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BLOGS

System Standards/Change

Ninth Circuit Affirms \$16 Million Verdict in Favor of Licensee

The United States Court of Appeals for the Ninth Circuit last week affirmed a judgment won by an Avis licensee in Alaska who claimed that Avis steered business toward Budget® branded locations after the acquisition of that brand in 2002. *Alaska Rent-ACar, Inc. v. Avis Budget Group, Inc.*, 2013 U.S. App. LEXIS 4566 (9th Cir. Mar. 6, 2013). The Alaska-based plaintiff claimed that Avis violated a prior settlement agreement, which promised licensees that any rental car companies acquired by Avis in the future would maintain separate sales, marketing, and reservation operations. An Alaska federal court jury awarded \$16 million to the plaintiff on its breach of contract claims. The appeal by Avis challenged the verdict on the grounds that the plaintiff was not covered by the prior settlement, and that errors occurred in the course of jury selection and the admission of expert testimony (particularly as to damages). The appeals court upheld the result on all grounds.

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