Justices' Revival Ruling In Bias Suit Exceeds Procedural Issue

By **Christopher Sakauye** (March 14, 2025)

Christopher Sakauye

When does final really mean final? That is the question the U.S. Supreme Court **answered** on Feb. 26 in Waetzig v. Halliburton Energy Services Inc.

The case hinged on whether a district court's ability, under Rule 60(b) of the Federal Rules of Civil Procedure, to "relieve a party ... from a final judgment, order, or proceeding" can be invoked when a party voluntarily dismisses their case under Rule 41(a) due to an arbitration requirement in a wrongful termination case.[1]

A unanimous Supreme Court found that it does, but its straightforward decision brings up some complex issues for employment law practitioners.

Supreme Court Holding: Rule 60(b) Applies to Rule 41(a) Dismissal Without Prejudice

Petitioner Gary Waetzig filed a complaint with the U.S. Equal Employment Opportunity Commission against his employer, respondent Halliburton, alleging wrongful termination and age discrimination. When the EEOC allowed Waetzig to move forward with a lawsuit, he sued Halliburton in the U.S. District Court for the District of Colorado.[2]

However, because Waetzig's claims were subject to arbitration, he voluntarily dismissed the federal lawsuit and proceeded through arbitration, where Halliburton won on summary judgment.[3]

Waetzig, wishing to challenge the arbitrator's ruling, sought to reopen the federal lawsuit under Rule 60(b). The district court allowed this and subsequently vacated the arbitration decision.[4]

Halliburton appealed, and a divided panel of the U.S. Court of Appeals for the Tenth Circuit **reversed** the district court's decision on the grounds that Rule 60(b) does not apply to voluntary dismissals under Rule 41(a) because they are not final, nor are they proceedings subject to Rule 60(b).[5]

Waetzig then petitioned the Supreme Court for review.[6]

Justice Samuel Alito, writing for a unanimous court, found that "[t]ext, context, and history support the conclusion that a Rule 41(a) voluntary dismissal without prejudice qualifies as a 'final proceeding' under Rule 60(b)."[7]

Justice Alito pointed to the dictionary definition of "final" from the time period when Rule 60(b) was first enacted, as well as the Advisory Committee on Rules of Civil Procedure notes, for support that "final," as it was understood at the time of enactment, was meant to include voluntary dismissals under Rule 41(a).[8]

The court also rejected Halliburton's position that "final" should be understood to require a final decision, similar to how it is used in appellate law.[9]

Justice Alito reasoned that the requirement of a final decision on the merits in appellate law is necessary to prevent too many rulings from being appealed at all stages of litigation, but there is no similar consideration for Rule 60(b).[10]

Finally, the court held that a voluntary dismissal without prejudice is also considered a proceeding under Rule 60(b), due to similar usage of "proceeding" in other rules.[11]

Justice Alito also explained that the phrase "judgment, order, or proceeding" of Rule 60(b) clearly "speaks in an ascending order of generality."[12]

The court rejected Halliburton's interpretation of "proceeding" to encompass judgments and orders, since such a reading would "strip it of any independent meaning."[13] The court reversed the Tenth Circuit's judgment.[14]

A Potential Tool Related to the Statute of Limitations

Obviously, the main takeaway from this decision is that those in similar situations, who are forced to voluntarily dismiss claims in order to pursue arbitration, now have clarity that they may move to reopen their previous case after arbitration, pursuant to Rule 60(b).

Of course, as the court pointed out, relief under Rule 60(b) is still discretionary, and therefore not guaranteed.[15]

A point not mentioned in the court's opinion is that in the time it took Waetzig to move through arbitration, the statute of limitations for his claim expired.[16] Thus, Waetzig was unable to simply file a new lawsuit.

By confirming that Rule 60(b) can apply to voluntary dismissals, the court has given practitioners a tool to potentially use as a last resort when the statute of limitations is a present concern.

By filing a lawsuit within the statute of limitations period, a practitioner can effectively preserve their claim, even if they voluntarily dismiss it shortly thereafter. Again, such a tool is fact-specific and is still subject to the district court's discretion.

Alternatively, as mentioned by the court, Waetzig could have simply moved for a stay pending arbitration.[17] While that is the easiest method of preserving a claim, that option may not always be available if an attorney is coming in to the case late or taking over from another attorney.

The Changing Employment Law Landscape

One may be tempted to believe that the court's opinion deals purely with a procedural issue, but don't discount the impact it has on other fields of law, particularly employment law.

The journey this case took — from the EEOC to the district court to arbitration — is undoubtedly a familiar one for many employment attorneys. But by making it easier to move back to the district court from arbitration after an unfavorable ruling, the Supreme Court has once again demonstrated its preference for judicial rulings over those by an arbitrator or agency.

Although the court's opinion did not serve as a rebuke to the EEOC, it could certainly be seen as tacit approval for others in Waetzig's situation to challenge an arbitrator's award or take steps to move their case into litigation.

One even wonders if the court's opinion could be a precursor for moving similar cases away from the EEOC or arbitration, and moving them into litigation earlier.

For sure, the court's opinion continues a long string of Supreme Court cases pushing for judicial rulings, although usually at the expense of government agencies' power.

Last term, for example, the court issued a number of opinions that restricted agencies' autonomy in rulemaking and adjudication, like **Loper Bright Enterprises v. Raimondo**, **U.S. Securities and Exchange Commission v. Jarkesy**, **Ohio v. U.S. Environmental Protection Agency** and **Corner Post Inc. v. Board of Governors of the Federal Reserve System**.

This term, the Supreme Court is hearing three additional cases related to different aspects of administrative law beyond Waetzig. In its Jan. 15 **decision** in EMD Sales Inc. v. Carrera, for example, the Supreme Court confirmed that a lower evidentiary standard was required for proving employee exemptions to the Fair Labor Standards Act.

All of this is to say that in a field like employment law, which is deeply intertwined with government regulations, the push toward litigation and judicial decisions is reordering attorneys' priorities depending on which side they represent.

For plaintiffs attorneys, less powerful agencies could potentially mean a quicker avenue to court and a jury trial, which could give them more leverage in negotiations.

For defense attorneys, the court's willingness to enforce the letter of the law has the potential to make case outcomes a little more predictable as courts produce precedent that can be relied upon, instead of often murky agency decisions.

But the constantly evolving landscape makes understanding recent decisions all the more important.

As a final tip, absolutely do not discount the emotional impact that a sympathetic party can have in an employment law case, particularly when someone's job is at stake. In this case, Waetzig was trying to navigate the court system to protest being terminated, allegedly due to his advanced age.

When Waetzig went through arbitration, the arbitrator granted summary judgment to his previous employer without even issuing a written opinion.[18] Thus, when he came back to the district court, the judge likely understood these facts and seemingly went out of the way to find that Waetzig had committed a "careless mistake" in voluntarily dismissing his claim.[19]

If the situation had been reversed, and a sophisticated company like Halliburton had made a similar mistake, it is questionable whether the district court would have looked quite so favorably on it.

Final Thoughts

Although the court's opinion is a straightforward and methodical approach to a simple question, it raises some complex issues.

Employment law practitioners need to be aware that the court's push to move cases away from agency decision-making and into the court system likely means more litigation, but also more standardized outcomes.

No matter which side of the "v." you are on, the evolving landscape will require practitioners to try some new approaches to old problems and, as Justice Alito put it, get "procedurally creative" in litigating their cases.[20]

Christopher Sakauye is an associate at Dykema Gossett PLLC.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of their employer, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

[1] Waetzig v. Halliburton Energy Services Inc., No. 23-971, 2025 U.S. LEXIS 868 (Feb. 26, 2025).

[2] Id. at *4.

[3] Id. at *4-5.

[4] Id. at *5-6.

[5] Id. at *7.

[6] Id. at *8.

[7] Id. at *10.

[8] Id. at *10-11.

[9] Id. at *12-14.

[10] Id.

[11] Id. at *14-16.

[12] Id. at *16-18.

[13] Id. at *16.

[14] Id. at *20.

[15] Id. at *13 (citing Ariz. v. Manypenny, 451 U. S., at 245, n. 19, 101 S. Ct. 1657, 68 L. Ed. 2d 58.).

[16] Waetzig v. Halliburton Energy Servs., 82 F.4th 918, 920 (10th Cir. 2023).

[17] Waetzig, No. 23-971, 2025 U.S. LEXIS 868, at *4-5.

[18] Pet. Br. at 4-5, Waetzig, No. 23-971 (U.S.).

[19] Waetzig, No. 23-971, 2025 U.S. LEXIS 868, at *6-7.

[20] Id. at *5.