

FALL 2014 NEWSLETTER

AUTOMOBILE / TRUCKING LITIGATION UPDATE

By Gerald B. Lotzer

Kia Motors Corporation and Kia Motors America, Inc. v. Lawrence Ruiz, et al
No. 11-0709 (Tex. Sup. Ct., March 28, 2014)

This is a products-liability case against a vehicle manufacturer, involving the failure of a driver's side frontal air bag to deploy during a collision. The court is confronted with several issues for review. They first considered the applicability of section 82.008 of the Tex. Civ. Prac. & Rem. Code, which establishes the rebuttable presumption that a manufacturer is not liable on a design-defect theory for a claimant's injuries if the product complies with certain applicable federal safety standards. Second, they consider the legal-sufficiency challenge to the evidence supporting the jury's design-defect finding. Finally, they consider whether the trial court erred in admitting a spreadsheet summarizing authorized warranty claims involving air bags in similarly designed vehicles from the same manufacturer. The court of appeals, affirming the trial court's judgment against the manufacturer held that the nonliability presumption did not apply, that the evidence was legally sufficient to support the design-defect finding, and the trial court's error in admitting the spreadsheet, if any, was waived or harmless. The Supreme Court agreed with the court of appeals on the first two issues but diverged on the evidentiary question. The Supreme Court held that the trial court erred in admitting the spreadsheet, that the manufacturer preserved the error, that the error was harmful, and accordingly remanded the case for a new trial.

Andrea and Lawrence Ruiz owned a 2002 Kia Spectra. On January 16, 2006, Andrea was driving the Spectra with her daughter, Suzanna, in the front passenger seat. They were both wearing seatbelts and were subsequently involved in a head-on collision with a pickup truck driven by Harvey Tomlin. Suzanna's airbag deployed and she suffered minor injuries, however, Andrea's did not and she died at the scene from two dislocated vertebrae in the neck caused by a severe front-to-back head movement. The Ruiz family sued Kia Motors Corporation and Kia Motors America, Inc. ("Kia") alleging that they defectively designed an air bag system in the 2002 Spectra which resulted in the driver's-side air bag failure to deploy during the collision. They also brought a negligence claim against Tomlin, with whom they settled before trial. The Ruizes proceeded to a jury trial against Kia on the negligent-design claim, which was premised on the theory that defective wiring connectors in the air bag system caused an open circuit and prevented the air bag from deploying. The jury found that Kia negligently designed the vehicle air bag system which was a proximate cause of Andrea's injury, that Tomlin's negligence was a proximate cause of Andrea's injury, the negligence, if any, of Lawrence Ruiz was not a proximate cause of Andrea's injury, and that Kia was grossly negligent. The jury awarded the Ruizes \$1,972,000 in compensatory damages and \$2,500,000 in exemplary damages.

After reviewing the facts of the case, the court held that the presumption of nonliability in section 82.008 of Tex. Civ. Prac. & Rem. Code does not apply because Kia has not shown that

the design of the 2002 Spectra complied with federal safety standards governing the product risk that allegedly caused the harm in issue. They further held that the Ruizes presented legally sufficient evidence to support the jury's verdict on their negligence claims against Kia and therefore Kia was not entitled to a take nothing judgment. They, however, also held that the trial court erroneously admitted irrelevant evidence of other dissimilar incidents and that such error was harmful requiring a new trial. They reversed the court of appeals judgment and remanded the case to the trial court for further proceedings consistent with the opinion.