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Legal Sidebar

# Civil Procedure at the Supreme Court: Selected Cases from the October 2024 Term

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During the October 2024 term, the Supreme Court considered multiple cases focused on procedural issues. Among them were cases raising questions related to jurisdiction over suits removed from state court to federal court, eligibility for awards of attorney's fees, the effects of voluntary dismissal of a case, and the standard that applies to a request to vacate a judgment for the purpose of filing an amended complaint. Each of the cases involved the application of federal statutes or rules of procedure. Congress has the power to amend the laws and procedural rules that govern proceedings in federal courts. Thus, the cases may be of interest to Congress because Congress could amend the specific provisions at issue in these cases or could look to the rulings as guidance on how the Court might interpret related legislation in the future. This Legal Sidebar provides an overview of four civil procedure cases from the Supreme Court's October 2024 term, listed chronologically by date of decision, then briefly discusses related considerations for Congress.

## *Royal Canin U.S.A. v. Wullschleger*

*Royal Canin U.S.A. v. Wullschleger*, decided January 15, 2025, concerned the scope of federal court jurisdiction over cases removed from state court to federal court.

As a general matter, a plaintiff filing a civil lawsuit is "master of the complaint" and can choose what claims to pursue and which court to file in, but the defendant may be able to change where the case proceeds. One choice the plaintiff may be able to make when filing is whether to sue in state or federal court. If the plaintiff files suit in state court, the defendant may sometimes *remove* the case to federal court and proceed there instead. Several federal statutes allow for removal to federal court in different situations. The most commonly invoked is the general federal removal statute, 28 U.S.C. § 1441. Subject to certain exceptions, that statute allows for removal of "any civil action brought in a State court of which the district courts of the United States have original jurisdiction"—that is, any case filed in a state court that could have been filed originally in federal court. The general removal statute does not apply to all state court suits because state courts can hear most civil cases, including many types of cases that could proceed in federal court, but federal courts have jurisdiction to decide only certain limited categories of cases. Once a federal district court has jurisdiction over some claims in a case, 28 U.S.C. § 1367

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empowers the court to exercise "supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy."

The plaintiffs-respondents in *Royal Canin* were consumers who filed claims of antitrust violations, unjust enrichment, and deceptive marketing against the defendant-petitioner pet food company. The suit was based on Missouri state law, but the defendant-petitioner removed the case to federal court under § 1441, arguing that the claims were actually federal in nature. Following years of litigation over which claims were federal, the plaintiffs amended their complaint to omit the claims deemed to be federal and moved to remand the case to state court. The district court denied remand and dismissed the case. On appeal, the U.S. Court of Appeals for the Eighth Circuit reversed, holding that amending the complaint to omit all federal claims prevented the federal courts from exercising either original jurisdiction or supplemental jurisdiction over the case.

Before the Supreme Court, the petitioner argued that the amendment of the complaint to remove federal claims did not deprive the federal courts of jurisdiction over the remaining claims under § 1367 and relevant court decisions including *Carnegie-Mellon University v. Cohill*. A unanimous Supreme Court disagreed, applying the rule that when a plaintiff amends a complaint, the new complaint controls for purposes of determining jurisdiction. The Court thus held that, in removed cases, "[w]hen an amendment excises the federal-law claims that enabled removal, the federal court loses its supplemental jurisdiction over the related state-law claims. The case must therefore return to state court."

## *Lackey v. Stinnie*

The Supreme Court's February 25, 2025, decision in *Lackey v. Stinnie* concerned when litigants are eligible to have the opposing party pay their attorney's fees.

The default rule governing attorney's fees and other litigation costs in the United States, known as the "American rule," dictates that each party pays its own costs regardless of the outcome of a case. Congress has enacted multiple fee-shifting statutes that allocate liability for fees and costs differently in specific categories of cases. One such statute is 42 U.S.C. § 1988, which provides that, in proceedings to enforce certain federal civil rights statutes, "the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs." A litigant must be a "prevailing party" to be eligible for any award of attorney's fees. If a litigant has prevailed, the court then considers what amount of fees is reasonable.

The plaintiffs-respondents in *Lackey* were individuals who had their driver's licenses suspended under a Virginia law that required the defendant-petitioner, the commissioner of the Virginia Department of Motor Vehicles, to suspend licenses for "failure or refusal" to pay court debts, without regard for the licensees' ability to pay. The plaintiffs challenged the law in federal district court, and the court granted a preliminary injunction (PI) requiring reinstatement of their licenses while the case was pending. Before the court issued a final ruling in the case, the Virginia legislature repealed the challenged law. The parties agreed that the repeal rendered the case moot, meaning there was no longer a live controversy to litigate, and the plaintiffs asked the court to require Virginia to pay their attorney's fees. The district court and a three-judge panel of the U.S. Court of Appeals for the Fourth Circuit (Fourth Circuit) denied the request for fees, applying existing Fourth Circuit precedent. The full Fourth Circuit sitting en banc then overruled circuit precedent and held that the plaintiffs had prevailed by obtaining a PI.

Before the Supreme Court, the commissioner argued that a PI does not confer prevailing party status under § 1988 because it does not provide relief on the merits or "create an 'enduring change in the [parties'] legal relationship.'" The commissioner further argued that a bright-line rule on this issue would be easier to administer than requiring case-by-case analysis of whether a party who obtains a PI has prevailed. The respondents proposed a competing test to determine prevailing party status: "whether a plaintiff wins tangible relief from a court order that is never undone on the merits." They asserted that

every circuit court to address the issue had held that a PI may satisfy that test. Among multiple amici curiae on both sides of the case, the United States filed a brief in support of the commissioner, arguing in part that "prevailing party" is a legal term of art the "has long been used to refer to the 'party in whose favor a judgment is rendered.'"

The Supreme Court reversed the en banc Fourth Circuit. Against the background of the rule that express statutory authorization is required for any departure from the American rule, the Court explained that "prevailing party" is a legal term of art meaning a party "ultimately prevailing when the matter is finally set at rest." Applying that definition, the Court held that, "[b]ecause preliminary injunctions do not conclusively resolve the rights of parties on the merits, they do not confer prevailing party status." The Court stated that this bright-line rule serves the interests of judicial economy. Justice Jackson dissented, joined by Justice Sotomayor.

## *Waetzig v. Halliburton Energy Services*

On February 26, 2025, in *Waetzig v. Halliburton Energy Services*, the Supreme Court held that voluntary dismissal without prejudice of a civil action is a "final judgment, order, or proceeding" that may be reopened pursuant to Federal Rule of Civil Procedure 60(b).

Rule 60(b) allows a district court to "relieve a party ... from a final judgment, order, or proceeding" in certain circumstances, such as when the judgment is based on mistake or fraud. The plaintiff-petitioner in *Waetzig* sued his former employer, defendant-respondent Halliburton, for wrongful termination in violation of the Age Discrimination in Employment Act. Halliburton asserted that the claim was subject to arbitration, and the petitioner voluntarily dismissed his suit and initiated arbitration. The arbitrator ruled in favor of Halliburton. Alleging that the arbitrator had failed to comply with procedural requirements in the parties' arbitration agreement, the petitioner filed a Rule 60(b) motion in district court to reopen his case, seeking to vacate the arbitration award. The district court granted the motion. The U.S. Court of Appeals for the Tenth Circuit (Tenth Circuit) reversed, holding that a voluntary dismissal without prejudice was not a "final proceeding" that could be reopened under Rule 60(b).

Before the Supreme Court, the plaintiff-petitioner argued in part that a voluntary dismissal is a "final proceeding" or, in the alternative, a "final judgment" under the plain text of Rule 60(b). Defendant-respondent Halliburton countered that a voluntary dismissal is not final, nor is it a "judgment, order, or proceeding" subject to Rule 60(b). It also contended that the district court should not even have considered the plaintiff's Rule 60(b) motion because it lacked jurisdiction to vacate an arbitral award.

The Supreme Court unanimously reversed the Tenth Circuit, holding that a voluntary dismissal without prejudice qualifies as a "final proceeding" under Rule 60(b). The Court declined to address Halliburton's jurisdictional argument, holding that the question of whether the dismissal could be reopened under Rule 60(b) was "separate from, and antecedent to, the question whether the District Court could exercise jurisdiction over [the] motion to vacate." With respect to the question presented, the Court first held that a voluntary dismissal without prejudice is final because it terminates an action. It further held that dismissal is a "proceeding" subject to Rule 60(b), a term the Court interpreted broadly to include "all formal steps taken in an action."

## *BLOM Bank SAL v. Honickman*

*BLOM Bank SAL v. Honickman*, decided June 5, 2025, also concerned Rule 60(b), raising the question of whether the stringent standard in Rule 60(b)(6) applies to a post-judgment request to vacate for the purpose of filing an amended complaint.

Subsections 1-5 of Rule 60(b) authorize relief from judgment for certain specified reasons. Rule 60(b)(6) serves as a catch-all, authorizing relief from judgment for "any other reason that justifies relief." The

Supreme Court has held that relief under Rule 60(b)(6) is available only in "extraordinary circumstances," explaining that a "very strict interpretation of Rule 60(b) is essential if the finality of judgments is to be preserved."

The plaintiffs-respondents in *BLOM* were victims and family members of victims of terrorist attacks by Hamas. They sued defendant-petitioner BLOM, alleging that the bank had aided and abetted the attacks by providing financial services to customers affiliated with Hamas. BLOM moved to dismiss the complaint for failure to state a claim on which relief could be granted. The plaintiffs declined an opportunity to amend their complaint, the district court dismissed the case, and the U.S. Court of Appeals for the Second Circuit (Second Circuit) affirmed. The plaintiffs then returned to district court and moved to reopen the case under Rule 60(b)(6) so that they could amend their complaint pursuant to Federal Rule of Civil Procedure 15(a). The district court denied the motion to reopen, the plaintiffs again appealed, and the Second Circuit reversed. While the appeals court acknowledged that reopening under Rule 60(b)(6) is generally available only in extraordinary circumstances, it held that courts should balance that interest against the "liberal amendment policy of Rule 15(a)" when considering a motion to reopen in order to file an amended complaint.

BLOM sought Supreme Court review, arguing that the Court should reject the Second Circuit's balancing test and hold that a party seeking to set aside a judgment to file an amended complaint must first satisfy Rule 60(b)(6)'s stringent standards for vacating the judgment. The plaintiffs-respondents countered that the Second Circuit's approach was consistent with Rule 60(b)(6)'s general purpose of balancing finality with a preference for deciding cases on the merits and that their case presented extraordinary circumstances that warranted reopening under Rule 60(b)(6).

The Supreme Court reversed the Second Circuit in a decision that was nearly unanimous, with Justice Jackson concurring in part and concurring in the judgment. The majority held that Rule 60(b)(6)'s requirement of extraordinary circumstances "does not become less demanding when a ... movant also hopes to amend his complaint. Rather, a party seeking to reopen his case and replead must first satisfy Rule 60(b) on its own terms and obtain Rule 60(b) relief before Rule 15(a)'s liberal amendment standard can apply." The Court disapproved of the Second Circuit's hybrid approach because "Rules 60(b) and 15(a) apply at different stages of litigation and demand separate inquiries."

## Considerations for Congress

In addition to the foregoing cases, the Supreme Court has considered other procedural matters during its October 2024 term. In a June 12, 2025, ruling in *Parrish v. United States*, the Supreme Court held that a litigant who files a notice of appeal before a court grants a motion to reopen the time to appeal need not file a second notice of appeal after reopening. The Court has also considered emergency matters related to federal court procedures, including multiple requests for stays of *nationwide injunctions*—court orders that bar enforcement of a challenged government action with respect to all relevant persons or entities, not just those who are parties to the suit. A Legal Sidebar examines a trio of cases in which the government sought emergency stays of nationwide injunctions against an executive order, and several CRS reports provide additional information on nationwide injunctions, both in general and under recent presidential Administrations. In addition, as discussed in another Legal Sidebar, the Court considered a case related to class action certification requirements under Federal Rule of Civil Procedure 23.

The emergency applications for stays and the merits cases discussed above illustrate the extent to which litigation procedures can affect the outcome of a lawsuit and its practical impact as it remains pending. These cases are of potential interest to Congress because Congress has the ability to legislate in these areas. Congress's authority to regulate the federal courts is subject to certain constitutional limitations. For example, Congress cannot grant the federal courts jurisdiction beyond what is conferred by Article III of the Constitution. As part of that limitation, Congress cannot allow suits in federal court by persons who

lack standing—a personal and concrete interest in the litigation. Article III's Good Behavior Clause and Compensation Clause guarantee federal judges life tenure and salary protection. Other rules and norms related to separation of powers may also limit congressional power over courts, particularly the Supreme Court.

Within those constitutional constraints, Congress has significant authority to regulate federal court procedures. Under a federal statute called the Rules Enabling Act, Congress has granted the Supreme Court the authority to make procedural rules for the lower federal courts, subject to congressional review. Congress can also directly amend the federal procedural rules by enacting legislation. In addition, Congress has enacted numerous statutes regulating proceedings in federal courts at all levels. These include, among other things, statutes defining the federal courts' jurisdiction, directing cases to certain venues, determining how many judges hear cases in each court, and specifying when and how cases may be appealed.

All of the merits cases discussed in this Sidebar involve judicial interpretation and application of procedural rules or statutes. Thus, if Congress disagreed with the Supreme Court's rulings in any of those cases or otherwise seeks to change the applicable law, it could enact legislation to amend the relevant rules or statutes. (The emergency applications related to nationwide injunctions include a constitutional claim. It is not clear whether the Court will reach that question, but if it does, Congress cannot alter a constitutional ruling via legislation.) In two of the cases discussed above, the Supreme Court expressly acknowledged Congress's authority to regulate the courts. In *Royal Canin*, the Court emphasized that "Congress determines, through its grants of jurisdiction, which suits [the lower federal] courts can resolve" and reasoned that the rule it adopted "accords with Congress's usual view of how amended pleadings can affect jurisdiction." In *Lackey*, the Court stated that courts may depart from the default rule related to attorney's fees "only when 'there is express statutory authorization' to do so" and further opined, "If Congress determines that the rule we adopt today is unwise, it may amend the statutory language."

Regardless of whether Congress chooses to legislate with respect to the specific authorities at issue in these cases, it may also look to the Supreme Court's decisions for general guidance on how the Court seeks to construe procedural rules and statutes to give effect to congressional intent.

## Author Information

Joanna R. Lampe
Legislative Attorney

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