Ohio Supreme Court: Bifurcation of Compensatory and Punitive Damages is Constitutional and Mandatory

In a ruling that will significantly impact future trials of tort lawsuits, the Ohio Supreme Court has upheld the constitutionality of a 2005 tort reform provision which mandates that state trial courts “bifurcate,” or divide, trials into two separate stages where the plaintiff has alleged claims for both compensatory and punitive damages. Havel v. Villa St. Joseph, Slip Op. No. 2012-Ohio-552. The tort reform provision, R.C. § 2315.21(B), was intended to rein in excessive noneconomic jury awards. It provides that upon “the motion of any party, the trial of the tort action shall be bifurcated” into two stages. At the first stage, the jury determines the defendant’s liability and awards compensatory damages. At the second stage, the jury decides whether to award punitive damages.

Since its enactment, R.C. 2315.21(B) was in conflict with Ohio Civil Rule 42(B), which grants judges discretion in matters of trial procedure. Therefore, notwithstanding the language of R.C. 2315.21(B), trial courts consistently denied motions to bifurcate on the grounds that Civ. R. 42(B) afforded them the discretion to do so. Consequently, controversy arose over the issue of whether bifurcation was controlled by legislative statute or court rule. With its decision in Havel, the Supreme Court has settled the controversy and determined that bifurcation of damages under R.C. 2315.21(B) is a substantive right that trial courts must grant upon request.

Havel arises from a suit for wrongful death, medical malpractice, and violations of the Ohio Nursing Home Patient’s Bill of Rights brought by the Estate of John Havel against Villa St. Joseph and another nursing home. Plaintiff alleged that Mr. Havel, while recovering from hip surgery at Villa St. Joseph, developed serious skin ulcers from which he eventually contracted a bacterial infection that ultimately caused his death. Plaintiff’s complaint asserted both compensatory and punitive damages. At trial, the defendants moved to bifurcate under R.C. 2315.21(B), which the court denied without explanation. On appeal, the Eighth District Court of Appeals (Cuyahoga County) affirmed the trial court’s ruling, holding R.C. 2315.21(B) to be unconstitutional on the grounds that it conflicted with Civil Rule 42(B) and infringed upon the judiciary’s exclusive authority to determine matters of trial procedure. According to the Appeals Court, R.C. 2315.21(B) was not a substantive law recognized right, but rather a procedural statute that violated the court system’s constitutional control over procedural matters.

Overturning the lower courts, the Ohio Supreme Court noted that R.C. 2315.21(B) does more than merely set the procedure for bifurcation of tort actions. Rather, it “creates, defines, and regulates a substantive, enforceable right to separate stages of trial relating to the presentation of evidence for compensatory and punitive damages in tort actions” and makes bifurcation mandatory by taking precedence over judicial discretion embodied in Civ R. 42(B). Accordingly, the Court ruled that R.C. 2315.21(B) does not violate the Ohio Constitution.

Havel not only lays to rest the dispute over whether R.C. 2315.21(B) requires bifurcation of the issues of compensatory and punitive damages, it gives effect to the provision’s legislative intent of curbing excessive jury awards for noneconomic damages. In this regard, Havel has disarmed the plaintiffs’ bar of a significant weapon; to wit, the threat of a jury considering “punitive style” evidence of wrongdoing while assessing noneconomic damages for pain and suffering. That threat served to inflate pretrial settlements. Moving forward, however, defendants in tort lawsuits involving claims of compensatory and punitive damages can take comfort knowing that bifurcation of these issues is required upon request. As such, evidence that relates solely to the issue of whether the plaintiff is entitled to punitive damages can be shunted to the side pending a jury’s initial ruling on liability and compensatory damages. In sum, thanks to Havel, the defendants will now fully reap the fruits of R.C. 2315.21(B), seven years after its enactment and contentious infancy.

If you have any questions concerning Havel v. Villa St. Joseph, or would like a copy of the full case, please do not hesitate to contact a member of our Medical Malpractice or Long-Term Care Litigation Practice Groups.