversed and remanded for further proceedings consistent with its opinion.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded to the Supreme Court of Oregon for further proceedings not inconsistent with the Supreme Court's opinion.

CASES CITED

- Pacific Mut. Life Ins. Co. v. Haslip, 499 U.S. 1 (1991)
- TXO Production Corp. v. Alliance Resources Corp., 509 U.S. 443 (1993)
- Van Lom v. Schneiderman, 187 Ore. 89, 210 P.2d 461 (1949)
- Huckle v. Money, 2 Wils. 205, 95 Eng. Rep. 768 (C.P. 1763)
- Blunt v. Little, 3 F. Cas. 760 (C.C. Mass. 1822)
- Dagnello v. Long Island R. Co., 289 F.2d 797 (2d Cir. 1961)
- Timmins v. Hale, 122 Ore. 24, 256 P. 770 (1927)
- McCulley v. Homestead Bakery, Inc., 141 Ore. 460, 18 P.2d 226 (1933)
- Murray's Lessee v. Hoboken Land & Improvement Co., 18 How. 272 (1856)
- Tumey v. Ohio, 273 U.S. 510 (1927)
- Brown v. Mississippi, 297 U.S. 278 (1936)
- In re Winship, 397 U.S. 358 (1970)
- Burnham v. Superior Court of Cal., County of Marin, 495 U.S. 604 (1990)
- Hurtado v. California, 110 U.S. 516 (1884)
- International Shoe Co. v. State of Washington, International Shoe Co. v. Washington, 326 U.S. 310 (1945)
- Chicago, R.I. & P.R. Co. v. Cole, 251 U.S. 54 (1919)
- Dimick v. Schiedt, 293 U.S. 474 (1935)
- Browning-Ferris Industries of Vt., Inc. v. Kelco Disposal, Inc., 492 U.S. 257 (1989)
- Jackson v. Virginia, 443 U.S. 307 (1979)