

## [Second District Court of Appeal Confirms That Plaintiff Must Prove Reliance When Bringing Misrepresentation Claim Under UCL, FAL and CLRA](#)

Posted on November 23, 2009 by [Lee Cirsch](#)

In the recently issued decision [Princess Cruise Lines, LTD v. Superior Court](#), plaintiffs sued Princess Cruise Lines, Ltd. (“Princess”) over charges added to the price of shore excursions taken during a cruise. They alleged causes of action for violation of [California’s Unfair Competition Law](#) (UCL), [False Advertising Law](#) (FAL), [Consumers Legal Remedies Act](#) (CLRA) and common law fraud and negligent misrepresentation.

Princess moved for summary judgment and summary adjudication. The trial court granted summary adjudication on the fraud and negligent misrepresentation claims because plaintiffs could not show they relied on Princess’ alleged misrepresentations. It denied summary judgment because it concluded that on the UCL, FAL and CLRA causes of action, plaintiffs did not have to show that they relied on Princess’ alleged misrepresentations.

Princess took a writ of mandate to the Court of Appeal. Citing to the recent California Supreme Court decision in [In Re Tobacco II Cases](#), the Court of Appeal confirmed that

a class representative proceeding on a claim of misrepresentation as the basis of his or her UCL action must demonstrate actual reliance on the allegedly deceptive or misleading statements, in accordance with well-settled principles regarding the element of reliance in ordinary fraud actions.

Relying further on language from *Tobacco II*, the Court of Appeal specified that reliance must be proven only in situations where a UCL action is based on a fraud theory involving false advertising and misrepresentations to consumers. It further held that the *Tobacco II*’s analysis of the phrase “as a result” in the UCL was equally applicable to identical language in the CLRA statute.