Hyundai Motor America vs. National Union Fire Insurance Company

Year: 2008
Court: U.S. Court of Appeals, 9th Circuit
Case Number: 08-56527

The district court erroneously held that “advertising injury” insured under the CGL Policies at issue did not include “an injury caused by patent infringement even if that injury occurs during the course of an advertising activity.” The district court also failed to properly apply the California Rules governing the interpretation of insurance policies, including the requirement to interpret ambiguous insurance policy language in a manner that protects the objectively reasonable expectations of the insured. The court below failed to apply California law correctly when it failed to engage in the same rigorous analysis as employed by the courts in Lebas Fashion, Mez and Homedics. As made clear by the holding in Lebas Fashion, the phrase “misappropriation of advertising ideas or style of doing business” and its constituent terms are ambiguous. Accordingly, under controlling California law, the court below was obliged to interpret the operative policy language in accordance with the insured’s objectively reasonable expectations of coverage.

UP's brief was prepared pro bono by Lee M. Epstein, Esq.