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Erin M. Wilson
wilsonem@lanepowell.com

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Southwest Airlines In-flight Alcohol Suit Causes Circuit Split

American Bar Association Section of Litigation

Lane Powell Attorney Erin Wilson authored a September 15 American Bar Association (ABA) Section of Litigation Class Actions & Derivative Suits article titled “Southwest Airlines In-flight Alcohol Suit Causes Circuit Split.” The article discussed *In re Southwest Airlines Voucher Litigation* in which the U.S. Court of Appeals for the Seventh Circuit recently held that the “coupon settlement” provision of the Class Action Fairness Act allowed the district court to award class counsel an attorney fee based on the lodestar method. This decision represents a split from the U.S. Court of Appeals for the Ninth Circuit’s decision in *In re HP Inkjet Printer Litigation*.

The underlying suit involved certain in-flight drink vouchers that Southwest Airlines stopped honoring. The parties reached a settlement to provide replacement drink vouchers to all class members, as well as certain injunctive relief. The Seventh Circuit repeatedly stated that unlike many “coupon settlements,” the settlement here was extremely favorable to the class members, in that it provided them with nearly all the relief that they could hope for if the case were to proceed through a successful trial. Objectors, however, appealed approval of the settlement, arguing that the district court erred in using the lodestar method to calculate attorney fees.