Stella Liebeck of Albuquerque, New Mexico, was in the passenger seat of her grandson's car when she was severely burned by McDonalds' coffee in February 1992. Liebeck, 79 at the time, ordered coffee that was served in a Styrofoam cup at the drive through window of a local McDonalds.

After receiving the order, the grandson pulled his car forward and stopped momentarily so that Liebeck could add cream and sugar to her coffee. Liebeck placed the cup between her knees and attempted to remove the plastic lid from the cup. As she removed the lid, the entire contents of the cup spilled into her lap.

The sweatpants Liebeck was wearing absorbed the coffee and held it next to her skin. A vascular surgeon determined that Liebeck suffered full thickness burns (or third-degree burns) over 6 percent of her body, including her inner thighs, perineum, buttocks, and genital and groin areas. She was hospitalized for eight days, during which time she underwent skin grafting. Liebeck, who also underwent debridement treatments, sought to settle her claim for $20,000, but McDonalds refused.

During discovery, McDonalds produced documents showing more than 700 claims by people burned by its coffee between 1982 and 1992. Some claims involved third-degree burns substantially similar to Liebecks. This history documented McDonalds' knowledge about the extent and nature of this hazard.

McDonalds also said during discovery that, based on a consultants advice, it held its coffee at between 180 and 190 degrees Fahrenheit to maintain optimum taste. He admitted that he had not evaluated the safety ramifications at this temperature. Other establishments sell coffee at substantially lower temperatures, and coffee served at home is generally 135 to 140 degrees.

Further, McDonalds' quality assurance manager testified that the company actively enforces a requirement that coffee be held in the pot at 185 degrees, plus or minus five degrees. He also testified that a burn hazard exists with any food substance served at 140 degrees or above, and that McDonalds coffee, at the temperature at which it was poured into Styrofoam cups, was not fit for consumption because it would burn the mouth and throat. The quality assurance manager admitted that burns would occur, but testified that McDonalds had no intention of reducing the "holding temperature" of its coffee.

Plaintiffs' expert, a scholar in thermodynamics applied to human skin burns, testified that liquids, at 180 degrees, will cause a full thickness burn to human skin in two to seven seconds. Other testimony showed that as the temperature decreases toward 155 degrees, the extent of the burn relative to that temperature decreases exponentially. Thus, if Liebeck's spill had involved coffee at 155 degrees, the liquid would have cooled and given her time to avoid a serious burn.

McDonalds asserted that customers buy coffee on their way to work or home, intending to consume it there. However, the company’s own research showed that customers intend to consume the coffee immediately while driving.

McDonalds also argued that consumers know coffee is hot and that its customers want it that way. The company admitted its customers were unaware that they could suffer third degree burns from the coffee and that a statement on the side of the cup was not a "warning" but a "reminder" since the location of the writing would not warn customers of the hazard.

The jury awarded Liebeck $200,000 in compensatory damages. This amount was reduced to $160,000 because the jury found Liebeck 20 percent at fault in the spill. The jury also awarded Liebeck $2.7 million in punitive damages, which equals about two days of McDonalds' coffee sales.

Post-verdict investigation found that the temperature of coffee at the local Albuquerque McDonalds had dropped to 158 degrees Fahrenheit.

The trial court subsequently reduced the punitive award to $480,000 -- or three times compensatory damages -- even though the judge called McDonalds' conduct reckless, callous and willful.

The parties eventually entered into a secret settlement which has never been revealed to the public, despite the fact that this was a public case, litigated in public and subjected to extensive media reporting. Such secret settlements, after public trials, should not be condoned.

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