

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

**RAY HALUCH GRAVEL CO. ET AL. v. CENTRAL
PENSION FUND OF INTERNATIONAL UNION OF
OPERATING ENGINEERS AND PARTICIPATING
EMPLOYERS ET AL.**

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE FIRST CIRCUIT

No. 12–992. Argued December 9, 2013—Decided January 15, 2014

Respondents, various union-affiliated benefit funds (Funds), sued petitioner Ray Haluch Gravel Co. (Haluch) in Federal District Court to collect benefits contributions required to be paid under federal law. The Funds also sought attorney’s fees and costs, which were obligations under both a federal statute and the parties’ collective bargaining agreement (CBA). The District Court issued an order on June 17, 2011, on the merits of the contribution claim and a separate ruling on July 25 on the Funds’ motion for fees and costs. The Funds appealed both decisions on August 15. Haluch argued that the June 17 order was a final decision pursuant to 28 U. S. C. §1291, and thus, the Funds’ notice of appeal was untimely since it was not filed within the Federal Rules of Appellate Procedure’s 30-day deadline. The Funds disagreed, arguing that there was no final decision until July 25. The First Circuit acknowledged that an unresolved attorney’s fees issue generally does not prevent judgment on the merits from being final, but held that no final decision was rendered until July 25 since the entitlement to fees and costs provided for in the CBA was an element of damages and thus part of the merits. Accordingly, the First Circuit addressed the appeal with respect to both the unpaid contributions and the fees and costs.

Held: The appeal of the June 17 decision was untimely. Pp. 5–13.

(a) This case has instructive similarities to *Budinich v. Becton Dickinson & Co.*, 486 U. S. 196. There, this Court held a district court judgment to be a “final decision” for §1291 purposes despite an

2 RAY HALUCH GRAVEL CO. v. CENTRAL PENSION FUND OF
OPERATING ENGINEERS AND PARTICIPATING EMPLOYERS
Syllabus

unresolved motion for statutory-based attorney's fees, noting that fee awards do not remedy the injury giving rise to the action, are often available to the defending party, and were, at common law, an element of "costs" awarded to a prevailing party, not a part of the merits judgment. *Id.*, at 200. Even if laws authorizing fees might sometimes treat them as part of the merits, considerations of "operational consistency and predictability in the overall application of §1291" favored a "uniform rule." *Id.*, at 202. Pp. 5–7.

(b) The Funds' attempts to distinguish *Budinich* fail. Pp. 7–13.

(1) Their claim that contractual attorney's fees provisions are always a measure of damages is unpersuasive, for such provisions often provide attorney's fees to prevailing defendants. More basic, *Budinich*'s uniform rule did not depend on whether the law authorizing a particular fee claim treated the fees as part of the merits, 486 U. S., at 201, and there is no reason to depart from that sound reasoning here. The operational consistency stressed in *Budinich* is not promoted by providing for different jurisdictional effect based solely on whether an asserted right to fees is based on contract or statute. Nor is predictability promoted since it is not always clear whether and to what extent a fee claim is contractual rather than statutory. The Funds urge the importance of avoiding piecemeal litigation, but the *Budinich* Court was aware of such concerns when it adopted a uniform rule, and it suffices to say that those concerns are counterbalanced by the interest in determining with promptness and clarity whether the ruling on the merits will be appealed, especially given the complexity and amount of time it may take to resolve attorney's fees claims. Furthermore, the Federal Rules of Civil Procedure provide a means to avoid a piecemeal approach in many cases. See, e.g., Rules 54(d)(2), 58(e). Complex variations in statutory and contractual fee-shifting provisions also counsel against treating attorney's fees claims authorized by contract and statute differently for finality purposes. The *Budinich* rule looks solely to the character of the issue that remains open after the court has otherwise ruled on the merits. The Funds suggest that it is unclear whether *Budinich* applies where, as here, nonattorney professional fees are included in a motion for attorney's fees and costs. They are mistaken to the extent that they suggest that such fees will be claimed only where a contractual fee claim is involved. Many fee-shifting statutes authorize courts to award related litigation expenses like expert fees, see *West Virginia Univ. Hospitals, Inc. v. Casey*, 499 U. S. 83, 89, n. 4, and there is no apparent reason why parties or courts would find it difficult to tell that *Budinich* remains applicable where such fees are claimed and awarded incidental to attorney's fees. Pp. 7–11.

(2) The Funds' claim that fees accrued prior to the commence-

Syllabus

ment of litigation fall outside the scope of *Budinich* is also unpersuasive. *Budinich* referred to fees “for the litigation in question,” 486 U. S., at 202, or “attributable to the case,” *id.*, at 203, but this Court has observed that “some of the services performed before a lawsuit is formally commenced by the filing of a complaint are performed ‘on the litigation,’” *Webb v. Dyer County Bd. of Ed.*, 471 U. S. 234, 243. Here, the fees for investigation, preliminary legal research, drafting of demand letters, and working on the initial complaint fit the description of standard preliminary steps toward litigation. Pp. 11–13.

695 F. 3d 1, reversed and remanded.

KENNEDY, J., delivered the opinion for a unanimous Court.

Opinion of the Court

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D. C. 20543, of any typographical or other formal errors, in order that corrections may be made before the preliminary print goes to press.

SUPREME COURT OF THE UNITED STATES

No. 12–992

RAY HALUCH GRAVEL COMPANY, ET AL., PETITIONERS *v.* CENTRAL PENSION FUND OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS AND PARTICIPATING EMPLOYERS ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

[January 15, 2014]

JUSTICE KENNEDY delivered the opinion of the Court.

Federal courts of appeals have jurisdiction of appeals from “final decisions” of United States district courts. 28 U. S. C. §1291. In *Budinich v. Becton Dickinson & Co.*, 486 U. S. 196 (1988), this Court held that a decision on the merits is a “final decision” under §1291 even if the award or amount of attorney’s fees for the litigation remains to be determined. The issue in this case is whether a different result obtains if the unresolved claim for attorney’s fees is based on a contract rather than, or in addition to, a statute. The answer here, for purposes of §1291 and the Federal Rules of Civil Procedure, is that the result is not different. Whether the claim for attorney’s fees is based on a statute, a contract, or both, the pendency of a ruling on an award for fees and costs does not prevent, as a general rule, the merits judgment from becoming final for purposes of appeal.

I

Petitioner Ray Haluch Gravel Co. (Haluch) is a landscape supply company. Under a collective-bargaining agreement (CBA) with the International Union of Operating Engineers, Local 98, Haluch was required to pay contributions to union-affiliated benefit funds. Various of those funds are respondents here.

In 2007, respondents (Funds) commissioned an audit to determine whether Haluch was meeting its obligations under the CBA. Based on the audit, the Funds demanded additional contributions. Haluch refused to pay, and the Funds filed a lawsuit in the United States District Court for the District of Massachusetts.

The Funds alleged that Haluch's failure to make the required contributions was a violation of the Employee Retirement Income Security Act of 1974 (ERISA) and the Labor Management Relations Act, 1947. The Funds also sought attorney's and auditor's fees and costs, under §502(g)(2)(D) of ERISA, 94 Stat. 1295, 29 U. S. C. §1132(g)(2)(D) (providing for "reasonable attorney's fees and costs of the action, to be paid by the defendant"), and the CBA itself, App. to Pet. for Cert. 52a (providing that "[a]ny costs, including legal fees, of collecting payments due these Funds shall be borne by the defaulting Employer").

At the conclusion of a bench trial, the District Court asked the parties to submit proposed findings of fact and conclusions of law to allow the court "to consider both the possibility of enforcing [a] settlement and a decision on the merits at the same time." Tr. 50 (Feb. 28, 2011). These submissions were due on March 14, 2011. The District Court went on to observe that "[u]nder our rules . . . if there is a judgment for the plaintiffs, typically a motion for attorney's fees can be filed" shortly thereafter. *Id.*, at 51. It also noted that, "[o]n the other hand, attorney's fees is part of the damages potentially here." *Ibid.* It gave the

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.