Digest: Johnson v. American Standard, Inc.

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Opinion by Chin, J., expressing the unanimous view of the Court.

Issue

Does a manufacturer have a 'sophisticated user' defense negating its duty to warn of its product's potential hazards when the plaintiff is a sophisticated user that has or should have knowledge of these hazards?

Facts

Plaintiff William Keith Johnson was a heating, ventilation, and air conditioning (HVAC) technician.[1] He began his training at ITT Technical Institute in 1996 and received continued training and certifications, including a 'universal' certification, the highest available from the EPA.[2] As an HVAC technician, he was well informed of the health risks resulting from exposure to phosgene gas created by the decomposition of R-22, a refrigerant in large air conditioning systems.[3] R-22 creates phosgene gas when exposed to high temperatures.[4]

In June 2003, plaintiff filed a complaint against manufacturers of air conditioning systems, including defendant American Standard, Inc., for pulmonary fibrosis suffered from exposure to phosgene gas in his routine maintenance, including brazing air conditioning units.[5] Plaintiff alleged that defendant acted negligently in its failure to warn him of the risks of phosgene gas exposure.[6]

In September 2004, the trial court granted defendant's motion for summary judgment.[7] The Court of Appeal affirmed the trial court's judgment on the ground that a manufacturer is not liable for failure to warn of a risk if a "sophisticated user" can reasonably be expected to know of such risk.[8] The appellate court also agreed with the trial court that there was no duty to warn because the risk of brazing refrigerant lines was

1 Johnson v. Am. Standard, Inc., 179 P.3d 905, 908 (Cal. 2008).
2 *Id.*
3 *Id.*
4 *Id.*
5 *Id.* at 908–09.
6 *Id.* at 909.
7 *Id.*
8 *Id.*

reasonably expected to be known by the members of plaintiff's profession.[9] The Supreme Court of California granted review.[10]

Analysis

The Court first recognized that the sophisticated user defense exempts manufacturers from their general duty to warn consumers about the risks of their products.[11] The rationale behind the defense is that the failure to warn about dangers of which a sophisticated user is or should be aware is not the proximate cause of harm that the product might cause, because "the user's knowledge of the dangers is the equivalent of prior notice."[12]

The Court explained that the sophisticated user defense evolved in part from the Restatement Second of Torts section 388, which provides that a manufacturer is liable for harm caused by its products if it knows or should know of the risk of harm, fails to warn the consumer, and "has no reason to believe that those for whose use the chattel is supplied will realize its dangerous condition."[13] The Court also explained that the sophisticated user defense partially evolved from the "obvious danger rule," which provides that a manufacturer is not required, under either a negligence or strict liability theory, to warn of known risks.[14]

The Court then noted that, in *Fierro v. International Harvester Co.*, the Court of Appeal adopted the sophisticated user defense in dictum.[15] In affirming the trial court's judgment that the manufacturer had no duty to warn, the Court said, the *Fierro* court reasoned that the purchaser was a sophisticated organization that knew or should have known of the potential risks in the product.[16] Federal courts predicted that the Supreme Court of California would, after *Fierro*, adopt the sophisticated user defense.[17] The Court also found the reasoning of federal courts that allowed the sophisticated user defense persuasive.[18]

The Court clarified that the "should have known" standard is an objective one and does not require subjective inquiry into whether the user was aware of the risk.[19] The Court also clarified that the defense should be available in strict liability as well as in negligence cases, since the focus of the defense is the same in both: whether the user's knowledge exempted

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9 *Id.*

10 *Id.* at 910.

11 *Id.*

12 *Id.* at 911.

13 *Id.* (quoting RESTATEMENT (SECOND) OF TORTS § 388 (1965)).

14 *Id.* at 911–12 (discussing Bojorquez v. House of Toys, Inc., 133 Cal. Rptr. 483 (Ct. App. 1976); Holmes v. J.C. Penney Co., 183 Cal. Rptr. 777 (Ct. App. 1982)).

15 *Id.* at 912–13 (citing 179 Cal. Rptr. 923 (Ct. App. 1982)).

16 *Id.* at 913 (citing *Fierro*, 179 Cal. Rptr. 923).

17 *Id.* (discussing In re Related Asbestos Cases, 543 F. Supp. 1142 (D.C. Cal. 1982)).

18 *Id.* at 913-14 (citing, e.g., In re Air Crash Disaster, 86 F.3d 498 (6th Cir. 1996)).

19 *Id.* at 914-15.

the manufacturer's duty to warn.[20] Finally, the Court clarified that whether the sophisticated user knew of the risk is measured at the time of the plaintiff's injury and not when the product was manufactured.[21]

The evidence is clear that HVAC technicians—such as plaintiff—knew or should have known of the dangers of R-22 heat exposure."[22] Accordingly, "we conclude there is no triable issue of fact regarding applicability of the sophisticated user defense in this case."[23]

Holding

The Court held that the sophisticated user defense applies in California, exempting a manufacturer from the duty to warn when the risks of its product are or should be known by the sophisticated user.[24]

Legal Significance

As a result of this decision, California formally adopted the sophisticated user defense in products liability cases in both negligence and strict liability causes of action. That is, the manufacturer will not be held liable for failure to warn of a certain danger if the sophisticated user knew or should have known of that danger.

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20 *Id.* at 915.
21 *Id.* at 916.
22 *Id.* at 916–17.
23 *Id.* at 917.
24 *Id.* at 916.