FEDERAL COURT PROCEDURE

<u>Artis v. District of Columbia</u>, --- U.S. --- (2018)
Decided January 22, 2018

FACTS: Artis, a District of Columbia public employee, was terminated. She filed suit under federal law for employment discrimination, and also filed several allied claims under D.C. law. On June 27, 2014, the District Court gave the District of Columbia summary judgement on the sole federal claim, and declined to exercise any jurisdiction over the remaining state-law claims.[1] The federal court, at that time, noted that 28 U.S.C. 1367(d) provided that state law claims were tolled for the duration of the federal litigation and 30 days beyond.
Artis refiled her state law claims in the appropriate local court 59 days later. DC moved to dismiss, arguing the claim was time-barred and was filed 29 days too late. At the time Artis had first filed in state court, nearly two years remained on the three-year statute of limitation for such claims, but two and a half years passed because the U.S. District Court relinquished the claim back to the state court. The DC court rejected Artis's claim that 1367 should be read to "stop-the clock" on the state claims, and that she could have continued to litigate in state court while the federal claims were proceeding. The D.C. Circuit Court of Appeals affirmed, but noted that there were "competing approaches" to interpreting the federal statute in the federal courts – the "stop-the-clock reading and the grace-period reading." It concluded that the grade-period approach (which allowed 30 days to refiled following federal court dismissal) better suited the process.

Artis petitioned for certiorari and the U.S. Supreme Court granted review.

ISSUE: Unless a federal statute says otherwise, if a federal claim is dismissed and the case remanded to state court, does the federal law apply the "stop-the-clock" or "grace period" method of calculating the time to refile in state court?

HOLDING: The "stop-the-clock" method

DISCUSSION: The Court began by noting that "statutes that shelter from time bars claims earlier commenced in another forum generally employ one of two means." The first will be that the state law statute of limitations may be tolled, or paused' while the claim is pending in the other court. Under that reading, the state court statute of limitations would have been suspended, and would then pick back up where it left off when the federal claim was dismissed. The Court noted that in precedent, it had applied that rule in several cases that had reached the high court.

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[1] Although the District of Columbia is, of course, not a state, for the purposes of this type of litigation, its laws are considered to be analogous to state law.

The alternative method would provide a "grace period." The state court statute of limitations would continue to run, and ultimately expire, but the plaintiff would be given a fixed period of time following the termination of the active case to refile the action. Some federal statutes specifically provide for that to be the case, in fact.

The Court engaged in an extended discussion of the meaning of the word "toll" as used in the statute, as well as the phrase "period of limitations." The Court noted a particular absurdity, as it could be interpreted to allow a plaintiff to refile in state court even if the original limitations period had expired, before the case was filed in federal court.

The Court agreed that "the District's interpretation maps poorly onto the language of 1367(d) while Artis' interpretation is a natural fit." Instead, the Court agreed, the mention of 30 days to refile would prove useful when the "federal action is commenced close to the expiration date of the relevant state statute of limitations" – giving the plaintiff, in effect, "breathing space to refile in state court." Adding this brief span, in addition to the statute of limitations, was not unusual in federal statutes, it noted.

The Court explored the background of the purpose for the federal law in question. It noted that "with tolling available, a plaintiff disinclined to litigate simultaneously in two forums is no longer impelled to choose between forgoing either her federal claims or her state claims." The court noted that if the District's position was allowed to prevail, "cautious plaintiffs would surely take up the D.C. Superior Court's suggestion" and pursue active litigation in both fora at the same time. The Court asked "How it genuinely advances federalism concerns to drive plaintiffs to resort to wasteful, inefficient duplication to preserve their state-law claims is far from apparent" and it would work against the preferred judicial efficiency.

The Court agreed that a "stop-the-clock rules is suited to the primary purposes of limitations statutes: 'preventing surprises' to defendants and 'barring a plaintiff who has slept on his rights.'"[2] When this particular statute applies, the court noted, the defendant employer "will have notice of the plaintiff's claims" – by virtue of having responded to the federal claims – "within the state-prescribed limitations period." As such, the defendant would not be "surprised," either by an unexpected claim.

The Court reversed the judgement of the D.C. Court of Appeals and the case remanded.

NOTE: *Although this is a procedural case, involving a specific federal statute, it is relevant to law enforcement agencies as it is common for both federal and state law claims to be pursued in cases with law enforcement as the defendant. In some cases, the elements and the defenses for the state law claims may be different than those that apply in federal court. As such, agencies*

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[2] American Pipe & Constr. Co. v. Utah, 414 U.S. 538 (1974).

should remain aware of the possibility of a renewed state court lawsuit should the federal court decline to exercise jurisdiction over those claims.

FULL TEXT OF DECISION: https://www.supremecourt.gov/opinions/17pdf/16-460_bqm2.pdf