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BLOGS

Vicarious Liability

California Federal Court Grants Judgment Against Plaintiff

The parent companies of a hotel chain prevailed against personal injury claims brought in *Reider v. Radisson Hotels Int'l et al.*, No. 3:08-cv-02328 (S.D. Cal. March 8, 2010). The case arose out of serious injuries suffered by the plaintiffs when they fell through a glass door in a sports bar located within a Radisson hotel in Japan. The hotel was operated under a management agreement between the hotel owner and a subsidiary of the defendants based in Singapore. The plaintiffs failed to name the subsidiary as a defendant, bringing suit instead against the two parent companies in the United States. In granting summary judgment, the court rejected the plaintiffs' "agency" theory that any liability of the subsidiary in operating the hotel should be imputed to the parent companies because they allegedly had a "right to control" the subsidiary. The California federal court rejected the plaintiffs' argument and held that they had presented insufficient evidence of the parent companies exerting any "day to day" control over the subsidiary, which was the correct legal test for determining agency under California law. Gray Plant Mooty represented the parent companies in this case and represents the franchisor of the system.