

Collective Bargaining Agreements Must Be Interpreted Under Ordinary Principles of Contract Law

6 Mar 2018

[James N. Markels](#)

In a *per curiam* opinion in [CNH Industrial N.V. v. Reese](#), the Court reversed the Sixth Circuit's decision to apply its precedent to render a collective bargaining agreement ambiguous as a matter of law. In a previous case, *M&G Polymers USA, LLC v. Tackett*, 574 U.S. ___ (2015), the Court required the Sixth Circuit to interpret such agreements using ordinary principles of contract law, rejecting the Sixth Circuit's practice of using a series of inferences stemming from its decision in *International Union, United Auto, Aerospace, & Agricultural Implement Workers of Am. v. Yard-Man, Inc.*, 716 F.2d 1476 (1983). In this case, the Sixth Circuit used the *Yard-Man* inferences to find CNH's group benefit plan to be ambiguous as to whether it created a vested right to lifetime health care benefits, using extrinsic evidence to hold that it did. The Court noted that no other Court of Appeals would find ambiguity in these circumstances, and remanded the case for proper application of *Tackett*.