

# One Minute Memo<sup>®</sup>



## California Supreme Court Sides With Plaintiffs On Key 17200 Statute of Limitations Issue

Resolving a long-festering split among both state and federal courts, the California Supreme Court recently held that the continuous accrual doctrine and similar common law rules that can undermine a statute of limitations defense apply to claims brought under California's Unfair Competition Law, Business & Professions Code Section 17200, *et seq.* (the "UCL"). The unanimous decision, in *Aryeh v. Canon Business Solutions Inc.*, No. S184929, 2013 WL 263509 (Jan. 24, 2013), also applies to the discovery rule and the doctrines of continuing violation, equitable tolling and fraudulent concealment.

Under the UCL's statute of limitations provision, "[a]ny action to enforce any cause of action pursuant to [the UCL] shall be commenced within four years after the cause of action accrued." Cal. Bus. & Prof. Code § 17208. The text of the provision, however, is silent on whether common law exceptions to the accrual rule apply. The Court in *Aryeh* concluded that the exceptions do apply because "[a] statute will be construed in light of common law decisions, unless its language clearly and unequivocally discloses an intention to depart from, alter, or abrogate the common-law rule concerning the particular subject matter." *Aryeh*, 2013 WL 263509 at \*4 (citation omitted). The Court also found the UCL's legislative history supports application of the exceptions. *Id.*

Importantly, the Court did not hold that each common law exception is available for all types of UCL claims (*i.e.*, fraudulent, unfair and unlawful). Rather, noting that there are many types of claims under the UCL, it recognized that "it makes sense to acknowledge that a UCL claim in some circumstances might support the potential application of one or another exception [], and in others might not." *Id.* (citations omitted). The Court also reiterated that, under the continuous accrual doctrine, each breach or violation gives rise to a separate claim for statute of limitations purposes, and claims accruing more than four years before filing of the complaint are still barred.

By: *Scott M. Pearson* and *Daniel M. Hargis*

*Scott M. Pearson* is a litigation partner and *Daniel M. Hargis* is a litigation associate in Seyfarth's Los Angeles - Century City office. If you would like further information, please contact your Seyfarth attorney, Scott M. Pearson at [spearson@seyfarth.com](mailto:spearson@seyfarth.com) or Daniel M. Hargis at [dhargis@seyfarth.com](mailto:dhargis@seyfarth.com).