

After a federal trial in which the jury awarded the plaintiff \$100,000 in compensatory damages and \$7 million in punitive damages, the defendant moved for a new trial on the ground that the verdict was not supported by the evidence and also that the punitive damages award was unconstitutionally excessive. The trial court, after reviewing the evidence, denied the motion on the condition that the plaintiff accept a reduced punitive damages award of \$1 million, which the plaintiff did.

The defendant now wants to appeal.

Which of the following principles governs the appellate court's review?

- A. The trial court cannot weigh the evidence in ruling on a motion for a new trial.
- B. The trial court must give the plaintiff the minimum amount that the jury could have awarded under the evidence.
- C. The trial court's decision to reduce the punitive damages award is reviewed de novo.
- D. The trial court's reduction of the punitive damages award improperly invaded the province of the jury.

## Explanation:

### Appellate standards of review

Standard	Level of review	Applicability
<b>De novo</b>	<ul style="list-style-type: none"><li>• No deference</li><li>• Reverse if reasonably believe trial judge misinterpreted law</li></ul>	Pure legal issues
<b>Clear error</b>	<ul style="list-style-type: none"><li>• High deference</li><li>• Reverse if no reasonable judge would have made finding</li></ul>	Factual issues in <i>bench</i> trials
<b>Substantial evidence*</b>	<ul style="list-style-type: none"><li>• High deference</li><li>• Reverse if no reasonable jury would have made finding</li></ul>	Factual issues in <i>jury</i> trials
<b>Abuse of discretion</b>	<ul style="list-style-type: none"><li>• High deference</li><li>• Reverse if decision was unreasonable/arbitrary</li></ul>	Discretionary rulings by judge

\*Courts may also reverse if there is insufficient/no evidence.

A party may move for a new trial on the **ground** that the finder of fact (typically the jury) awarded an excessive amount of damages. If the trial court rules that the amount was excessive, it must give the opposing party the option to choose between a new trial on damages or a reduced amount of damages set by the court (ie, **remittitur**). Here, the plaintiff accepted a reduced punitive damages award, which led the court to properly deny the defendant's motion for a new trial.

If an appeal is filed, the appellate court will review the trial court's ruling under the appropriate standard of review. A ruling on a **motion for a new trial** is typically discretionary and reviewed for **abuse of discretion**. Under this standard of review, the trial court's **discretionary rulings** are given **high deference** and will be reversed only if unreasonable or arbitrary.

However, a ruling challenged on **constitutional** grounds presents a pure legal issue that is **reviewed de novo**. Under this standard of review, a trial court's **conclusions of law** are given **no deference** and will be reversed if the appellate court reasonably believes that the trial court misinterpreted the law. Since the defendant challenged the punitive damages award as unconstitutionally excessive, the trial court's decision to reduce that award is reviewed de novo.

**(Choice A)** A trial court *may* weigh the evidence in ruling on a motion for a new trial.

**(Choice B)** When reducing the amount of damages that the jury awarded, a trial court has discretion to award any (not just the minimum) amount the jury could have awarded under the evidence.

**(Choice D)** A federal trial court has the power to reduce a jury's excessive damages award because the jury has already determined the damages and the court is simply trimming the excess.\*

\*In contrast, a trial court does not have the power to increase a jury's inadequate damages award (ie, additur) because it would allow the court to award damages that were not found by the jury.

**Educational objective:**

A ruling on a motion for a new trial is generally discretionary and reviewed on appeal for abuse of discretion. However, when such a ruling is challenged on constitutional grounds, the ruling presents a pure legal issue that is reviewed de novo.

**References**

- Fed. R. Civ. P. 59 (motion for a new trial).
- Cooper Indus., Inc. v. Leatherman Tool Grp., Inc., 532 U.S. 424, 435 (2001) (requiring de novo review of punitive damages awards).

Copyright © 2014 by the National Conference of Bar Examiners. All rights reserved.

Copyright © UWorld. All rights reserved.