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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

BERNARD HESS CROWLEY)
and GAIL COLEMAN WATTS,)
)
Plaintiffs,)
)
v.)
)
HOWARD PETERSON, JEFF)
ERWIN, SOUTHWEST)
AIRLINES CO., and DOES)
1 through 50, inclusive,)
Defendants.)
_____)

CV 01-6981 RSWL (RCx)

**ORDER GRANTING
DEFENDANTS' MOTIONS
FOR SUMMARY JUDGMENT
AND DENYING
DEFENDANTS' MOTIONS
FOR SANCTIONS**

This case arises out of an airplane accident at the Burbank Airport on March 5, 2000, which has led to several lawsuits. On or about September 15, 2000, Defendants Southwest Airlines Co., Howard B. Peterson III, and Jeffrey D. Erwin (collectively "Defendants") removed all of the pending cases arising from the accident to federal court. Because the cases are all factually related, they have been transferred to this Court.

1 Plaintiffs Bernard Hess Crowley and Gail Coleman Watts
2 filed suit against Howard Peterson and Jeff Erwin,
3 respectively the Captain and First Officer of Flight 1455,
4 on August 10, 2001. Plaintiffs alleged a sole cause of
5 action for negligence. On September 27, 2001, Plaintiffs
6 amended their Complaint, adding Southwest Airlines as a
7 defendant. Plaintiffs still seek only a claim for
8 negligence as against all Defendants.

9 In the instant Motions, Defendants Howard Peterson and
10 Jeff Erwin and Defendant Southwest Airlines move this Court
11 for summary judgment on the ground that Plaintiffs' claims
12 are barred by California's one-year statute of limitations.
13 Defendants also move this Court for sanctions under Federal
14 Rule of Civil Procedure 11, arguing that Plaintiffs' counsel
15 was or should have been aware that the statute of
16 limitations had already run on Plaintiffs' claims.
17 Plaintiffs argue in opposition that the limitations period
18 could not begin to run until they suffered actual and
19 appreciable harm and became aware of their injuries. They
20 claim that their injuries were latent for many months after
21 the crash, and that their action is therefore timely. They
22 also oppose the Motions for sanctions.

23 For the reasons stated below, this Court **GRANTS**
24 Defendants' Motions for summary judgment and **DENIES**
25 Defendants' Motions for sanctions.

26 ///

1 **BACKGROUND**

2
3 On March 5, 2000, Southwest Flight 1455 from Las Vegas
4 to Burbank landed at an unusually high speed and overran the
5 runway, crashing through the perimeter fence and colliding
6 with a car on a city street. Plaintiffs Crowley and Watts
7 were passengers on the flight. Neither suffered any
8 physical harm from the accident, but both now claim that
9 they suffered long-term emotional injuries and that these
10 injuries first manifested themselves many months after the
11 accident.

12 Plaintiffs point to their testimony and the declaration
13 of their psychiatric expert, David Wellisch, Ph.D., to
14 establish that their injuries were latent rather than
15 immediate. In their depositions and declarations, both
16 Crowley and Hess testify that they feared for their lives
17 during the landing and subsequent evacuation, but that these
18 feelings lasted only a few minutes because the landing and
19 evacuation happened very quickly. Moreover, they state that
20 these feelings subsided once they had evacuated the plane
21 safely. Thus, neither reported any injuries at the time of
22 the accident or in the following months. Indeed, according
23 to their testimony, they slept normally that night, resumed
24 their normal activities the next day, and continued these
25 activities for several months without any symptoms of long-
26 term emotional injury. During this period, both even took

1 several airplane flights without experiencing any unusual
2 feelings or fears.

3 Despite the apparent lack of injuries in the months
4 following the accident, both Hess and Crowley now claim that
5 they are suffering from long-term emotional injuries. Both
6 report increased levels of anxiety, especially when
7 preparing to fly or taking a flight. Watts also reports
8 difficulty focusing and sleeping, and less energy overall.
9 Crowley reports increased flare-ups from a pre-existing
10 ulcer, as well as loss of sexual desire. According to
11 Plaintiffs, they did not begin to experience these injuries
12 until many months after the accident. Plaintiffs have
13 submitted a declaration from their psychiatric expert, David
14 Wellisch, Ph.D., who concludes that each presents
15 "meaningful and significant evidence" of anxiety disorder
16 and post-traumatic stress disorder and that their symptoms
17 "strongly reflect a 'delayed onset' diagnosis." (Wellisch
18 Decl. ¶ 8.)

20 DISCUSSION

22 I. Legal Standard: Summary Judgment

23 Summary judgment is appropriate when there is no
24 genuine issue of material fact and the moving party is
25 entitled to judgment as a matter of law. Fed. R. Civ. P.
26 56(c). A genuine issue is one in which the evidence is such

1 that a reasonable fact-finder could return a verdict for the
2 non-moving party. Anderson v. Liberty Lobby, 477 U.S. 242,
3 248 (1986). The evidence, and any inferences based on
4 underlying facts, must be viewed in a light most favorable
5 to the opposing party. See Diaz v. Am. Tel. & Tel., 752
6 F.2d 1356, 1358 n.1 (9th Cir. 1985).

7 In ruling on a motion for summary judgment, the court's
8 function is not to weigh the evidence, but only to determine
9 if a genuine issue of material fact exists. Anderson, 477
10 U.S. at 242.

11 12 **II. Choice of Law**

13 At the hearing on Defendants' motion to dismiss on
14 November 5, 2001, this Court determined that California's
15 one year statute of limitations governed this case and
16 rejected Plaintiffs' argument that either Texas's, Nevada's
17 or Utah's longer statute of limitations should apply. In
18 their Opposition, Plaintiffs nonetheless renew their choice
19 of law arguments, adding several new allegations of
20 negligent acts by Defendants that occurred in Texas.
21 However, Plaintiffs have not amended their Complaint to
22 include the new allegations, so the Court need not consider
23 them in determining which statute of limitations to apply.
24 Finally, these allegations do not affect the Court's choice
25 of law analysis since they do not establish that Texas's
26

1 interest in this litigation is greater than California's.¹

2
3 **III. Tolling Under California Code of Civil Procedure**

4 **Section 351**

5 In ruling on Defendants' motion to dismiss, this Court
6 also rejected Plaintiffs' argument that the statute of
7 limitations was tolled by California Code of Civil Procedure
8 section 351 because Defendants were absent from the State of
9 California for an indefinite period of time. Plaintiffs
10 have repeated this argument in their moving papers, but have
11 not made any new allegations that are relevant to this
12 issue. Thus, the prior ruling remains the law of the case.

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18 ¹ Plaintiffs allege only three acts that occurred in
19 Texas: 1) Southwest negligently removed the airplane's
20 autobrake system, 2) Southwest formulated a corporate policy
21 that pressured pilots to arrive on-time, and 3) Southwest
22 provided inadequate pilot training on how to conduct a safe
23 landing. However, the negligence that allegedly occurred in
24 California is far greater. In California, the pilots
25 attempted to land an airplane at an unsafe speed and without
26 making a proper approach. California's interest in
preventing the greater negligence that allegedly occurred
within its borders outweighs Texas's interest in preventing
the lesser negligence that allegedly occurred inside its
borders. Thus, even with these allegations of wrongful acts
in Texas, California still has a greater interest in the
litigation and its statute of limitations should apply.

1 **IV. Statute of Limitations**

2 **A. Legal Standard**

3 California Code of Civil Procedure section 340(3)
4 provides a one-year statute of limitations for an action for
5 personal injury caused by the wrongful act or neglect of
6 another. Cal. Civ. Proc. Code § 340(3) (West 2001). The
7 statute of limitations ordinarily begins to run "upon the
8 occurrence of the last fact essential to the cause of
9 action." Salter v. Pierce Bros. Mortuaries, 146 Cal. Rptr.
10 271, 274 (Cal. Ct. App. 1978). If the last essential fact
11 is the fact of injury, then the limitations period starts to
12 run when the plaintiff suffers actual and appreciable harm,
13 however uncertain in amount. Davies v. Krasna, 14 Cal. 3d
14 502, 514 (1975). It is uncertainty as to the fact of
15 damage, rather than to its amount, which negates the
16 existence of a cause of action. Walker v. Pac. Indem. Co.,
17 6 Cal. Rptr. 924, 926 (Cal. Ct. App. 1960). Neither
18 uncertainty as to the amount of damages, nor difficulty in
19 proving damages, tolls the period of limitations. Davies,
20 14 Cal. 3d at 513-14.

21 The California courts have not expressly defined the
22 phrase "actual and appreciable harm." Therefore, it is not
23 entirely clear how significant an injury must be in order to
24 start the running of the period of limitations. However,
25 the California Supreme Court has stated that a mere right to
26 recover only nominal damages will not trigger the running of

1 the limitations period. See id. Likewise, a mere breach of
2 duty causing only speculative harm or a threat of future
3 harm does not constitute "actual and appreciable harm." See
4 id.

5 However, these statements, while helpful, do not answer
6 the question in this case because they only clarify what
7 does not constitute "actual and appreciable harm," not what
8 does constitute such harm. To answer this question, this
9 Court will examine applicable California precedent to
10 determine how the "actual and appreciable harm" test applies
11 to a situation in which the plaintiff suffers only minor
12 emotional injuries at the time of the accident, but later
13 experiences more significant emotional injuries.

14 **B. The Meaning of "Actual and Appreciable Harm"**

15 **1. the traditional rule**

16 The traditional rule in California was that the
17 limitations period begins to run as soon as the plaintiff
18 suffers any compensable injury, however slight. One court
19 stated that

20 where an injury, although slight, is sustained
21 in consequence of the wrongful act of another,
22 and the law affords a remedy therefor, the
23 statute of limitations attaches at once. It is
24 not material that all the damages resulting from
the act shall have been sustained at that time,
and the running of the statute is not postponed
by the fact that the actual or substantial
damages do not occur until a later date.

25 Sonbergh v. MacQuarrie, 247 P.2d 133, 134 (Cal. Ct. App.
26 1952).

1 The facts of Sonbergh illustrate the application of the
2 traditional rule. In Sonbergh, the plaintiff alleged that
3 he had been assaulted and had sought immediate medical
4 attention to determine the extent of his injuries, but that
5 x-rays and other diagnostic tests did not reveal any lasting
6 damage. Eighteen months later, however, he was diagnosed
7 with "organic brain and nervous injuries" causing dizziness,
8 numbness, tremors, pain, loss of muscular control, speech
9 impairment, and difficulty in walking. Id. Only then did
10 he file suit against his attacker. The court rejected the
11 plaintiff's argument that the statute of limitations should
12 be tolled until he discovered the seriousness of his
13 injuries. Id. Rather, it held that the limitations period
14 began to run at the time of the attack because an action for
15 battery is complete when the physical contact occurs. He
16 therefore had a right to damages at that time which
17 triggered the running of the limitations clock. The court
18 concluded that his claim was barred because it was not filed
19 within one year of the assault. Id.

20 **2. the development of the "actual and appreciable**
21 **harm" test**

22 Sonbergh emphasized that if the injury was compensable
23 at law, it would trigger the running of the limitations
24 period. Subsequent cases, however, developed the corollary
25 of this proposition: if an injury did not give rise to a
26 legal remedy, then it would not trigger the statute of

1 limitations. Rather, the statute could not begin to run
2 until the plaintiff suffered "actual and appreciable harm."
3 The shift in language and emphasis could suggest that the
4 courts were applying a new test for determining when the
5 limitations period would begin to run. However, a careful
6 reading of the cases reveals that none of them questioned or
7 even challenged the traditional rule. In fact, they
8 reaffirmed it.

9 The leading case using the "actual and appreciable
10 harm" language is the decision of the California Supreme
11 Court in Davies v. Krasna, 14 Cal. 3d 502 (1975). In that
12 case, the Court held that the limitations period for an
13 action for breach of confidence began to run as soon as the
14 defendant disclosed plaintiff's idea to potential buyers,
15 thereby destroying its marketability. Id. In an oft-quoted
16 passage, the Court stated that "although a right to recover
17 nominal damages will not trigger the running of the period
18 of limitation, the infliction of actual and appreciable
19 harm, however uncertain in amount, will commence the
20 statutory period." Id. at 515. Read in context, however,
21 that statement did not signal a shift in California
22 limitations law. On the contrary, it was merely a
23 restatement of the traditional rule.

24 In framing its "actual and appreciable harm" test, the
25 Davies Court relied heavily on two prior decisions which had
26 applied the traditional rule and basic principles of tort

1 law. The Court first cited Budd v. Nixen, 6 Cal. 3d 195
2 (1971). Davies, 14 Cal. 3d at 513. In Budd, the issue was
3 whether the limitations period on an action for attorney
4 malpractice began to run when the attorney committed the
5 negligent act, or at some later time. See Budd, 6 Cal. 3d
6 at 197. The Budd Court pointed out the basic principle that
7 negligence does not give rise to an action in tort unless it
8 produces damage.² Id. at 200. Thus, until the plaintiff
9 suffered damage as a result of the malpractice, he did not
10 have any legal remedy and the statute of limitations could
11 not begin to run. Id. The Budd Court elaborated that
12 “[t]he mere breach of a professional duty, causing only
13 nominal damages, speculative harm, or the threat of future
14 harm – not yet realized – does not suffice to create a cause
15 of action for negligence.” Id.

16 The holding in Budd is entirely consistent with the
17 traditional rule that any injury, however slight, is
18 sufficient to establish a cause of action for negligence and
19 trigger the running of the statute of limitations. Budd

21 ² Negligence that does not produce damage does not give
22 rise to a cause of action in tort because damage is a
23 necessary element of the tort of negligence. See Alhino v.
24 Starr, 169 Cal. Rptr. 136, 147 (Cal. Ct. App. 1980) (“If the
25 allegedly negligent conduct does not cause damage, it
26 generates no cause of action in tort.”); Oakes v. McCarthy
Co., 73 Cal. Rptr. 127, 141 (Cal. Ct. App. 1968) (“[W]ithout
compensable damage there is no cause of action for
negligence.”).

1 merely clarifies that if there is no injury, then the cause
2 of action is not complete and the statute does not begin to
3 run. The Budd Court was not departing from the traditional
4 rule. Indeed, the Budd Court cited to Sonbergh with
5 approval and repeated its holding: "The cause of action
6 arises . . . before the client sustains all, or even the
7 greater part of the damages caused by his attorney's
8 negligence. Any appreciable and actual harm flowing from
9 the attorney's negligent conduct establishes a cause of
10 action upon which the client may sue." Id. at 852 (citing
11 Sonbergh, 247 P.2d 133 (Cal. Ct. App. 1952))(other citations
12 omitted).

13 The court in Davies also relied on Walker v. Pacific
14 Indemnity Co., 6 Cal. Rptr. 924 (Cal. Ct. App. 1960). In
15 that case, an insurance broker had carelessly procured a
16 \$15,000 insurance policy after his client requested a
17 \$50,000 policy. Id. The court held that the limitations
18 period did not begin to run until the client was held liable
19 for an amount in excess of the policy limits. It reasoned
20 that until then, "the fact of any damage at all was
21 completely uncertain." Id. at 926. The court pointed out
22 that the "mere possibility, or even probability, that an
23 event causing damage will result from a wrongful act does
24 not render the act actionable." Id. The court also
25 rejected the defendant's argument that the plaintiff could
26 have sued for nominal damages when the agent procured the

1 wrong policy because "the mere possibility that one will be
2 required to pay damages to a third party does not warrant
3 even nominal damages." Id. (citing Pac. Pine Lumber Co. v.
4 W. Union Tel. Co., 56 P. 103 (1898)). Thus, since the
5 wrongful act did not, in itself, give rise to a completed
6 cause of action for negligence, it could not trigger the
7 running of the limitations clock.

8 The holding in Walker is also consistent with the
9 traditional rule. Like Budd, Walker merely observes that
10 the plaintiff did not have a cause of action for negligence
11 until he suffered compensable harm. Because his cause of
12 action was not complete, the statute of limitations could
13 not begin to run. The court went on to say that even if he
14 could have sued for nominal damages, this action would have
15 been "illusory" because the judge could have declined to
16 award nominal damages, and even if he did award them, the
17 plaintiff would not have been entitled to his costs. Id.
18 This reasoning was pure surplusage, however, because the
19 court did not hold, nor did it cite any case holding, that
20 nominal damages were available in a claim for negligence.
21 In any event, the court was certainly not holding that the
22 statute of limitations does not begin to run on an action
23 for negligence until the plaintiff could sue for damages
24 that were more than "illusory." Hence, the opinion should
25 not be read as departing from the traditional rule
26 articulated in Sonbergh.

1 The two cases that Davies relied on simply reaffirm the
2 traditional rule and apply it to situations in which the
3 very fact of damage, not its extent, is in dispute. Neither
4 case held or suggested that the plaintiff's injury had to
5 reach some threshold of severity before it would trigger the
6 running of the limitations clock. Read in context, then,
7 Davies's "actual and appreciable harm" test should be seen
8 as simply a restatement of the traditional rule that a cause
9 of action for negligence is complete and the statute begins
10 to run when the plaintiff suffers any compensable injury.
11 Indeed, the Davies Court concluded its review of California
12 limitations law with the words, "[u]nder present authority,
13 neither uncertainty as to the amount of damages nor
14 difficulty in proving damages tolls the period of
15 limitations." Davies, 14 Cal. 3d at 514. In support, the
16 Davies Court cited Budd, Walker, and Sonbergh, thus making
17 clear that it was reaffirming the traditional rule expressed
18 in those cases.

19 **3. cases applying the "actual and appreciable**
20 **harm" rule**

21 Most of the California decisions since Davies have
22 interpreted "actual and appreciable harm" as synonymous with
23 "actionable" or "compensable" harm. For example, in City of
24 San Diego v. U.S. Gypsum Co., 35 Cal. Rptr. 2d 876 (Cal. Ct.
25 App. 1995), the court cited Davies for the proposition that
26 "the statute of limitations begins to run upon the

1 occurrence of 'appreciable and actual harm, however
2 uncertain in amount,' that consists of more than nominal
3 damages." Id. at 881 (quoting Davies, 14 Cal. 3d at 514).³
4 Because any compensable injury will, by definition, give
5 rise to damages that are more than nominal,⁴ then any
6 compensable injury, however slight, would be "actual and
7 appreciable harm" that would commence the statutory period.⁵

8 The decision in Priola v. Paulino, 140 Cal. Rptr. 186
9 (Cal. Ct. App. 1977), illustrates how California courts have
10 interpreted Davies as reaffirming the traditional rule. In
11 Priola, a husband sued for the loss of his wife's consortium
12 approximately two years after she was injured in an auto
13 accident. Id. at 186. He argued that his claim was not
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15 ³ See also Evans v. Eckelman, 265 Cal. Rptr. 605, 611
16 (Cal. Ct. App. 1990) ("[T]he cause of action is complete on
17 the sustaining of 'actual and appreciable harm,' on which
18 the recoverable damages would be more than nominal.")
(quoting Davies, 14 Cal. 3d at 514); Van Dyke v. Dunker &
Aced, 53 Cal. Rptr. 2d 862, 866-67 (Cal. Ct. App. 1996).

19 ⁴ Nominal damages are awarded "for the infraction of a
20 legal right, where the extent of loss is not shown, or where
21 the right is one not dependent upon loss or damage." C.
McCormick, Damages, sec. 20 at 85 (1935). Nominal damages
22 are contrasted with small compensatory damages "which are
23 measured by the loss actually suffered." Id. sec. 21 at 87.

24 ⁵ See also Garver v. Brace, 55 Cal. Rptr. 2d 220, 223
(Cal. Ct. App. 1996) ("Any 'manifest and palpable' injury
25 will commence the statutory period.") (quoting Adams v.
Paul, 46 Cal. 4th 583, 589 (1995)); Marsha V. v. Gardner,
26 281 Cal. Rptr. 473, 477 (Cal. Ct. App. 1991).

1 time-barred because, although his wife did suffer less
2 serious injuries at the time of the accident, he did not
3 lose her services until she developed Parkinson's disease
4 more than a year later. Id. at 191-92. The court, however,
5 reasoned that the statute of limitations attached as soon as
6 the husband had a cause of action and that his cause of
7 action was complete when his wife suffered her initial
8 injuries because these reduced his wife's consortium "to
9 some extent." Id. at 192.⁶ The fact that more grievous
10 injuries arose later did not affect the analysis. See id.
11 In support of its conclusion, the Priola Court cited both
12 Davies and Sonbergh. Clearly, in the Priola Court's view,
13 Davies had simply reaffirmed the traditional rule expressed
14 in Sonbergh.

15 4. the DeRose interpretation

16 A few cases since Davies have suggested that the actual
17 and appreciable harm test requires something more than a
18 showing of any compensable harm, however slight. These
19 cases interpret "nominal damages" to include not just
20 damages that are nominal in a technical legal sense, but
21 also compensatory damages that are so small that it would be
22 unreasonable to sue for them. In contrast, "actual and

23
24 ⁶ Accord Uram v. Abex Corp., 266 Cal. Rptr. 695, 703
25 (Cal. Ct. App. 1990) (holding that wife's cause of action
26 for loss of her husband's consortium arose when he retired
due to a work-related disability and her consortium "was to
some extent reduced").

1 appreciable harm" would be injury significant enough to
2 justify bringing a lawsuit. These cases thus view Davies as
3 a departure from or modification of the traditional rule.

4 The first case to adopt this interpretation of Davies
5 was DeRose v. Carswell, 242 Cal. Rptr. 368 (Cal. Ct. App.
6 1987). The DeRose Court quoted Davies's holding that "the
7 period [of limitations] cannot run before plaintiff
8 possesses a true cause of action, by which we mean that
9 events have developed to a point where plaintiff is entitled
10 to a legal remedy, not merely a symbolic judgment such as an
11 award of nominal damages." Id. at 374 (quoting Davies, 14
12 Cal. 3d at 514). However, the DeRose Court then added,
13 "[w]e do not believe that the court in Davies can reasonably
14 be interpreted as having used the term 'nominal' in the
15 restrictive sense of 'one dollar.'" Id. at 376. It then
16 went on to apply its understanding of Davies to an earlier
17 related case. It concluded that the case was wrongly
18 decided because it held that the limitations period began to
19 run when the plaintiff first suffered a compensable injury,
20 even though there was no indication that the injury was
21 significant enough to justify a lawsuit. See id. at 376 n.7
22 (criticizing Martinez-Ferrer v. Richardson-Merrel, Inc., 164
23 Cal. Rptr. 591 (Cal. Ct. App. 1980)). Although the DeRose
24 Court did not explicitly say so, its reasoning suggests that
25 it interpreted Davies's use of the term "nominal" in the
26 broader sense of "too insignificant to justify a lawsuit."

1 Although DeRose has been followed in a few other cases,⁷
2 its interpretation of Davies and the term "nominal damages"
3 is not persuasive. First, the entire discussion of Davies
4 was dicta. The court was merely explaining that the
5 Martinez-Ferrer Court had erred in holding that the statute
6 of limitations began to run when the plaintiff suffered
7 minor injuries, even though there was no indication that
8 this injury was significant enough to justify a lawsuit.
9 DeRose, 242 Cal. Rptr. at 376 n.7. In DeRose, however, the

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11 ⁷ Only two other courts have explicitly followed
12 DeRose's interpretation of Davies. See Miller v. Lakeside
13 Village Condo. Ass'n Inc., 2 Cal. Rptr. 2d 796, 802-03 (Cal.
14 Ct. App. 1991) (applying DeRose's version of the actual and
15 appreciable harm test but nonetheless finding that the suit
16 was barred because the plaintiff had suffered harm
17 significant enough to justify a lawsuit more than one year
18 before filing); Sanderson v. Int'l Flavors & Fragrances,
19 Inc., 1996 WL 529274, at *7 (C.D. Cal. July 11, 1996)
20 (relying on DeRose in holding that the statute of
21 limitations did not begin to run when the plaintiff first
22 experienced symptoms of a serious injury because "a jury
23 could find that the symptoms themselves were so minor that
24 it would have been unreasonable to sue for them").

25 A third case used language echoing DeRose, but without
26 directly citing it. See Shoemaker v. Myers, 4 Cal. Rptr. 2d
203, 215 (Cal. Ct. App. 1992) (holding that the statute of
limitations did not begin to run until plaintiff was
terminated because until then, "he did not suffer
appreciable harm sufficient to justify legal action").

 None of these cases, however, analyzed whether DeRose's
interpretation of Davies was correct or analyzed the Davies
holding in light of the cases the California Supreme Court
relied on. Thus, they do not provide any independent support
for the DeRose Court's interpretation of Davies's holding or
the term "nominal damages."

1 court found that the plaintiff had suffered injuries
2 significant enough to justify legal action more than a year
3 before she filed. Id. at 374-75. Thus, even if Martinez-
4 Ferrer had been decided under a liberal interpretation of
5 Davies, the holding in DeRose would have been the same.
6 Because the DeRose plaintiff's earlier injuries were
7 significant, the statute of limitations had run under either
8 interpretation of Davies. Hence, DeRose's more liberal
9 interpretation of Davies did not affect the result. Thus,
10 the entire discussion of the Davies test was irrelevant to
11 the holding and result in DeRose.

12 Second, the DeRose Court provided no authority to
13 support its view that "nominal" could not reasonably be
14 interpreted as meaning one dollar. Indeed, this
15 interpretation seems obligatory when one considers the
16 larger context in which the Davies Court used the term. The
17 phrase "nominal damages" has a well-defined meaning in the
18 law and it is eminently reasonable to assume that the
19 California Supreme Court had that meaning in mind when it
20 used the term. Moreover, read in context, the DeRose
21 Court's rule that a right to recover only nominal damages
22 will not commence the limitations period alluded to a series
23 of prior decisions that had reaffirmed the traditional rule
24 that the limitations period begins to run as soon as the
25 plaintiff suffers any compensable injury, however slight.
26 The DeRose interpretation of "nominal" is plainly

1 inconsistent with the traditional rule and therefore
2 interprets Davies's use of the word without regard to its
3 context.

4 **C. When Did Plaintiffs First Suffer Actual and**
5 **Appreciable Harm?**

6 With the preceding review of California case law in
7 mind, this Court now determines how the "actual and
8 appreciable harm" test applies to a situation in which the
9 plaintiff initially suffers only minor injuries, but later
10 suffers more substantial damage. Specifically, this Court
11 finds that the "actual and appreciable harm" test must be
12 interpreted in a manner consistent with the traditional rule
13 that any compensable injury, however slight, will commence
14 the statutory period of limitations. Thus, this Court
15 concludes that any compensable harm constitutes "actual and
16 appreciable harm" and triggers the running of the
17 limitations clock.

18 Under this interpretation, Plaintiffs' claims in this
19 case are clearly time-barred because both Crowley and Watts
20 suffered compensable injury on the day of the accident.
21 Both testified that they experienced several minutes of
22 extreme fear on that day. This type of emotional distress
23 is compensable in California. See Thing v. LaChusa, 48 Cal.
24 3d 644, 646 (1989). Thus, Plaintiffs had a right to sue for
25 compensatory damages at that time and the limitations clock
26 began to run immediately. The fact that these damages might

1 have been small is irrelevant because any compensable harm
2 is sufficient to trigger the running of the statute.
3 Likewise, the fact that more substantial injuries emerged
4 later is irrelevant because a single tort can give rise to
5 only one action for damages. See, e.g., Panos v. Great W.
6 Packing Co., 134 P.2d 242 (Cal. 1943). Thus, the statute of
7 limitations on any claim arising from the accident on March
8 5, 2000, expired one year later. Accordingly, Crowley and
9 Hess' claims, filed on August 10, 2001, over eighteen months
10 after the accident, are barred.

11 **D. The Discovery Rule**

12 Plaintiffs also argue that even if the statute of
13 limitations began to run on the day of the accident, it was
14 tolled because they were not aware of their injuries. In
15 making this argument, Plaintiffs rely on the so-called
16 "discovery rule," which provides that a cause of action for
17 personal injury does not accrue until the plaintiff is aware
18 of his injury and its negligent cause. See, e.g., Jolly v.
19 Eli Lilly & Co., 44 Cal. 3d 1103, 1109 (1988).

20 The discovery rule, however, does not apply to this
21 case because Plaintiffs were fully aware of the injuries
22 they suffered at the time of the accident. Both Plaintiffs
23 testify that they were fully conscious during the accident,
24 were frightened, and were aware of being frightened.
25 Moreover, Plaintiffs do not allege that they were not aware
26 that the accident was due to someone's negligence. Thus, on

1 the date of the accident, Plaintiffs were aware of their
2 injury and its negligent cause. Hence, the discovery rule
3 does not apply. The fact that Plaintiffs did not suffer any
4 long-term effects until several months later is irrelevant
5 because the same statute of limitations applies to all
6 injuries resulting from a single tortious act.

7
8 **V. Sanctions**

9 Defendants have asked this Court to impose sanctions on
10 Plaintiffs' counsel, arguing that Plaintiffs' counsel should
11 have known that this action was time-barred and therefore
12 frivolous. Under Federal Rule of Civil Procedure 11, a
13 court may sanction an attorney or party who prosecutes an
14 action that is devoid of legal or factual support. See Fed.
15 R. Civ. P. 11. This case is not such an action, however.
16 California case law does not unambiguously define what
17 constitutes "actual and appreciable harm" that will trigger
18 the running of the limitations clock. Hence, it was not
19 unreasonable for Plaintiffs' counsel to file this action.

20
21 **CONCLUSION**

22
23 For all the foregoing reasons, this Court concludes
24 that the statute of limitations on Plaintiffs' claims began
25 to run on the day of the accident, March 5, 2000.
26 Plaintiffs' claims, filed over eighteen months later, are

1 therefore barred by California's one-year statute of
2 limitations for actions for personal injury based on
3 negligence. Accordingly, this Court **GRANTS** Defendants'
4 Motion for summary judgment and will enter judgment in favor
5 of Defendants. Defendants' Motion for sanctions is **DENIED**.
6 **IT IS SO ORDERED.**

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RONALD S.W. LEW
United States District Judge

9 DATED: May 30, 2002

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