

Federal Court Prohibits Union From Striking To Prevent Sale Of Business To Non-Union Employer

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Last week a New York federal district court granted a preliminary injunction against the Teamsters union after it threatened to go on strike against Will Poultry, Inc. if the company proceeded to sell its business to a non-union purchaser who had no plans of assuming the parties' collective bargaining agreement (CBA). The parties' CBA did not have a "successor clause" or any other language obligating a purchaser to assume or otherwise recognize the Teamsters union upon a sale. When the Teamsters demanded that Will Poultry modify the CBA to include a "successor clause" in advance of the sale or face a strike, the company filed for an injunction in federal court.

While the CBA did not contain an express "no strike clause," it did have a grievance/arbitration provision, and the court held that constituted an "implied" no strike clause. Accordingly, the court issued an order prohibiting the union from striking in violation of the implied no strike clause, which almost certainly would have killed the pending sale.

While the New York federal court correctly found an implied no strike clause in this case, this case should serve as a reminder that you should always review your CBA in advance of successor contract negotiations to make sure any language issues (like the lack of a no strike clause) can be addressed.

The Teamsters have filed for an appeal of the decision, but a copy of the district court's order [can be found here](#).

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