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## Court Finds Plaintiff's Argument in Dry Cleaning Suit All Wet

"Satisfaction guaranteed" can't be taken as an unconditional, literal promise, said the judge who ruled against another judge -- the one who famously sued a Korean dry cleaners for losing his pants. In any case, the plaintiff failed to prove the cleaners actually lost his cherished trousers, the judge found, in her decision denying his \$54 million claim.

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The saga of the US\$54 million lawsuit against a Washington, D.C.-area dry cleaners over a missing pair of pants has come to an end, with Washington Superior Court Judge Judith Bartnoff ruling against the plaintiff, Roy Pearson.

Now, Pearson, an administrative law judge, is liable for the owners' court costs, which come to roughly \$1,000. In a later hearing, Bartnoff will determine whether Pearson must reimburse the store owners -- Soo Chung, Jin Nam Chung and Ki Y. Chung -- for their legal

fees, which could amount to some tens of thousands of dollars.

"I am looking forward to the judge's decision on whether Pearson should be required to pay the legal fees of the defendants," attorney Philip K. Howard, who chairs the bipartisan legal reform coalition Common Good, told CRM Buyer.

"If the judge were to do that, it would send a clear message to other people who get carried away in their own minds about supposed outrages," he added. "If this case doesn't warrant the shifting of attorneys fees, then no case does."

### **High-Water Mark**

Indeed at \$54 million, Pearson's suit can easily be said to represent the high-water mark of frivolous lawsuits. He has found little sympathy in a city known for its strong consumer protections.

Pearson's claim centered on his expectations of service based on a "Satisfaction Guaranteed" sign that once hung in the store window of the cleaners. He invoked the sign when the cleaners allegedly lost the pants to a suit he had brought in. The owners found the pants a few days later, they said, and offered to return them. However, Pearson disputed that the pants were his and proceeded to seek redress through the legal system.

Publicity about the case triggered concerns that it might give businesses ammunition to lobby for repeal of the strong consumer protections in the District. However, at first glance, Bartnoff's ruling does not provide them with much leverage.

"A reasonable consumer would not interpret 'Satisfaction Guaranteed' to mean that a merchant is required to satisfy a customer's unreasonable demands" or to agree to demands that the merchant would have reasonable grounds for disputing, the judge wrote.

Washington's consumer statutes "were designed for companies that issue misleading ads," Howard said, such as ads promising radios for \$10 when in reality only one available would be available for \$10, with the rest priced at \$100. "This case was not about consumer fraud -- it was an ordinary consumer dispute."

### **Suit-Happy Nation**

Still, the case reflects the sue-happy mentality often associated with Americans. "There are a lot of frivolous lawsuits out there," Bryan Quigley, senior vice president of strategic communications at the U.S. Chamber Institute for Legal Reform, told CRM Buyer. "This suit is emblematic of a much larger problem in this country."

The annual tort liability price tag for small businesses has grown from \$87 billion in 2002 to \$98 billion in 2005 -- an increase of 13 percent -- according to recent studies conducted by the Institute.

### **No Precedent**

In explaining why he sued for the astronomical sum of \$67 million -- which he later reduced to the still-astronomical sum of \$54 million -- Pearson told the media that his action would strengthen consumer protections in the city. However, the case is unlikely to have much, if any, impact.

"No precedent has been set that will help small businesses or consumers," Phillip Hoffman, a partner at **Pryor Cashman**, told CRM Buyer.

"The damages sought had no relationship whatsoever to any damage the judge may have suffered. By seeking \$54 million -- as opposed to \$54 -- he lost all credibility.

"He should have brought his claim in small claims court or before Judge Judy, where it belonged," Hoffman concluded.

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