



SCOTUS Ruling Expands Path for Plaintiffs to Revive Dismissed Lawsuits: What Employers Need to Know

Insights

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A new Supreme Court decision just made it easier for employees to revive lawsuits they voluntarily dismissed – in some cases, even after the statute of limitations has expired. In *Waetzig v. Halliburton Energy Services*, the justices unanimously ruled on February 26 that a voluntary dismissal counts as a “final proceeding” under federal procedural rules, allowing federal courts to reopen cases in certain circumstances and giving plaintiffs a second bite at the apple. This decision could have interesting implications for employers engaged in workplace litigation, and bears reviewing with your outside counsel to ensure you are as protected as possible from claims being revived against you. What do you need to know about this case and how it could impact your corporate litigation strategy?

Age Discrimination Case Gets Second Life Thanks to SCOTUS

Gary Waetzig, a former Halliburton employee, sued the company for age discrimination in 2020 but voluntarily dismissed his case to instead pursue arbitration. After losing in arbitration, he sought to reopen his lawsuit in federal court under Federal Rule of Civil Procedure 60(b), arguing that he had “mistakenly” dismissed his case instead of keeping it on hold. Rule 60(b) allows a court to grant relief from a final judgment, order, or proceeding in cases of reasonable mistake, accident, surprise, or excusable neglect. Thus, the question in this case was whether a dismissal without prejudice counts as a “final judgment, order, or proceeding.” Otherwise, Waetzig would have to file a new lawsuit challenging the results of the arbitration.

A federal court in Colorado granted his motion, but the 10th U.S. Circuit Court of Appeals reversed and killed his claim. It found that a voluntary dismissal wasn’t a “final proceeding” that would qualify him for relief under Rule 60(b).

In last Wednesday’s decision, the Supreme Court disagreed, breathing life once again into Waetzig’s claim and opening the door for plaintiffs across the country to revive certain kinds of claims. Justice Samuel Alito, writing for a unanimous Court, held that a voluntary dismissal without prejudice terminates a lawsuit and thus qualifies as a “final proceeding” that can be reopened. Alito emphasized that excluding voluntary dismissals from Rule 60(b) would leave them in “a procedural no man’s land,” effectively barring plaintiffs from seeking relief in cases of mistake or oversight.

Employers Face an Uncertain Future in Litigation

This ruling alters the litigation landscape for employers, although it's hard to predict how often plaintiffs will be able to take advantage of this new pathway – and whether lower courts will add additional contours to the new standard. Your key takeaways include:

- **Increased Uncertainty:** A dismissed case may no longer be the end of the story. Employees who voluntarily dismiss their cases may have a path to reopen them under Rule 60(b) – in some cases, even years later.
- **Statute of Limitations Workarounds:** The ruling could allow employees to circumvent traditional filing deadlines, reviving old claims that employers assumed were resolved.
- **Arbitration Risks:** If an employee voluntarily dismisses a case in favor of arbitration and loses, they may attempt to reopen their original lawsuit – potentially undermining the value of certain arbitration agreements.

Some Proactive Steps to Consider

✓ **Reevaluate Dismissal Strategies:** If a plaintiff voluntarily dismisses their lawsuit, work with your counsel to ensure that the terms are clear and documented to minimize the risk of a later reopening.

✓ **Review Arbitration Agreements:** Review your arbitration provisions with counsel to reduce opportunities for post-arbitration challenges, including waivers that explicitly bar reopening dismissed claims.

✓ **Consider Preserving Evidence Longer:** Given the potential for revived lawsuits, consider whether you need to maintain relevant records and witness testimony beyond the initial dismissal timeline – especially in sensitive situations where you believe there is an increased likelihood of litigation.

✓ **Monitor Legal Developments:** We'll certainly see further litigation clarifying the scope of this decision in coming years, particularly regarding whether reopening a case also grants courts with jurisdiction to vacate arbitration awards. The best way to stay up to speed? Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information delivered to your inbox.

Conclusion

We will continue to monitor SCOTUS and other workplace law developments, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information delivered to your inbox. For further information, contact your Fisher Phillips attorney or the authors of this Insight.

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Ilanit Fischler

Partner

954.847.4723

Email



Elysse V. Gorney

Associate

813.769.7461

Email

Service Focus

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