

Mal Wheeler Gains Favorable Ruling in U.S. Supreme Court Airbag Decision

News

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DENVER - In a landmark product liability case, the U.S. Supreme Court ruled in favor of American Honda Motor Co. Inc., which was represented by Malcolm Wheeler, a director and shareholder of Wheeler Trigg O'Donnell. The decision was handed down on May 22.

The court's decision means that businesses across the country will be better able to use federal laws to block state tort suits. The ruling specifically protects automobile manufacturers from being sued for not installing airbags before they were required to do so by federal law.

Wheeler had argued that when the federal government has set a safety standard specifically authorizing the vehicle design that a plaintiff claims to be defective, and has determined that the design will promote federal safety policies, the plaintiff should not be allowed to sue the manufacturer on the ground that the design was defective and caused an injury. If the 5-4 decision had gone the other way, carmakers could have been forced to defend hundreds of additional lawsuits.

"This result is one of the most significant product liability victories ever achieved by the auto industry. It could also have precedential effect for other industries seeking to use

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federal laws to block state court lawsuits,” said Michael L. O’Donnell, president and managing director of the firm.

The case arose after 17-year-old Alexis Geier was injured in a single-car accident in 1992 when her 1987 Honda Accord left the road and hit a tree, causing her head to hit the windshield or steering wheel. Geier and her parents sued Honda, claiming the Accord was defective due to its lack of airbags.

The Department of Transportation had begun requiring car manufacturers to install either airbags or automatic seatbelts in 1989. Airbags were not mandatory, however, until 1997, when federal law required them in new cars for both the driver and front-seat passenger. Wheeler argued on behalf of Honda that the industry was acting responsibly by not installing airbags until after they were more fully tested and developed.

The recent decision revolved around two provisions of the 1966 National Traffic and Motor Vehicle Safety Act. Title 15 section 1392(d) of the United States Code states: “Whenever a federal motor vehicle established under this sub-chapter is in effect, no state or political subdivision of a state shall have any authority either to establish, or to continue in effect, with respect to any motor vehicle or item of motor vehicle equipment, any safety standard applicable to the same aspect of performance, of such vehicle or item of equipment, which is not identical to the federal standard.”

But the Safety Act also contains a so-called saving clause, stating that a federal safety standard does not affect individuals’ common law rights. Wheeler successfully defended Honda from Geier’s claim that her suit should be protected by this clause.

“This decision is a victory for consumers because the court makes it clear that when a federal agency promulgates a regulation based on an explicit determination that the industry conduct required or authorized by that regulation is

necessary to promote consumer safety, private plaintiffs and their lawyers cannot undermine that federal safety policy with lawsuits claiming that manufacturers in the industry should not have engaged in that conduct,” said Wheeler.

“The decision also is a victory for the economy and for sound judicial administration because it precludes a large number of wasteful, meritless lawsuits,” said Wheeler.

Wheeler brought a distinguished record to this case. He has been practicing law for 31 years, and he established his credentials as a product liability authority in 1980, when he was part of a team that successfully defended Ford Motor Co. from criminal charges involving the Pinto. In three decades, he has lost only two cases. He has been featured in *The National Law Journal* as one of the top trial lawyers in the country.