Name	Period	

Denman/Sullivan

Step 1 – Look at the image below. Then answer the questions that follow on your loose leaf.



- 1. What do you know about the court case/news story related to this image?
- 2. How would you have ruled as a juror in this case?

Step 2 – Read the excerpted entry from Wikipedia regarding the now infamous case about McDonald's coffee being too hot. Then answer the questions that follow.

Liebeck v. McDonald's Restaurants

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Liebeck v. McDonald's Restaurants, also known as the McDonald's coffee case and the hot coffee lawsuit, was a 1994 product liability lawsuit that became a flashpoint in the debate in the United States over tort reform. A New Mexico civil jury awarded \$2.86 million to plaintiff Stella Liebeck who had suffered third-degree burns in her pelvic region when she accidentally spilled hot coffee in her lap after purchasing it from a McDonald's restaurant. Liebeck was hospitalized for eight days while she underwent skin grafting, followed by two years of medical treatment.

Liebeck's attorneys argued that at 180–190 °F (82.2–87.8 °C), McDonald's coffee was defective, claiming it was too hot and more likely to cause serious injury than coffee served at any other establishment. McDonald's had refused several prior opportunities to <u>settle</u> for less than what the jury ultimately awarded. [2] The jury damages included \$160,000[3] to cover medical expenses and <u>compensatory damages</u> and \$2.7 million in <u>punitive damages</u>. The trial judge <u>reduced</u> the final verdict to \$640,000, and the parties settled for a confidential amount before an <u>appeal</u> was decided.

The case was said by some to be an example of <u>frivolous litigation</u>; ABC News called the case "the poster child of excessive lawsuits", while <u>Jonathan Turley</u> stated that the claim was "a meaningful and worthy lawsuit". In June 2011, <u>HBO</u> premiered a documentary that discussed in depth how the *Liebeck* case has centered in debates on tort reform.

Burn incident[edit]

On February 27, 1992, Stella Liebeck, a 79-year-old woman from <u>Albuquerque</u>, <u>New Mexico</u>, ordered a 49-cent cup of <u>coffee</u> from the <u>drive-through</u> window of a local <u>McDonald's</u> restaurant located at 5001 Gibson Boulevard S.E. Liebeck was in the passenger's seat of her grandson's <u>Ford Probe</u>, which didn't have cup holders, and her grandson Chris parked the car so that Liebeck could add cream and sugar to her coffee. Liebeck placed the coffee cup between her knees and pulled the far side of the lid toward her to remove it. In the process, she spilled the entire cup of coffee on her lap. [9] Liebeck was wearing <u>cotton sweatpants</u>; they absorbed the coffee and held it against her skin, scalding her <u>thighs</u>, <u>buttocks</u>, and <u>groin</u>. [10]

Liebeck was taken to the hospital, where it was determined that she had suffered third-degree <u>burns</u> on six percent of her skin and lesser burns over sixteen percent. [11] She remained in the hospital for eight days while she underwent <u>skin grafting</u>. During this period, Liebeck lost 20 pounds (9 kg, nearly 20% of her body weight), reducing her to 83 pounds (38 kg). [12] Two years of medical treatment followed.

Pre-trial[edit]

Liebeck sought to settle with McDonald's for \$20,000 to cover her actual and anticipated expenses. Her past medical expenses were \$10,500; her anticipated future medical expenses were approximately \$2,500; and her loss of income was approximately \$5,000 for a total of approximately \$18,000. [13] Instead, the company offered only \$800. When McDonald's refused to raise its offer, Liebeck retained Texas attorney Reed Morgan. Morgan filed suit in New Mexico District Court accusing McDonald's of "gross negligence" for selling coffee that was "unreasonably dangerous" and "defectively manufactured". McDonald's refused Morgan's offer to settle for \$90,000. [2] Morgan offered to settle for \$300,000, and a mediator suggested \$225,000 just before trial, but McDonald's refused these final pre-trial attempts to settle. [2]

Trial and verdict[edit]

The trial took place from August 8–17, 1994, before New Mexico District Court Judge Robert H. Scott. During the case, Liebeck's attorneys discovered that McDonald's required franchisees to serve coffee at 180–190 °F (82.2–87.8 °C). At that temperature, the coffee would cause a third-degree burn in two to seven seconds. Liebeck's attorney argued that coffee should never be served hotter than 140 °F (60 °C), and that a number of other establishments served coffee at a substantially lower temperature than McDonald's. Liebeck's lawyers presented the jury with evidence that 180 °F (82 °C) coffee like that McDonald's served may produce third-degree burns (where skin grafting is necessary) in about 12 to 15 seconds. Lowering the temperature to 160 °F (71 °C) would increase the time for the coffee to produce such a burn to 20 seconds. Liebeck's attorneys argued that these extra seconds could provide adequate time to remove the coffee from exposed skin, thereby preventing many burns. McDonald's claimed that the reason for serving such hot coffee in its drive-through windows was that those who purchased the

coffee typically were commuters who wanted to drive a distance with the coffee; the high initial temperature would keep the coffee hot during the trip. [2] However, the company's own research showed that some customers intend to consume the coffee immediately while driving. [3]

Other documents obtained from McDonald's showed that from 1982 to 1992 the company had received more than 700 reports of people burned by McDonald's coffee to varying degrees of severity, and had settled claims arising from scalding injuries for more than \$500,000. [2] McDonald's quality control manager, Christopher Appleton, testified that this number of injuries was insufficient to cause the company to evaluate its practices. He argued that all foods hotter than 130 °F (54 °C) constituted a burn hazard, and that restaurants had more pressing dangers to warn about. The plaintiffs argued that Appleton conceded that McDonald's coffee would burn the mouth and throat if consumed when served. [15]

A twelve-person jury reached its verdict on August 18, 1994. [14] Applying the principles of comparative negligence, the jury found that McDonald's was 80% responsible for the incident and Liebeck was 20% at fault. Though there was a warning on the coffee cup, the jury decided that the warning was neither large enough nor sufficient. They awarded Liebeck US\$200,000 in compensatory damages, which was then reduced by 20% to \$160,000. In addition, they awarded her \$2.7 million in punitive damages. The jurors apparently arrived at this figure from Morgan's suggestion to penalize McDonald's for one or two days' worth of coffee revenues, which were about \$1.35 million per day. [2] The judge reduced punitive damages to \$480,000, three times the compensatory amount, for a total of \$640,000. The decision was appealed by both McDonald's and Liebeck in December 1994, but the parties settled out of court for an undisclosed amount less than \$600,000. [16]

Aftermath[edit]

The case was said by some to be an example of <u>frivolous litigation</u>. [4] <u>ABC News</u> called the case "the poster child of excessive lawsuits". [5] <u>Jonathan Turley</u> called the case "a meaningful and worthy lawsuit". [6] McDonald's asserts that the outcome of the case was a fluke, and attributed the loss to poor communications and strategy by an unfamiliar insurer representing a franchise. [17] <u>Liebeck's attorney</u>, Reed Morgan, and the <u>Association of Trial Lawyers of America</u> defended the result in *Liebeck* by claiming that McDonald's reduced the temperature of their coffee after the suit. [17] Ten years after the settlement, Morgan was still litigating lawsuits against McDonald's over hot coffee burns. [17]

Detractors have argued that McDonald's refusal to offer more than an \$800 settlement for the \$10,500 in medical bills indicated that the suit was meritless and highlighted the fact that Liebeck spilled the coffee on herself rather than any wrongdoing on the company's part. [18][19][20] They also argued that the coffee was not defective because McDonald's coffee conformed to industry standards, [2] and coffee continues to be served as hot or hotter today at McDonald's and chains like Starbucks. [20][17] They further assert that the vast majority of judges who consider similar cases dismiss them before they get to a jury. [21] From 2002 to 2007, an offshoot from a weekly news column by writer Randy Cassingham resulted in a website called the "Stella Awards", which purported to give awards to people who filed "outrageous and frivolous lawsuits".

- 1. Liebeck sued McDonalds for this accident. Should she have also sued Ford because the car had no cup holders? Her Grandson?
- 2. Coffee is supposed to be hot. Should consumers just be aware of this when purchasing (Buyer Beware) or should companies have to provide a warning?

- 3. Can accidents ever just be accidents or does someone have to be responsible? Was any/all of this Stella's responsibility?
- 4. Did reading this information change your outlook from Step 1? Why or why not? What facts changed your mind or reinforced your opinion?
- 5. Why is Wikipedia not always a trustworthy source of information?
- 6. Why is this entry from Wikipedia likely a valid source of information? What clues are there that this information is legitimate?

Step 3 – Watch the follow up report about this case by *New York Times* at http://www.nytimes.com/2013/10/28/booming/storm-still-brews-over-scalding-coffee.html?_r=0

Answer the questions that follow. Put your answers on loose leaf.

- 1. How did the media transform the public's view of the case?
- 2. How is this case being used as an allusion?
- 3. Did this video change your opinion about the case? If so how?
- 4. Which source did you find to be more effective in educating you about this case? Explain how/why.

Step 4 – Putting it all together

- 1. Was justice served in this case? If not, what would have been just?
- 2. What role did the jury play in this case? Did they do the right thing?
- 3. What would you have done as a juror on this jury?
- 4. Does public opinion play a role in the justice system? Should it?