French Supreme Court Rules on Punitive Damages

On December 1st, the French Supreme Court for private and criminal matters ruled on whether a foreign judgment awarding punitive damages could be enforced in France.

The Court held that, in principle, foreign judgments awarding punitive damages are not contrary to public policy and will thus be recognised. However, the Court also ruled that such awards would exceptionnally violate public policy in cases where they would not be proportionate to the harm sustained and the contractual breach.

In this case, the foreign judgment was unsurprisingly American (Superior Court of California, it seems). The plaintiffs had been awarded USD 1.39 million in compensatory damages and USD 1.46 million in punitive damages. This was found to be "clearly" disproportionate. This was because, the Court held, the amount of punitive damages was clearly higher than the amount of compensatory damages (the "very large" difference was USD 70,000).

The U.S. Supreme Court has also ruled that disproportionate awards in punitive damages violate the U.S. Due Process Clause and are thus unconstitutional. But the Court laid down the famous single digit ratio test for that purpose: no more than *nine* times the amount in compensatory damages.

The judgment of the court can be found here. It dismisses an appeal against a judgment from the Poitiers Court of appeal, which was previously mentioned on this site.

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