

## Punitive Damages Not Available to Plaintiffs under Iowa Civil Rights Act, Iowa High Court Rules

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Practices

Litigation

Settling a hotly debated issue, a unanimous Iowa Supreme Court has ruled that plaintiffs bringing claims under the Iowa Civil Rights Act (“ICRA”) may not recover punitive damages. *Ackelson v. Manley Toy Direct, LLC, et al.* and *Drake, et al. v. Manley Toy Direct, LLC, et al.*, No. 12-0442 (Iowa June 21, 2013).

In the consolidated lawsuit, three female former Manley Toy employees alleged a male supervisor and a male co-worker repeatedly groped them, made vulgar comments, called them derogatory names, and made explicit comments about body parts and sexual encounters. Originally filed in 2010, the ICRA lawsuits alleged sex harassment, discrimination and retaliation and sought punitive damages. ICRA prohibits unfair and discriminatory employment practices against a person “because of” the person’s membership in a protected class and provides for a claim for relief.

Writing for the Iowa high court, Chief Justice Mark Cady reaffirmed *Chauffeurs, Teamsters & Helpers, Local Union No. 238 v. Iowa Civil Rights Comm’n*, 394 N.W.2d 375 (Iowa 1986), in which the Court first held that the legislative scheme of ICRA does not permit an award of punitive damages. The law provides that damages for an injury caused by the discriminatory or unfair practice can include, but are not limited to, actual damages, court costs and reasonable attorney fees. Justice Cady noted that since *Chauffeurs*, the Court has decided a series of cases in which it “clearly and repeatedly” concluded that ICRA does not permit recovery of punitive damages. Justice Cady pointed out that the Iowa legislature has taken no steps to amend the portion of ICRA that addresses available damages. He concluded that the Court arrived at the correct decision in *Chauffeurs* and will “leave it to the legislature to take any different approach.”

Despite the Court’s assertion that its position on punitive damages has been abundantly clear, the issue until now has been hotly debated and some of the state’s lower courts have awarded punitive damages under the ICRA. *Manley Toy* appears to have resolved this dispute and, absent action by the Iowa legislature, plaintiffs now, clearly, are precluded from bringing punitive damage claims under the ICRA.

If you have any questions about this decision or other workplace developments, please contact the Jackson Lewis attorney with whom you regularly work.

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