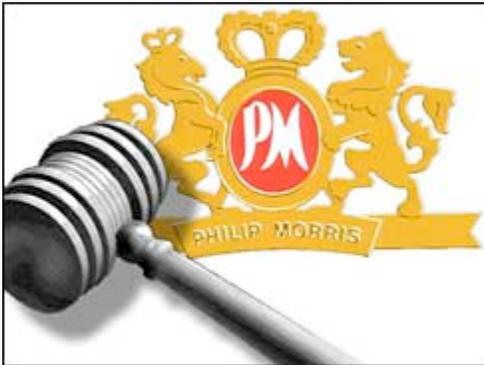


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Philip Morris Ordered To Pay \$10.1B

Judge Rules Tobacco Giant Mislead Smokers On 'Light' Cigarettes

By Bootie Cosgrove-Mather



(AP)

(CBS) An Illinois judge has ordered cigarette maker Philip Morris USA to pay \$10.1 billion dollars for misleading smokers.

In a written ruling, Judge Nicholas Byron said the tobacco giant deceived smokers into believing its light cigarettes are less harmful than regular labels.

Lawyers for the plaintiffs hailed the ruling but Philip Morris said it would appeal the decision.

The case was the first class-action lawsuit in the nation to come to trial alleging a tobacco company committed consumer fraud in its advertising of "light" cigarettes.

Unlike many other high-profile cigarette-related lawsuits, the plaintiffs didn't claim that smoking made them sick. They accused Philip Morris Cos., maker of Marlboro Lights and Cambridge Lights cigarettes, of allegedly committing consumer fraud in its advertising of "light" cigarettes.

Some 23 lawyers worked on the case on both sides, 17 representing the plaintiffs.

Federal health researchers published a report in November 2001 that said light brands are no better for smokers than regular ones.

And on Thursday, a California appeals court has upheld a \$26.5 million verdict against the tobacco company for the second time in a case brought by a former chronic smoker with lung cancer.

In 2001, and in an opinion released Thursday, the 1st District Court of Appeal upheld the judgment, in what was California's first jury award of damages for a smoking-related illness.

Philip Morris said it would appeal to the California Supreme Court.

In its original appeal, the tobacco concern challenged the award given to Patricia Henley, arguing that a 1998 state law allowing smokers to sue tobacco companies does not apply retroactively, especially for a woman

who smoked for four decades. The tobacco concern argued the verdict should have been nullified because a state law only allows suits for damages incurred after 1998.

At the time, the appeals court disagreed, ruling the company should be punished for what the court termed "reprehensible conduct."

But last year, the California Supreme Court ordered the appeals court to review its decision in light of the high court's finding that the industry was shielded from liability between 1988 and 1998, the year the California Legislature revoked that immunity.

In its second appeal, Philip Morris argued that there should be a new trial and that any damages that Henley suffered between 1988 and 1998 should be excluded from the jury's consideration.

But the appeals court rejected that assertion, ruling that Philip Morris could not raise the issue on appeal because it never made such objections during the trial.

The appeals court said Philip Morris touted to children what it knew to be an addictive and toxic product "while doing everything it could to prevent addicts and prospective addicts from appreciating the true nature and effects of that product."

"We hope the California Supreme Court will recognize the unfairness of the court of appeals' decision and send the case back to the trial court for a new trial, this time before a jury that will be permitted to consider only legally appropriate evidence," said William S. Ohlemeyer, a Philip Morris vice president.

A San Francisco Superior Court jury awarded Henley \$51.5 million in 1999. Judge John Munter reduced the verdict to \$26.5 million, saying the new figure was enough to punish Philip Morris for misleading the public about the dangers of smoking and for marketing cigarettes to teenagers.

Henley's suit was the first tried in California since the repeal of a 1988 law that protected tobacco companies against suits by individual smokers.

Henley, 57, started smoking Marlboros at age 15 and smoked three packs a day until 1997, when she quit after suffering coughing fits and other health problems. She was diagnosed with inoperable lung cancer.

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