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The Supreme Court - February 21, 2018

The Supreme Court of the United States issued four decisions today:

Digital Realty Trust, Inc. v. Somers, No. 16-1276: Paul Somers, a former Vice-President at Digital Realty Trust, brought a claim of whistleblower retaliation under the Dodd-Frank Act against his former employer, alleging he was terminated after reporting suspected securities-law violations by the company to senior management. The definition of "whistleblower" in the Dodd-Frank Act is "any individual who provides . . . information related to a violation of the securities laws to the Commission, in a manner established by rule or regulation, by the Commission." 15 U.S.C. §78u-6(a)(6). Somers did not report those suspected violations to the Securities and Exchange Commission ("SEC"), but the regulations promulgated by the SEC provide anti-retaliation protection without information being provided to the SEC, in circumstances that could include a report to a company supervisor. 17 CFR §240.21F. The District Court, deferring to the SEC's Rule, refused to dismiss the suit on the basis that Somers was not a "whistleblower" because he did not report the alleged violations to the SEC. The Ninth Circuit affirmed, based on its reading of the statute and the SEC's Rule. Today, the Court reversed, holding that Dodd-Frank's text and purpose require that to sue under Dodd-Frank's anti-retaliation provision, a person must first report the violation to the SEC.

The Court's decision is available here.

Rubin v. Islamic Republic of Iran, No. 16-534: A group of United States citizens brought suit against Iran in District Court for the District of Columbia, alleging that Iran was responsible for a suicide bombing by Hamas in Jerusalem that injured the plaintiffs or their close relatives. Iran's sovereign immunity was rescinded in that suit under the Foreign Sovereign Immunities Act's exception for state sponsors of terrorism. 28 U.S.C. §1605A. A default judgment of $71.5 million was awarded, which Iran never paid. Petitioners then brought this action to attach and execute against Iranian assets in the

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United States, including a collection of antiquities on loan to the University of Chicago. The District Court and Seventh Circuit rejected petitioners' argument that §1610(g) provides a blanket exception to the immunity typically given to a foreign state's property where the party seeking attachment and execution holds a §1605A judgment. The Court today affirmed, holding that §1610(g) does not provide a freestanding basis for parties holding a judgment under §1605A to attach and execute against the property of a foreign state, where the immunity of the property is not otherwise rescinded under a separate provision within §1610.

The Court's decision is available here.

Class v. United States, No. 16-424: Petitioner Rodney Class was indicted by a grand jury under 40 U.S.C. §5104(e)(1) for possessing firearms in his locked vehicle, which was parked on U.S. Capitol grounds. Class asked the District Court to dismiss the indictment, claiming that the statute violated the Second Amendment, and that his due process rights were violated because he was denied fair notice of the weapon ban. The District Court denied Class's claims, and Class later pleaded guilty under §5104(e). The plea agreement included certain waivers, but was silent as to Class's right to raise his constitutional arguments on direct appeal. Class appealed, and the D.C. Circuit found that by pleading guilty, Class had waived his constitutional claims. Today, the Court reversed, holding that a guilty plea by itself does not bar a federal criminal defendant from challenging the constitutionality of the statute of conviction on direct appeal.

The Court's decision is available here.

Murphy v. Smith, No. 16-1067: When a prisoner wins a civil rights suit, 42 U.S.C. §1997e(d)(2) requires that "a portion of the [prisoner's] judgment (not to exceed 25 percent) shall be applied to satisfy the amount of attorney's fees awarded against the defendant." Here, petitioner Charles Murphy was awarded a judgment of $307,733.82 against two of his prison guards, and Murphy's attorney was awarded $108,446.54 in fees. The defendants argued that under §1997e(d)(2), Murphy was responsible for 25% of those fees (approximately $77,000), with defendants responsible for the remainder. The District Court, however, only required that Murphy pay 10% of his judgment (approximately $31,000) toward the fee award, with the defendants responsible for the rest. The Seventh Circuit reversed, finding that 25% of the prisoner's judgment must be exhausted before the defendants become responsible for the remainder. The Court today affirmed, holding that in cases governed by §1997e(d), district courts must apply as much of the judgment as necessary, up to 25%, to satisfy an award of attorney's fees.

The Court's decision is available here.