Punitive Damages: Landmark ruling in US Supreme Court

Dutra Group v. Batterton

On 24 June 2019 the US Supreme Court released their decision in Dutra Group v. Batterton case where, by a 6-3 majority, it was held that punitive damages are NOT recoverable by a seaman for personal injury as a result of a breach of the general maritime duty to provide a seaworthy vessel.

The Respondent, Batterton, allegedly sustained an injury to his hand whilst working on The Dutra Group’s owned and operated vessel. He alleged that his hand was crushed as a result of a hatch cover blowing open under pressure. The Respondent had suggested that the hatch cover was lacking a particular exhaust mechanism and that the failing resulted in an unseaworthy condition in which he sought remedial measures by way of punitive damages.

The Dutra Group argued that punitive damages were not available for unseaworthiness claims, but nevertheless The Ninth Circuit Court and Court of Appeals denied the Shipowner’s motion to strike out the claim for punitive damages.

The Ninth Circuit’s decision was in conflict with the Fifth Circuit ruling in McBride v Eopsis where the U.S Court upheld the decision in Miles v Apex which stated a Seamen’s damages for unseaworthiness was limited to pecuniary losses. Due to conflicting positions in the Ninth and Fifth Circuit, the Supreme Court agreed to resolve the issue as to whether punitive damages may be awarded to a Jones Act seaman for an alleged breach of the general maritime duty to provide a seaworthy vessel.

The Court recognised that punitive damages for an unseaworthy condition was not a historically available remedy, and allowing for such a remedy would cause disparity in already established Maritime law. The Court reaffirmed the rationale of Miles v Apex which found an absence of punitive damage awards in unseaworthiness cases.

The Court stated that they were not persuaded by the Respondent’s claim for punitive damages and did not believe they were justified on policy grounds. The Court’s decision was founded on its reluctance to enforce retributory remedies for a claim governed by strict liability rather than claims governed by negligence. The Court also touched upon its concerns about the impact imposing punitive damages for an unseaworthy condition would have on the American shipowner and how this could prove disadvantageous to the employment of American seaman.

The Court did acknowledge the importance of the decision in Atlantic Sounding, where it was held that punitive damages are available for wilful and wanton breach of the duty to provide maintenance and cure, but did not accept that punitive damages should be available for similar culpable breaches of the duty to provide a seaworthy vessel.

The US Supreme Court’s decision has now provided clarity to shipowners and insurers on an American shipowners’ exposure to an unseaworthiness claim. Whilst the decision seems advantageous to the shipowner, it is not damaging to the crewmember, as the crewmember’s right to claim (non-punitive) damages for unseaworthiness or Jones Act negligence still remains. The decision does however seem commercially mindful and more importantly consistent with historical judicial decisions.

Of arguably greater significance is the Judgment’s acknowledgment that the 19th Century concept that Seamen are to be accepted as ‘wards of admiralty’, is in practice archaic and outdated for modern seafaring conditions. The Court held “the doctrine has its roots in the paternalistic approach taken toward mariners in the 19th century courts,” and that “the doctrine has never been a commandment that maritime law must favour seamen whenever possible.” The content of the ruling may prove helpful in removing the hitherto accepted doctrine that doubts should be resolved in favour of the seafarer, resulting in equitable remedies for the Ship-owner and crewmember alike.

The issue of punitive damages has been discussed in earlier articles:

https://www.steamshipmutual.com/publications/Articles/PunishingTimes1113.htm
https://www.steamshipmutual.com/publications/Articles/punitive-damages-recovered-for-unseaworthiness0617.htm
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