

Holland & Knight's Cruise Client Wins \$159M Jury Verdict in Miami Court

ABB initially claimed the propulsion systems failure would occur “only once every 1,500 years.” Yet, within a three-year span, four cruise ships sustained the system failures, court records show.

By Michael A. Mora

What You Need to Know

- The Miami-Dade state court jury returned \$159 million in compensatory and punitive damages in favor of the plaintiff, Norwegian Cruise Line.
- The defendants, ABB Inc. and ABB OY, vowed to challenge the decision, including a potential appeal to a state appellate court.

Holland & Knight prevailed in a Big Law battle after a Miami state court jury returned a nine-figure verdict in favor of its cruise line client.

Attorneys Alex Gonzalez, Israel Encinosa and Cary Aronovitz are partners in the law firm's Miami office, who led the representation of plaintiff, Norwegian Cruise Line, in a lawsuit against



The Norwegian Cruise Line Holdings Ltd. Norwegian Sky cruise ship sits docked at the Port of Miami in Miami, Florida, U.S., on Monday, March 9, 2020.

defendants, ABB Inc., a U.S. corporation, and ABB OY, a Finnish company.

The attorneys said the award sent a message to the companies that manufacture propulsion systems that they cannot conceal or misrepresent critical information to their cruise line

customers. Here, the propulsion systems allegedly failed during a voyage that caused “substantial harm to NCL’s reputation and business.”

“They were lucky that even though they were in risky parts of the ocean, it happened to be a day that had fantastic, calm

(Courtesy photo)



(l-r) Israel Encinosa, Cary Aronovitz and Alex Gonzalez.

weather,” Gonzalez said. “But luck isn’t a strategy when you have thousands of people aboard a ship for which you are responsible.”

David A. Coulson, a partner at Winston & Strawn in Miami who represented the defendants along with co-counsel from Greenberg Traurig, declined to comment, but pointed to an email statement that Eike Christian Meuter, senior media relations manager for the ABB companies, provided. In the statement, Meuter declared the battle isn’t over.

“We strongly disagree with the outcome, and will challenge the decision, including a possible appeal to a higher state court,” Meuter said.

Now, after a four-week trial before Miami-Dade Circuit Judge Alan Fine, the jury returned more than \$159 million in compensatory and punitive damages in favor of NCL.

Gonzalez said his client hopes the ruling will prevent this

type of alleged “misconduct by the ABB defendants in the future.”

The dispute centered on alleged fraud, negligent misrepresentation and omissions.

In the fourth amended complaint, NCL alleged the ABB defendants, the manufacturers of Azipods—a critical propulsion and steering system equipped in many NCL cruise ships—misrepresented the reliability and safety of these products.

Four cruise ships experienced the Azipods’ failure in the span of three years. Those failures allegedly imperiled the safety of NCL’s passengers and crew, per the amended complaint. Meanwhile, ABB had claimed that “such failures occur only once every 1,500 years.”

At the time, the total cost to mitigate these propulsion failures and their aftermath was estimated to exceed \$140 million, per court documents.

The plaintiff attorneys noted a unique challenge arising from the litigation taking place during the coronavirus pandemic. They had to fly in witnesses from “around the world who have dealt with the ABB defendants for years, and all they wanted was vindication after being misled for years.”

As a result, during the trial, the plaintiff attorneys—who were assisted in the litigation



(Courtesy photo)

Miami-Dade Circuit Judge Alan Fine.

with Holland & Knight associates, Vanessa Lopez, Kayla Pragid and Anthony Sirven—played 17 depositions to the jurors.

Gonzalez said the affected cruise ships held more than 3,000 passengers, and were similar to “small towns on the ocean.” And some of these depositions proved that ABB was aware of a problem that could potentially ruin the cruises for these passengers, attorneys argued.

Encinosa added that the ruling showed that claims for fraudulent misrepresentation and omissions are alive and well in Florida. In cases like this, they function to ensure that manufacturers of equipment who are aware of critical issues to provide that information to their customers.

Encinosa said, “Punitive damages were awarded to make sure that this does not happen again.”