

Court Grants Summary Judgment Against Coca-Cola in Breach of Collective Bargaining Agreement Claim by United Steel Workers

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In *Local Union 2-2000 United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial, Chemical and Service Workers International Union v. Coca-Cola Refreshments U.S.A. Inc.* (W.D. Mich. Nov. 21, 2012), the Honorable Janet T. Neff granted summary judgment in favor of the United Steel Workers against Coca-Cola on a breach of contract claim concerning wage increases under the parties' collective bargaining agreement. The opinion addressed two interesting legal issues.

First, the court rejected Coca-Cola's statute of limitations argument under 29 U.S.C. § 160(b), which provides that "no complaint shall issue based upon any unfair labor practice occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon a person against whom such charge is made." Coca-Cola argued that, because the United Steel Workers had filed an unfair labor practice charge concerning their unpaid wages claim approximately nine months after becoming aware of the issue, Section 160(b) barred the union's claim. The court rejected this argument, concluding that it would be "inappropriate" to apply the six-month limitations period to what was a pure breach of contract claim. Instead, the court held that the applicable statute of limitations was the six-year statute of limitations under Michigan law for breach of contract actions. *Op.* at 13–15.

The second significant issue related to interpretation of the collective bargaining agreement. The collective bargaining agreement included schedules for wage increases in "Year 1, Year 2, and Year 3" without further defining those terms within the primary contract document. The court held that this contract language was ambiguous, requiring introduction of parol evidence of the parties' negotiation history. The court found clear and convincing evidence in the negotiating history that the union's interpretation of the "Years" was correct, in that "Year 1" referred to the first 365 days after the effective date of the contract, etc. *Id.* at 19.

The court also concluded that there was clear and convincing evidence of a mutual mistake in the drafting of the final collective bargaining agreement. Coca-Cola listed specific dates for the wage adjustments in an appendix to the collective bargaining agreement. The court found that the dates listed in the appendix were not bargained for and never agreed to by the parties, rejecting as self-serving subsequent statements from Coca-Cola's negotiators that Coca-Cola did not consider the

dates unilaterally added to the appendix by Coca-Cola a "mistake." *Id.* at 20–21.

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