

SUPREME COURT OF IOWA

Revere Transducers, Inc. v. Deere & Co.

637 N.W.2d 189 (Iowa 2001) · No. No. 00-0167 · Decided December 19, 2001

SUMMARY

The Supreme Court of Iowa reviewed an order allocating punitive damages among the plaintiffs, their attorneys, and the Iowa Civil Reparations Trust Fund. The court held that the agreed 38 1/3% contingency fee should be applied to the punitive-damage award, rather than allowing a 50% fee based on counsel's proportion of effort. The allocation order was reversed and remanded for recalculation under Iowa Code section 668A.1(2)(b).

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Larson, Justice
JURISDICTION	Iowa
DECIDED	December 19, 2001
DOCKET	No. 00-0167
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The Iowa Civil Reparations Trust Fund appealed a district court allocation order dividing punitive damages and awarding one plaintiff's attorney a fifty percent fee from the punitive-damage award.
STANDARD OF REVIEW	Allowance of attorney fees is reviewed for abuse of discretion.
PRECEDENTIAL VALUE	Published Iowa Supreme Court opinion; precedential.
PARTIES	State of Iowa ex rel. Civil Reparations Trust Fund v. Revere Transducers, Inc., Dobson Park Industries, Inc., Deere & Company

TOPICS

- remedies
- statutory interpretation
- commercial litigation
- appellate procedure
- standard of review

PRACTICE AREAS

- remedies
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QUESTIONS PRESENTED

1. Whether Iowa Code section 668A.1(2)(b) permits an attorney fee from a punitive-damage award exceeding the agreed contingent-fee percentage based on counsel's proportion of effort devoted to obtaining punitive damages.
2. How the punitive-damage award should be allocated among applicable attorney fees, the claimant, and the Civil Reparations Trust Fund.

HOLDINGS

1. Under the circumstances, the agreed 38 1/3% contingency fee should be applied to both the compensatory- and punitive-damage awards; the district court therefore erred by awarding Eckert fifty percent of the punitive-damage award based on its claimed proportion of effort.

KEY QUOTATIONS

"We believe it is clear under a reading of the statute and our Fernandez case that an agreed contingency fee is ordinarily the fee to be applied to both the compensatory- and punitive-damage awards." (637 N.W.2d at 191)

"We hold that, under the circumstances, the 38 1/3% contingency fee should have been applied to both the compensatory- and punitive-damage awards." (637 N.W.2d at 191)

FACTUAL BACKGROUND

Revere's predecessor sued Deere over alleged interference with Revere's production and sale of transducers. The jury awarded \$550,000 in compensatory damages and \$450,000 in punitive damages. On remand concerning distribution of the punitive damages, the district court awarded the Eckert Law Firm fifty percent of the punitive-damage award, although the plaintiffs had agreed to a 38 1/3% contingency fee.

PROCEDURAL HISTORY

Revere sued Deere on theories arising from alleged interference with Revere's production and sale of transducers. A jury awarded compensatory and punitive damages; the Iowa Supreme Court previously affirmed in part, reduced the compensatory damages, and remanded for an evidentiary hearing concerning distribution of the punitive-damage award. On remand, the district court allocated portions of the punitive damages to the plaintiffs, the fund, and their attorneys, including a fifty percent award to the Eckert Law Firm. The fund appealed, and the Supreme Court of Iowa reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reverse the allocation order and enter an order allowing Eckert a fee of 38 1/3% from the punitive-damage award, then distribute the remainder as provided by Iowa Code section 668A.1(2)(b).

CASES CITED

- Revere Transducers, Inc. v. Deere & Co., 595 N.W.2d 751, 772 (Iowa 1999)
- Wooldridge v. Cent. United Life Ins. Co., 568 N.W.2d 44, 50 (Iowa 1997)
- Wilson v. IBP, Inc., 558 N.W.2d 132, 148 (Iowa 1996)
- Fernandez v. Curley, 463 N.W.2d 5, 8 (Iowa 1990)

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