

Punitive Damages

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Presentation No. 5

Tort Law:

General Overview

	Tort law	Criminal law
Parties	Private v. Private	State v. Individual
Aim	Compensation	Punishment, Protection
Standard of proof	Balance of probabilities	Beyond reasonable doubt

Types of torts

Intentional torts	Negligent torts	Strict Liability torts
Deliberately committing a wrongful act	Failing to exercise reasonable care	Inherently dangerous activities/ defective Products

Legal Consequences

- Compensatory damages
- Nominal damages
- Punitive damages

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Punitive Damages: Concept



- A form of monetary punishment
- Awarded in addition to compensatory damages
- In response to egregious conduct
- **Illustrative example:** Liebeck vs McDonald's restaurants

Punitive Damages: Concept



Illustrative example:

Liebeck v. McDonald's Restaurants

Punitive Damages: Purpose

Punishment

Deterrence
(defendant *and*
others)

Making an Example

When are punitive damages awarded?

- Invasion of legally protected interest + specific mental state
- Commonly awarded for:
 - Intentional torts (battery/assault)
 - Contract cases (fraud)
 - Defamation cases
- Negligence

BMW of North America, Inc. v. Gore

- Facts: repainting of car → worth loss
- Compensatory damages: 4'000 \$ / punitive damages 2 Mil. \$
- Supreme Court verdict key takeaways:
 - reprehensibility of conduct (-)
 - actual harm inflicted
- → Violation of due process (14th Amendment)



Conclusion

Pro	Con
Privately enforced Justice	Private Law/Public Law
Stronger deterrence	Windfall-Effect

Arbitrary decisions/excessiveness?

Sources

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