

# The Supreme Court - February 20, 2018

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The Supreme Court of the United States issued two decisions today:

**CNH Industrial N. V. v. Reese**, No. 17-515: Based upon its decision in *International Union, United Auto, Aerospace, & Agricultural Implement Workers of Am. V. Yard-Man, Inc.*, 716 F.2d 1476 (6th Cir. 1983), the Sixth Circuit applied a number of “*Yard-Man* inferences” when interpreting collective-bargaining agreements. In 2015, the Supreme Court rejected these inferences – which included an inference that collective-bargaining agreements vested retiree benefits for life – as inconsistent with ordinary principles of contract law. *M&G Polymers USA, LLC v. Tackett*, 574 U.S. \_\_\_ (2015). In this case, retirees filed a lawsuit against CNH Industrial alleging that their health care benefits vested for life, and the District Court granted summary judgment for the retirees. The Sixth Circuit affirmed in relevant part. In doing so, it relied on the same *Yard-Man* inferences rejected by the Supreme Court in *Tackett* not to infer life vestment, but to infer ambiguity in the agreement which in turn allowed for consideration of extrinsic evidence. That extrinsic evidence supported vestment for life. Today, the Court reversed, holding that a contract is not ambiguous unless it is subject to more than one reasonable interpretation, and the *Yard-Man* inferences cannot generate a reasonable interpretation because they are not ordinary principles of contract law.

The Court's decision is available [here](#).

**Montana v. Wyoming**, No. 137, Orig.: In a case arising under the Court's original jurisdiction, the Court today ordered judgment in favor of the State of Montana and against the State of Wyoming for violations of the Yellowstone River Compact. These violations were the result of Wyoming reducing the water volume available in the Tongue River at the Stateline between the two states in 2004 and 2006.

The Court's decision is available [here](#).

## Related Capabilities

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