

OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

CAPTION: ELISA CHAN, ET AL., Petitioners V. KOREAN AIR

LINES, LTD.

CASE NO: 87-1055

PLACE: WASHINGTON, D.C.

DATE:

December 7, 1988

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1	IN THE SUPREME COURT OF THE UNITED STATES
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3	ELISA CHAN, ET AL.,
4	Petitioners, :
5	V. Rc. 87-1055
6	KOREAN AIR LINES, LTD.,
7	x
8	Washington, D.C.
9	Wednesday, December 7, 1988
10	The above-entitled matter came on for oral
11	argument before the Supreme Court of the United States
12	at 10:01 a.m.
13	APPEAR ANCES:
14	MILTON G. SINCOFF, ESQ., New York, New York;
15	on behalf of the Petitioners.
16	RICHARD J. LAZARUS, ESQ., Assistant to the Solicitor
17	General, Department of Justice, Washington, D.C.;
18	Amicus Curlae, supporting petitioners.
19	GEGRGE N. TOMPKINS, JR., ESQ., New York, New York;
20	on behalf of Respondent.
21	

CONIENIS

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CHIEF JUSTICE REHNQUIST: We will hear argument first this morning in Number 87-1055, Elisa Chan versus Korean Air Lines, Limited.

Mr. Sincoff, you may proceed.

ORAL ARGUMENT OF MILTON G. SINCOFF
ON BEHALF OF THE PETITIONERS

MR. SINCOFF: Mr. Chief Justice, and may It please the Court:

In 1969, fourteen years before the Korean Air Lines airplane disaster, Korean Air Lines was warned by the existing state of the law that it would be liable under the circumstances claimed before this court for actual compensatory damages sustained by the families of the deceased passengers.

At that time the state of the law had been articulated by three appellate court decisions of the federal circuits and one of the high court of one state.

In addition, the United States government through the Solicitor General, in List against Alitalia Airlines in which the Second Circuit held the airline liable for falling to give the passenger adequate notice of the damage limitation, this court equally divided and therefore affirmed, Justice Marshall not participating.

The rationale of the appellate court decisions existing at the time Korean Airlines in 1969 signed the Montreal Agreement and obligated itself to certain responsibilities, the state of the law at that time was rather clear. It held that both the language, the literal language of the Warsaw Treaty required adequate notice by the airline to each passenger of the damage limitation. At that time the Warsaw Treaty provided for a \$10,000 damage limitation for each passenger.

In order to obtain the benefit of that limit, these courts uniformly held that there must be adequate notice warning the passenger of the limitation so that each passenger would have choices. A passenger could choose to obtain protection by insurance. Some passenger might choose not to fly. The choice was to be given to each passenger.

In addition, these cases uniformly held that the history, the drafting history of the treaty corroborated the language of the history in dictating that result. And those cases were Lisi against Alitalia Airlines, warren and Mertens against Flying Tiger Airline, involving the Ninth Circuit and the Second Circuit, and —

QUESTION: Mr. Sincoff, may I inquire of you whether you agree that Article 3 of the Warsaw

Convention is operative here.

MR. SINCOFF: Yes, Your Honor.

QUESTION: And under that article it seems to indicate that the sanction of removing the liability limit applies only if the ticket hasn't been delivered at all. Apparently there are other countries who are parties to that convention that have taken that view.

MR. SINCOFF: Justice --

QUESTION: Now, why should we take a different view?

MR. SINCOFF: I believe that Article 3, the first paragraph, must be read together with Article 3, the second paragraph, to which you have just referred.

The combination of those two operatve sentences together dictate that for there to be a "ticket" delivered, that document is only a ticket when it contains the required particulars because --

QUESTION: Well, I mean, you would take the position that if there are some typographical error on date or place of destination or origin on the ticket that the liability limited is forfeited?

MR. SINCOFF: Well, my position would be and is that that is precisely what the drafters intended, mainly, if the date was omitted or one of the itinerary stopping places, destination -- I should say ultimate

destination or originating place -- if any of those required particulars specified by the first paragraph of Article 3 were omitted, that is what the drafters intended.

They considered -- I might not, the Court might not consider the date to be very substantive, but in terms of --

QUESTICN: I think there's confusion in the drafting history as to whether any of those things were sufficient to cause removal of the liability limit.

That is not at all clear.

MR. SINCOFF: The drafting history, we submit, makes it clear that these particulars, each one of them, and especially the one that's involved in the case at bar, the statement warning of the damage limitation, they were characterized by the drafters as mandatory and invoking the sanction as they put it of losing the damage limitation.

And if I might respectfully refer the Court to our brief, Appendix A-86 --

CUESTICN: A-86?

MR. SINCOFF: A-86.

QUESTION: The large appendix?

MR. SINCOFF: In our brief.

QUESTION: Oh, in your brief.

MR. SINCOFF: Yes. The blue covered brief,

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There is a passage on that page. It is part of the report of Mr. Henry De vos, the "reporter" -- the reporter was the person in charge of the drafting committee, its work. And on page A-86 under Section 1, passenger ticket, the third paragraph makes it clear, I believe, that the sanction and throughout the history the sanction is the loss of the damage limitation, was linked to the delivery of the ticket without a statement or the nondelivery of a ticket to the forfeiture of the damage limitation, as they put It.

And that same principle applied whether we dealt with a passenger ticket, a baggage check or cargo involving an air waybill.

QUESTION: Well, the provisions for the baggage check are more specific, are they not?

MR. SINCOFF: Yes. And the reason for that,

Justice O'Connor, is that when it came to baggage checks

and air waybills for dargo, the drafters, unlike the

passenger ticket, considered some of those provisions to

be compulsory, mandatory, invoking the sanction, whereas

other provisions, the mere form that would be

nonsubstantive, were not considered to be compulsory

and, consequently, the language used in drafting the

terms, Article 4 and 8 and 9 for the cargo and baggage, made the distinction between the important document requirements and the unimportant ones.

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And there the statement that's the subject of this appeal is commonly considered to be a very important one. It's the only one that is common to all of the documents. Each of the three documents have individual items that are peculiar to the passenger or the baggage or the cargo, but the one common ingredient for all of the documents, including the passenger ticket, is the warning statement.

And throughout the nistory, a large part of the debate focused about these noncompulsory items.

There never was any argument or debate controverting the significance of the statement. The statement was always considered to be the essential ingredient for the airline to gain the benefit of the limitation --

SUESTION: Well, of course, there is a statement here. It was just in eight point type. I mean, there is a statement.

MR. SINCOFF: Yes, there is a statement.

QUESTION: Perfectly readable.

MR. SINCOFF: Well, we could debate.

QUESTION: Well, we have copies here in our material. I mean --

MR. SINCOFF: We could debate --

QUESTION: -- there is no mistake what the statement says.

MR. SINCOFF: We concede that a statement was delivered.

We say and urge the position, because we think it's sound, that to a passenger -- as distinguished from attorneys who may be knowledgeable in the area -- to a passenger the statement must be a reasonable one.

Now, when -- before the Montreal Agreement was signed --

QUESTICN: Mr. Sincoff, I don't understand
that. Do you think the difference between the skills of
attorneys and non-attorneys is that attorneys can read
smaller print, is that --

(Laughter)

MR. SINCOFF: No, Justice Scalia. What we say is that the statement has to be considered in relationship to the person who the warning is being given to.

QUESTION: Right. And you think if it's given to a non-attorney, it has to be in bigger print?

MR. SINCOFF: No. What I -- we say is that the statement to a layperson, a passenger, must be a reasonable statement if --

MR. SINCOFF: The reasonableness is -- depends upon the type size in this case because in 1969 Korean Air Lines said, "We will comply with the regulation. we will give a reasonable notice considered to be at least 10 point type in size."

QUESTION: I can see how you can argue that
the convention says 10 point type and there is no way of
getting around it. But to say that it requires
something reasonable and the difference between
reasonable and unreasonable is two points of type size
doesn't make any sense at all to me.

MR. SINCOFF: Well, we think that the United States government articulated the -- the line. It set a standard, a minimum standard. This was not a maximum standard. This was a minimum standard.

CUESTION: Well, then why talk about reasonableness.

MR. SINCOFF: Well, because we believe the List cases and those that follow it use the term "adequate notice," which means reasonable notice. I think they're interchangeable.

when the United States government determined that airlines were giving Lilliputian print or small

sized print and this was not warning passengers of the damage limitation, the United States government promulgated a regulation which set the standard at a minimum of 10 point type and then Korean Air Lines, among all the other international airlines, they signed an agreement in which they accepted their obligation and affirmatively asserted their obligation to give the passenger warning of the limitation, then \$75,000, in a minimum of 10 point type.

Now, the line that was drawn, we could question whether it was a reasonable and an adequate line. From the passenger's point of view, larger than 10 point type was --

QUESTION: If we say that it is adequate, it's inadequate, will that -- you be satisfied without us saying it's also unreasonable?

MR. SINCOFF: Yes, Your Honor.

QUESTION: Would you be satisfied?

MR. SINCOFF: Absolutely because the consequence of that would be --

QUESTION: [Inaudible] -- would belong.

MR. SINCOFF: Inadequate is acceptable, and that's certainly the language used by the Lisi case. It used adequate notice as the concept. And we think that when you fall to give adequate notice as you have

QUESTION: Mr. Sincoff, the obligation you assert is an obligation under the treaty?

MR. SINCOFF: Both the treaty as supplemented by the contractual obligation as supplemented by the regulation.

QUESTION: Well, now, I don't understand how that obligation gets supplemented. The treaty is binding as a matter of law --

MR. SINCOFF: Yes.

QUESTION: -- right?

Now, the contractual arrangement with other airlines, I assume your clients are strangers to that contract. How does that contractual agreement become binding upon the defendant here vis-a-vis your clients?

MR. SINCOFF: Because the treaty itself contemplates promulgation or agreements called special contracts. It authorizes airlines to enter into special contracts for the benefit of passengers. Article 22 so provides.

And consequently when Korean Air Lines signed this contract, it was a special contract authorized by

the treaty, Article 22, and the beneficiary, the only beneficiary, of that contract, authorized by the treaty, was each passenger who was delivered a ticket.

CUESTICN: And that contract --

MR. SINCOFF: And that --

QUESTIEN: -- said it should be 10 point type --

MR. SINCOFF: Minimum.

and it gets read back into the treaty because you say if the -- if the ticket doesn't contain that, the treaty provides that there's no liability.

Explain to me --

MR. SINCOFF: Yes, Your Honor.

in Article 3 of the second paragraph, what is the meaning of the word "Irregularity"? If the second paragraph of Article 3 simply read, "The absence or loss of the passenger ticket shall not affect the existence of the validity of the contract which will nonetheless be subject to the rules of this convention," I would understand your position. But it says, "The absence, irregularity or loss of the passenger ticket."

what does "irregularity" mean unless it means something like the passenger liability is in eight point

type instead of ten point.

MR. SINCOFF: Irregularity, Justice Scalia, is modified by the following words, reading it together:
"The irregularity of the ticket shall not affect the existence or validity of the contract,"

This case does not involve a challenge to the existence or validity of the contract. Just the opposite. We affirmatively assert the existence and validity of the contract, the Montreal Agreement, and the ticket.

QUESTION: You want to continue? "Which shall nonetheless be subject to the rules of this convention" --

MR. SINCOFF: Yes.

QUESTION: -- one of which rules is the limitation on damages.

MR. SINCOFF: And one of the rules was if you don't give the statement -- if you don't give the statement, you don't get the benefit of the damage limitation.

QUESTION: That's the very irregularity we're talking about.

MR. SINCOFF: Well --

QUESTION: I mean, you've gone a complete circle.

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QUESTION: When you refer to Irregularity, you're obviously referring to not having there something that should be there, right?

MR. SINCOFF: Yes, Your honor.

QUESTION: So, not having in the ticket something that should be in the ticket shall not affect the validity of the contract which shall nonetheless be subject to the rules of this convention --

> MR. SINCOFF: It's very --

QUESTICN: -- including the rule that the irregularity is no good? That makes the sentence meaningless.

MR. SINCOFF: Well --

QUESTION: You go back to the beginning of the sentence and cancel it out.

MR. SINCOFF: With respect, Justice Scalia, we believe that the rule of the convention is that if you do not give a statement -- If you do not give a statement, you are not entitled to the damage limitation. That's the provision of the treaty that's operative.

Korean Airlines then sald we're going to give a statement in ten point type, a minimum of ten point type.

QUESTION: What about failing to state the place and date of issue? How does that -- how does paragraph 2 of Article 3 affect that? That's an irregularity. It fails to state the place and date of issue.

MR. SINCOFF: The drafters did not consider that to be --

QUESTION: An irregularity.

MR. SINCOFF: -- an irregularity. The drafters said that when we put each of these five items as required by the ticket, we consider those five items to be substantive, mandatory, compulsory -- those were the terms used -- which invoke the sanction.

And the reason that they articulated and someone else might not subscribe to the reasonableness of that position of the drafters, but nonetheless it is there, they claim that each of these particulars was necessary to invoke the jurisdictional requirements which turn on the ticket itinerary, the jurisdictional requirements which turn on the place of issue, which turn on the carrier, all of those five items the drafters said were compulsory because they went to the jurisdiction of invoking the treaty in a particular litigation.

QUESTION: I am sure of that. But what does

failure of the ticket to contain one of the things that are required. Surely it doesn't mean an irregular shape. What does — it must mean it's Irregular in that it does not contain something it's supposed to contain. And the only thing that the treaty says it must contain are those five Items in paragraph 3.

MR. SINCOFF: And they were not considered to be within the realm of irregularity.

QUESTION: What would be?

MR. SINCOFF: They were sacrosanct in the view of the drafters.

QUESTICN: Give me an example of what's referred to by irregularity, then. What --

MR. SINCOFF: Well, I think you -- if you read it in the context of loss or irregularity, obviously in an airplane crash, the ticket carried by the passenger might be destroyed.

QUESTION: That's loss.

MR. SINCOFF: A ticket in the — retrieved from the crash which was partially destroyed but not entirely or in printing — in filling out — in filling out the ticket, if they misspelled the client's, the passenger's name, that would be an irregularity. In other words, irregularity was devoted to nonsignificant

-- as the drafters view what was significant.

They said if you lose the ticket but it still was delivered, the contract still exists, and the damage limitation rules apply.

If you put in the wrong passenger's name or misspell it or parhaps they conceived although it's not discussed, if you put in the wrong date. But they made it clear that the -- the drafters made it clear -- and I'm not responsible for accepting or rejecting their view -- but they made it clear that each one of these five elements, particularly the statement --

QUESTION: You're now cutting into colleague's time, Mr. Sincoff.

MR. SINCOFF: Thank you, Your Honor.

QUESTION: Mr. Lazarus.

DRAL ARGUMENT OF RICHARD J. LAZARUS

AMICUS CURIAE IN SUPPORT OF PETITIONERS

MR. LAZARUS: Thank you, Mr. Chief Justice, and may it please the Court:

Respondent's reading of the warsaw Convention rests on two untenable propositions: First, that the parties to the convention went out of their way to impose a sanction on an air carrier for failing to deliver a ticket to the passenger. Then they didn't care whether that ticket, once delivered, was

the parties to the convention concluded that its
liability limitations should not apply in the absence of
notice of them on a banker's check or airway bill, but
concluded that they should apply in the absence of suchnotice on a passenger ticket.

GUESTION: Mr. Lazarus, Japan offered an amendment at the time of the Warsaw Convention to make this position clear, and it was not adopted.

MR. L.AZARUS: No, the Japanese amendment was adopted. The Japanese amendment was proposed -- was to list the liability limitation notice which had previously been in a separate paragraph and not listed as one of the listed particulars as A, B, C, or D; listed among those particulars to make it clear that the liability limitation would apply.

The Japanese amendment was proposed basically parallel to the Greek amendment, and it was adopted, and it had ironically the unattendant consequent of creating the negative implication upon which respondents rely here. But the Japanese amendment was adopted, and that was to lift the two up, which was done in Article 3 —

CUESTION: I thought that --

MR. LAZARUS: -- and Article 4.

QUESTION: -- Article 3 was to clarify the

forfeiture of the limitation, Ilability Ilmitation was not adopted.

MR. LAZARUS: No, I believe it was adopted.

The amendment --

QUESTION: Then show it to me in Article 3, because I don't find it in the language.

MR. LAZARUS: What happened, Justice O'Connor, is the purpose -- the amendment -- when the Japanese proposed the amendment and drafted it, it was the time before the Greek amendment. It was done in parallel to it.

And they thought that by lifting that separate requirement of liability limitation notice and listing it specifically as a particular, as particular E, that that would make it clearer that the liability limitation would apply in the absence of a particular being on a ticket. And that's exactly what the convention — particular to the convention did.

amendment by the government of Greece which was specifically to take away the sanction?

MR. LAZARUS: That's right. But the Greek amendment was proposed at the time that the liability limitation notice was not separately listed under A, B, C or D.

QUESTION: Well, what happened was Japan was amending a section which no longer had a sanction in it.

MR. LAZARUS: No, it still did have a sanction in it, and that was the sanction --

QUESTION: Well, it had the watered down sanction after the Greece amendment.

MR. LAZARUS: Well, basically what you have is if you look at the language of Article 3, you can see that there's a sanction failing to deliver a ticket. We believe that Article 3 then defines what a ticket is stating that certain information must be on it to be a ticket.

Now, Article 3 on its face would suggest that not having any of those there would trigger the liability limitation. If you then look further --

QUESTION: Well, then, how do you deal with the irregularity word?

MR. LAZARUS: I really -- I think the irregularity point which led the District Court astray is a complete red herring. That provision provides that the -- not that the liability limitations of the convention shall apply notwithstanding irregularity, it provides that the rules of the convention including the

sanctions shall apply, even given an irregularity.

In other words, an airline may not avoid the rules of the convention in its sanctions simply by not issuing a ticket or by issuing a ticket with an irregularity. And this point is made repeatedly, Justice Scalia, throughout the treaty drafting history to make sure that it wouldn't be thought to have that intent.

If you look at Footnote 9 of our brief, we describe all the different citations.

QUESTICN: The word "loss" is not consonant with that meaning. When you say the loss of the ticket won't affect anything, you obviously are saying not just the sanctions of the convention, but any of the rights of the contention.

MR. LAZARUS: Well, not --

QUESTION: I mean, you're not just trying to say, you know, despite the fact that the airlines doesn't do what it's supposed to, it's going to be liable. You also are talking about the rights of the passenger because it isn't the airline that's going to have lost the passenger ticket. It's the passenger.

MR. LAZARUS: Right. But it means that the rules of the convention -- the passenger won't lose his rights and the airlines won't lose its right. But it's

limited -- the rules of the convention include the sanctions themselves, and the fact that that same language --

QUESTION: But they don't include the limitation on liability. Why wouldn't the rules include that?

MR. LAZARUS: It includes the limitation on liability, conditioned upon the sanction. The same sentence, Justice Scalia, the absence regularly appears in Article 4 dealing with baggage checks. It appears in Articles 8 and 9 dealing with air waybilis. It wasn't intended to be inconsistent with the sanction provisions. And this point is really made quite clear in the drafting history.

The meaning of the provision is that the rules of the convention, including its sanctions, apply, notwithstanding irregularity or loss or absence of the ticket. But not — the airline could avoid the rules of the convention, end its sanctions simply by issuing a ticket with an irregularity.

QUESTION: Well --

QUESTION: Well, how does the word

nevertheless beginning the next sentence fit in with
your interpretation?

MR. LAZARUS: Basically that it shall,

nevertheless, that even though — that there will be a contract and notwithstanding the absence of a ticket, the loss of a ticket, an irregularity of the ticket, it shall nonetheless remain subject to the rules of the convention. And one of those rules of the convention is that there will be a sanction under certain circumstances.

And that same provision applies, Article 3,
Article 4, Articles 8 and 9. And during the
negotiations there were several parties who were
concerned about just this happening, and they said no,
it won to It will not happen.

If you look basically at Footnote 9 of our brief, it gives all the citations.

QUESTION: Okay, Mr. Lazarus. I hate to have to chase around legislative history. This thing seems to me written very clearly, as the Chief Justice suggests; the nevertheless thought is inconsistent with the meaning you've just given us. It says

"nevertheless" which means although you might have read the preceding sentence to exclude some liability

limitation, it doesn't exclude a liability limitation if the carrier accepted it and so forth.

MR. LAZARUS: No, the "nevertheless" remains subject to the rules of the convention. And the rules

of the convention, Justice Scalia, include the sanctions for not meeting certain points.

The second -- there are basically two arguments in front of their position, and the second depends upon the comparing of the language of Article 3 and Article 4. There, too, we believe that if you look at the history of the treaty's drafting, it's apparent that the wording, the difference in wording between Articles 3 and 4 was bottomed on two amendments to Article 3 adopted at the convention itself, the Greek and the Japanese amendment, neither of which was intended to allow the Hability Himitation to apply in the absence of notice.

The second question presented by this case, even assuming that sanction applies, concerns the accuracy of the notice that, in fact, appeared on the passenger tickets in this case. We agree there with petitioners that type size is relevant to that inquiry and that the notice given on respondent's ticket was inadequate to the extent that it was only eight point notice, eight point type.

The executive branch long ago announced its view that ten point type notice was required on alriline passenger tickets to give the public adequate notice of a liability limitation.

The problem is that individuals, individual human beings, don't react to varying type size the way that chemical compounds such as water react to varying temperatures. There are no clear threshold points.

But the necessity of such inevitable uncertainty, the fact that it will exist, does not cause us to shy away in other areas of the law to come up with a clear standard, and we don't believe it should here either. It's an adequate standard, it's a good standard, it's been known for a long time, it's an --

QUESTION: Is this a standard generally enforced by all the Warsaw people, the ten point type size?

MR. LAZARUS: As far as I know, I don't know the answer to that question. In the Montreal Agreement it is.

And there's really no unfairness in its application. They've known it for a long time. Indeed, the airlines agreed to adhere to the ten point standard in 1966 in order to persuade the United States continued to adhere to the Warsaw Convention.

The airlines should not now be allowed to

disavow that standard while depending on its benefits.

QUESTION: Thank you, Mr. Lazarus.

Mr. Tompkins, we'll hear now from you.

DRAL ARGUMENT OF GEORGE N. TOMPKINS, JR.

ON BEHALF OF THE RESPONDENT

MR. TOMPKINS: Thank you, Mr. Chief Justice, and may it please the Court:

If I could pick up on one of the questions, Chief Justice Rehnquist, that you asked Mr. Lazarus, the ten point type size is a USA requirement only. There is no other party to the Warsaw Convention that requires any type size or, in fact, recognizes that the Warsaw Convention as drafted in 1929 requires any notice for the limitation of liability to apply. So, it is a peculiar U.S. requirement.

In answer to Justice O'Connor's question -CUESTION: No other party recognizes the
necessity of giving notice?

MR. TOMPKINS: That is correct under the original 1929 Warsaw Convention.

under the 1955 Hague Protocol to which many nations are parties, notice is required specifically, because that was one of the amendments insisted upon by --

QUESTION: That's what we're operating on.

That's what this case is subject to.

MR. TOMPKINS: No, this case is not subject to the Hague Protocol. This case is subject to --

QUESTION: Is this the original?

MR. TOMPKINS: The original 1929 treaty unamended by any provision.

Justice O'Connor asked about or suggested that perhaps there was some confusion in the drafting history of the Warsaw Convention, and I submit, Your Honor, with respect that the drafting history is absolutely clear, that the parties in Warsaw in 1929 deliberately considered imposing a sanction for the absence of any of the particulars in Article 3(1) including the statement. They adopted the Greek proposal. The Japanese proposal became academic. The sanction was specifically limited to the failure to deliver a ticket at all. And as the Greek proposal was adopted, the Japanese proposal to impose the sanction —— to remove the sanction for clerical errors became academic.

Now, what has changed, if the Court please, in the 20 years since I stood before this court and urged the reversal of the Lisi case as judicial treaty making, the only thirg that has changed in 20 years is that for the first time a lower court has refused to blindly follow the Lisi rationale of cases and has stepped back

and taken a fresh look at what this treaty was intended to accomplish, has taken a fresh look at the language of the treaty, has given the language of the treaty its clear and plain meaning, has taken a fresh look at the context in which the treaty language is used, has taken a fresh lock at what the United States has been striving to achieve since 1953, without success, to amend the treaty.

QUESTION: How did you accomplish it? How did you accomplish it?

[Laughter]

MR. TOMPKINS: Perhaps -- if Your Honor please, perhaps I was more persuasive there than I was here 20 years ago.

[Laughter]

MR. TOMPKINS: And the Court also recognized in that 20 years at least seven or eight nations had expressed disagreement with the Lisi case, including the Supreme Court of Canada.

And what the court held was that the concept of notice is not a part of the Warsaw Convention, so that the treaty limitation does not apply without notice.

QUESTION: Mr. Tompkins, can I interrupt you?

There is a sanction that applies if no ticket at all is delivered.

MR. TOMPKINS: That is correct, Your Honor.

GUESTION: What is the purpose of applying
that sanction for that? Why is delivering no ticket at
all any different from delivering a ticket that doesn't
contain the information that passenger would like to
have?

MR. TOMPKINS: The history reveals, if Your Honor please, that in 1925 when the draft convention was first put together, it included forms of transportation documents which the parties were going to consider making mandatory in the treaty. Those forms were abandoned.

The purpose of the ticket was to give the passenger evidence upon the basis of which he could establish that this new regime of liability rules which were new and which gave the passenger substantial rights in 1929 — we may scoff at that today, but in 1929 when this treaty was drawn up, air carriers could exclude liability by contract simply by putting a provision in the contract of transportation that if we injure you or kill you, we shall not be liable. And those provisions were upheld in the continental countries which drew up the convention.

So, the purpose of the ticket was to give the passenger evidence so that he would be able to establish

all those rights even if he didn't have the ticket as long as he was a passenger on the plane?

MR. TOMPKINS: He would not be in a position unless he was able to obtain the carriers copy of the contract to establish his rights, and in order to ensure --

QUESTION: I don't understand that.

MR. TOMPKINS: Well, the parties --

QUESTION: Why not?

MR. TOMPKINS: -- the history seems to indicate --

QUESTION: Didn*t they all use uniform tickets, standard forms?

MR. TOMPKINS: No, they abandoned the idea of using a standard form, and the idea that the drafters adopted was that we would like the airline industry to develop its own form of ticketing. We only ask that the tickets be uniform, and, of course, that has happened. The uniform tickets were adopted by the industry and remain today.

The sanctions --

QUESTION: You mean, you're telling me -- I

just want to be sure I understand what you're saying -you're saying that the reason it was important to give
the passenger the ticket was so the passenger could
prove that the airline had agreed to be subject to the
warsaw -- all the convention's requirements?

MR. TOMPKINS: No, it's more than that, Your Honor.

QUESTION: Sounds absurd to me.

MR. TOMPKINS: It's to put the passenger who's on the aircraft in a position to establish himself as a passenger traveling in international transportation so that his rights and the airline's Habilities would be determined by this uniform international law rather than local or domestic law that might otherwise apply, depending upon where the even occurred. That was the purpose.

And to make it -- it was made mandatory for the airlines, compulsory to deliver a ticket by imposing the sanction in Article 3(2), that if you accept a person as a passenger without a ticket having been delivered, then you shall not be entitled to limit or exclusion for liability.

QUESTION: And how should the passenger prove that if he didn't have a ticket?

MR . TOMPKINS: From --

QUESTION: That sounds crazy to-me.

MR. TOMPKINS: Well, the contract of transportation, if Your Honor please, could be a completely separate document. The contract of transportation could be oral.

QUESTION: It couldn't and comply with the treaty.

MR. TOMPKINS: Yes, it could, if Your Honor please, as long as you have a contract of transportation. We're dealing in the treaty with a contract right of action, not a tort right of action. A contract right of action.

QUESTION: But you just told me that the carrier could not exonerate itself from liability by putting something in that contract that would be exculpatory.

MR. TOMPKINS: That's what this treaty accomplished.

QUESTION: But you're saying that -
MR. TOMPKINS: That's what this treaty changed.

QUESTION: -- if the carrier did that, it

could get away with it if it didn't deliver a ticket?

MR. TOMPKINS: No, it could not, because there's another provision in this treaty that provides that any provision in the contract which tends to alter

these Ilability rules is null and void. So, the carrier could not do that in the contract.

QUESTION: I see.

MR. TOMPKINS: And this whole concept -
GUESTION: I fail to under -- I just -- maybe

I'm just dumb, but I don't understand why the passenger

needed the ticket to establish his rights if he could

prove he was a passenger on that flight.

MR. TOMPKINS: It gave him evidence of his contract of transportation. That I can only suggest, Your Honor, is all that the history reveals.

QUESTION: If he's among the -- well -QUESTION: Why punish him for not having
evidence? I mean, that's its own punishment, you're
saying, since it's going to be hard for you to prove
that you're a passenger, we are furthermore going to
deprive you of your rights, even if you do prove you're
a passenger. That doesn't make any sense. I agree with
Justice Stevens.

MR. TOMPKINS: Obviously I would be a passenger, if Your Honor please, if I've been injured or killed on your airplane. I was on there in some capacity. I wasn't a crew member.

Now, in order to establish -- I wasn't a stowaway, so I am a passenger. I am being flow from

London to Paris on your airplane. And now a claim arises and either myself, if I survive, or my heirs if I don't, want to see the airline. And this law -- this treaty was designed to provide a uniform international law for that very right of action.

about people being flow without tickets for some --- was it considered some form of unfair competition or maybe was there worry about people being flown into countries without --- without proper documentation or anything of that sort? That might explain it.

MR. TOMPKINS: The history of the drafting of the treaty does not reflect any concern of that nature, if Your Honor please. It might have been there. There might have been instances where passengers rushed up to an airplane in the 1925-1926 era and the airline said go ahead and get on and I'll take you to Paris. But there's no reflection in the history whether that was a concern.

CUESTION: Mr. Tompkins, Korea signed the Montreal Agreement, is that correct?

MR. TOMPKINS: Korean Air Lines signed a counterpart to the Montreal Agreement, yes.

QUESTION: Would you mind telling me why they don't print the tickets in ten point type as they agreed

to do?

MR. TOMPKINS: I wish -- I wish I had the answer to that, Your Honor, and it's not an uncommon occurrence. It's not ilmited just to Korean Air Lines.

I can offer this explanation as to how it happened. Korea is a party to the Hague Protocol amending the Warsaw Convention. The Hague Protocol requires a specific notice that the convention applies and limits the carrier's liability. The Hague Protocol provides that if you do not give that notice, the sanction in Article 3(2) will apply.

International Transport Association agreed that that notice would be printed in eight point type. And throughout the world, those tickets are printed in eight point type with Korean Air Lines having their tickets printed outside of the United States, even though they are committed to issue a Montreal advice in ten point type, it is quite possible that the printer uses the same type size for the Hague notice, which is a separate part of the ticket, and the Montreal advice. I can offer no explanation other than that.

It is not a deliberate course of conduct. If it were a deliberate course of conduct on the part of any foreign air carrier flying to this country, as Chief

Judge Robinson in the District Court suggested and the Civil Aeronautics Board, now the Department of Transportation, has ample authority to revoke the permit or to take other enforcement action.

The Montreal Agreement, if Your Honor please, does not amend the Warsaw Convention. The Montreal Agreement supplemented the limit of Hability and was a compromise which was arrived at at the Insistence of the United States as a condition to it remaining a party to the Warsaw Convention.

The United States sought to have the world community agree to a minimum of \$100,000 limit of liability in 1965-66 or, alternatively, no limit.

The Warsaw Convention is a treaty to which the United States has adhered for some 54 years and continues to urge adherence to the treaty. In fact, the Senate next year will be called upon to consider again the most recent protocols, Montreal protocols 3 and 4, to further amend the treaty.

CUESTICN: Didn't it come -- didn't the U.S. come pretty close to pulling out in the sixties?

MR. TOMPKINS: Yes, in 1965, if Your Honor please, the United States served a notice of denunciation of the Warsaw Convention effective in May of 1966 as a direct result and as the sole reason, the

rest of the community party to the convention to agree to a much higher limit of Hability.

That didn't work. The emergency meeting called in Montreal by the International Civil Aviation Organization in January and February of 1966 was a total failure. The rest of the world there were now in the United States adhered to the Warsaw Convention. There were perhaps 30 countries parties. In 1965 there were perhaps 75 or 85 countries, and the rest of the world wasn't concerned about the tort, escalation of awards in tort cases in the United States. They were concerned about this International treaty. So, they would not agree to a higher limit.

At the eleventh hour through the thought and the genius of our State Department, and the gentleman responsible is here in the room today, brought up this idea of a special contract under Article 22(1).

Let's get the airlines. Forget the countries. Let's get the airlines to agree to this higher limit of \$75,000 and in order to ensure speedy and adequate, adequately perceived recovery, we'll have them walve their defenses under Article 20, by which you can avoid all liability under the convention as an air carrier. And that was done.

And the airlines readly agreed. The United States accepted that as an interim arrangement, an interim compromise pending continuing negotiations to amend the treaty to achieve even a higher limit of liability.

And as a result of that, the United States withdrew its notice of denunciation the day before it would have become effective.

IN the printed notice instead of eight point? Have they included the required statement under Article 3 of the Warsaw Convention?

MR. TOMPKINS: According to the Lisi case,
Your Honor, that would be an issue of fact for a jury.
However, it is our position reading the treaty that no
notice is required. So that if there's nothing in the
ticket, the situation is the same, whether it's one
point type or twenty point type --

QUESTION: Or nothing?

MR. TOMPKINS: Nothing.

QUESTION: Or no notice at all?

MR. TOMPKINS: Because If you go, go right to the treaty language, if Your Honor please, even the statement in Article 3(1)(3) is only a statement that the liability rules of the Warsaw Convention apply to

the transportation. It doesn't mention anything about a limit of liability. And you would have to search long and far to find out what the limit of liability might be that applies to you. And if you go to the treaty, you'll find it's in French francs and then you'll have to go somewhere else to find out what that means in dollars to me, and then you'll have to go somewhere else to find out if — was this a Hague amendment case? Is this a Warsaw case? Is this a Montreal case? Which limit applies to me?

So, it's very clear from the drafting history of the treaty and from the language of the treaty itself that notice is not a concept that is permitted under the treaty as a precondition to the application of the limitation of liability.

This concept of notice is a tort concept, and it evolved in this country in the fifties and the sixties and seventies and is continuing to evolve. The imposition of tort concepts on contract causes of action.

QUESTION: Well, certainly the concept of notice was terribly important to this country for its decision to continue to adhere to the convention.

MR. TOMPKINS: With respect, Your Fonor, it
was not. And let me give you the history on that.

In 1953, as a result, I submit, of the famous

The United States suddenly became aware at the government level there's something wrong here because she never saw her ticket, she never agreed to a limitation on Hability, and she didn't even know she was going to Lisbon.

Now, in 1953 the United States decided to take steps at the diplomatic level to amend the treaty, and one of those steps was to require notice of the limitation of liability in the convention amount, specifically in the notice, in contrasting color, in a minimum type size. And in 1955 the United States was able to persuade the rest of the international community to agree to the notice, but not the color, not the type size, and not the amount, just the notice, in the Hague Protocol.

CUESTICN: They aldn't sign?

MR. TOMPKINS: Finally when the Senate acted upon that in 1965, the Senate said it would give advice and consent if it was complementary Congressional legislation adding an additional amount of \$50,000 per

passenger. That legislation was to have been acted upon within that Congress. It didn't, and the United States served notice of denunciation from the Warsaw Convention.

But the important thing is: The United States signed the Hague Protocol in 1956. It went to the Senate in 1959 and nothing happened.

And so in 1963 the Civil Aerchautics Board took it upon itself, acting in the public interest, uncer its statutory authority to require carriers operating to, from, or through the United States as a matter of regulation to give the Hague notice. And that was the origin of what ultimately became the Montreal advice because --

of the convention requires a statement that the transportation is subject to the rules relating to liability?

MR. TOMPKINS: That is correct. And that is in all the tickets. It's in three times in tickets. It's in in the Montreal advice. It's in in the Hague advice, and it's in in the Warsaw advice.

QUESTION: Well, did the ticket in this case contain that sort of statement?

MR. TOMPKINS: Yes, it did.

QUESTION: But in -- in what, eight point type?

MR. TOMPKINS: Well, it was in various sizes. In the Montreal advice the statement was eight point type. In the Hague statement, I believe, it was eight point type, and in the Warsaw statement it might have even been smaller. I'm not sure. But the statement was in the ticket. There's no question about that.

But the important thing is that even if it weren't there, even if it weren't there, the intent of the parties to the treaty is absolutely clear through 55 years that the application of the limitation of ilability does not depend upon the carrier — the passenger having notice of the limitation of liability either express or implied.

QUESTION: But that is not necessarily clear from a reading of Article 3, is it?

MR. TOMPKINS: Well, it is, if Your Honor please, it is to me. When I read Article 3.

QUESTION: Well, your case --

MR. TOMPKINS: Particularly when I read Article 3 in the context of Articles 4, 8 and 9.

QUESTION: Well, I was going to say, your case would be much different, would it not, if the language in Articles 4 and Articles — and the othe articles on waybills were not there. Then we'd have a very different case, would we not?

QUESTION: Is there any reason that you can divine for having the statement in baggage and waybill portions of the ticket but not the passenger ticket?

MR. TOMPKINS: The history indicates that the only reason that this decision was taken was that the parties considered it too severe to impose unlimited liability and absolute liability because your defenses are stripped as well for an error in the ticket, for the omission of one of the particulars in the ticket. And putting that passenger in the same category with respect to the airline as if the airline were guilty of wilful misconduct.

The only other circumstance in the treaty where the limit can be broken and the very situation that confronts the people in this unfortunate disaster would happen, the situation that the parties did not want to happen.

QUESTION: Why was that too severe for people but it wasn't too severe for baggage? I think that's the question that Justice Kennedy is asking.

MR. TOMPKINS: The understanding, as I gather

it from the history, if Your Honor please, is that with baggage and with cargo, the users of air transportation would be more used to taking out insurance and protecting themselves individually. Now, this is all I can gather from the history.

There was a distinction made. It's difficult to understance why --

QUESTION: Well, that would seem to work the other way around.

MR. TOMPKINS: It is difficult to understand why the human passenger, the human life was treated differently than baggage and cargo, but the fact is it was.

refer to really part of the amendment offered by Greece or is it in some other part of the negotiations or is it just an inference?

MR. TOMPKINS: No, it's, I submit, in the minutes of the Warsaw Conference in 1929, which we have cited repeatedly in our brief in the English translation by Mr. Horner. The original French minutes are quite clear as well.

The discussion which is reported by Mr. De Vos in 1929 revolved around the Greek proposal which had been made before the conference was convened that this

MR. TOMPKINS: A passenger with a defective ticket --

QUESTICN: Mr. De Vos' statement, though, supports the petitioners here.

MR. TOMPKINS: I don't read Mr. De Vos' statement that way, if Your Honor please. I read it exactly the opposite.

QUESTION: Well, let's look at it again.

I thought he said at page A-86 in the petitioners' brief that the sanction provided for carriage of passengers without a ticket or with a ticket not conforming to the convention is identical to that provided for the carriage of baggage and goods.

MR. TOMPKINS: This, if Your Honor please, is the opening report of Mr. De Vos to the conference describing the draft convention which had been prepared in Paris in 1925, which the countries were meeting to discuss. This is not the final draft that was adopted at the conference in 1925.

And if I could refer you, if Your Honor please, and I will refer specifically to the French minutes at pages 100-101 and Mr. Horner's book at page 150-151, where Mr. De Vos --

QUESTION: Is that something before us here?

Can you refer us to anything --

MR . TOMPKINS: Yes.

QUESTION: -- in our set of briefs?

MR. TOMPKINS: I refer you to the full discussion of the development of that draft on pages 12-19 of the respondent's brief. There is a full discussion with the references there as to exactly how Article 3 paragraph 2 came to be what it is today, what it was in 1929 and what it is today.

And what Mr. De Vos reported after the drafting committee had dealt with the 1925 draft in light of the Greek suggestion, what he reported to the conference when Article 3 was adopted was — the drafting committee has deleted from the draft the sanction, the following words on the last line of Article 3(2): "or if the ticket does not contain the particulars indicated above." Those words which were in the draft were stricken before the article was adopted, and that was what the parties did. And yet, the petitioners and the government argue now well, it's been there all along anyway.

In conclusion, if Your Honors please, the trend of Judicial treaty writing to find new ways to avoid what is considered to be distasteful,

anachronistic and inadequate limitation of liability in this treaty was arrested by the decision of the court below. I submit that that decision is a correct interpretation of the treaty. It is consistent with the wording of the treaty. It is consistent with the history of the treaty. In fact, both mandate that decision.

The United States is considering further amendments to the treaty to perpetuate its existence as the supreme law of this land, and I submit that it is very important for the rest of the world to know that when the United States commits itself to a treaty, it will be applied as intended by the lower courts of this country. And I urge for that reason that the judgment of the court below be affirmed. Thank you.

CHIEF JUSTICE REHNQUIST: Thank you, Mr.
Tompkins. The case is submitted.

(Whereupon, at 10:58 o'clock a.m., the case in the above-entitled matter was submitted.)

CERTIFICATION

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No. 87-1055 - ELISA CHAN, ET AL., Petitioners V. KOREAN AIR LINES, LTD.

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