



# SCOTUS Limits Courts' Power to Issue Broad Injunctions, Raising More Questions than Answers for Employers Nationwide

Insights

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In a decision sure to have reverberations for employment law for years to come, the Supreme Court just significantly limited the ability of federal district court judges to issue nationwide injunctions – now coined “universal” injunctions – that have been used to block actions taken by either the White House or federal regulatory agencies. These injunctions have come under increasing fire over the past decade as they frequently stalled workplace-related policies for both Republican and Democrat administrations. Today’s 6-3 ruling has broad implications, especially for multi-state employers who’ve been caught in the crossfire of sweeping federal policies halted (or enforced) through coast-to-coast injunctions. Here’s what you need to know – and the questions that remain.

## Decision in a Nutshell

- Today’s ruling arises from three nationwide injunctions issued by federal district court judges blocking one of the Trump administration’s executive orders on birthright citizenship.
- The administration asked SCOTUS to rule that lower courts do not have the right to block White House and federal agency actions on a national (or universal) basis.
- In today’s landmark ruling, the Court generally agreed, **holding that district courts cannot issue injunctions that are broader than necessary to provide complete relief with respect to each plaintiff that has standing to sue.**
- SCOTUS explained that federal district courts “lack the authority” to issue universal injunctions because “Congress has granted federal courts no such power” but are limited to resolving the cases and controversies before them.
- Those supporting the right for courts to issue universal injunctions argued that they are needed as the **only practical way** to quickly protect groups from unlawful government action. They also argued that, without them, we’ll see **confusion and piecemeal litigation** across the country.
- But SCOTUS said these policy arguments are “beside the point” – federal courts are only there to resolve cases and controversies consistent with the authority Congress has given them, it said.

## What Should Employers Expect?

While lower courts will likely test the limits of their curtailed authority over the next few years, they will generally be limited to providing injunctive relief **only** to the parties before them in that

particular case.

- **Pendulum will swing.** While some observers may initially be pleased that courts will now be limited in their ability to block executive and regulatory actions, remember that administrations inevitably change and these same observers may wish they still had the national injunction tool in hand to fight back against rules they disagree with in the future.
- **More litigation.** Unless an individual is part of a class action, it appears that a similarly situated individual will need to file an individual suit to obtain relief via an injunction. This could lead to a flood of new lawsuits seeking individualized relief filed in district courts across the country.
- **Class actions may also increase.** Since district courts will be limited to injunctive relief that applies to the parties to the lawsuit before the court, there will likely be an increase in class actions where injunctive relief is sought as an alternative way to achieve broader injunctive relief.
- **Questions regarding third party standing.** States and organizations whose membership consists of a large number of individuals will seek injunctive relief applicable to their citizens/members, raising questions of third party standing.
- **Regulatory enforcement will likely vary by federal circuit.** Employers operating nationally will face a patchwork of legal obligations, with courts in some jurisdictions enforcing a rule that courts in other jurisdictions have blocked. We'll likely see different compliance zones appear across the country. This may prove to be a logistical nightmare for employers seeking clarity as to what the law requires and striving for consistency across their organization.
- **Litigation timelines will get longer.** Challenges to sweeping federal rules could play out across multiple lawsuits, across several different federal circuits, and years, slowing down resolution and further complicating compliance efforts and planning.
- **Policy swings may accelerate.** With limited ability to use universal injunctions to stop or pause rule changes, executive agencies may have more freedom to implement sweeping changes – even as legal challenges unfold.

## Unanswered Questions

But this glimpse into the future raises more questions than answers:

- Imagine a scenario where a group of 20 state attorneys general who oppose a White House order run to a federal court and obtain an injunction blocking the rule from taking effect. Will that rule remain in effect for the remaining 30 states but be blocked in the other 20?
- Or imagine a scenario where an industry association representing 1,000 businesses wins an injunction blocking a federal regulation. Will those 1,000 businesses be exempt from the reach of the rule while all other businesses across the country remain subject to it? Will this lead to multiple suits being filed on the exact same issue even in the same jurisdiction?

## Why Should Employers Care?

Both the White House and the federal agencies under its control have issued a slew of executive orders and regulations that impact the workplace, including the Equal Employment Opportunity Commission (EEOC), the Department of Labor (USDOL), the National Labor Relations Board (NLRB), and more. But opponents to these actions have frequently run to federal courts to obtain universal injunctions to block them, often on the eve of the effective date.

Here's a look at just some of the major employment-related rules and actions impacted by nationwide injunctions in recent years:

- **Overtime Rule 1.0 (2016)**: A Texas district court blocked the Obama-era rule that would have doubled the salary threshold for white-collar overtime exemptions.
- **EEO-1 Component 2 Pay Data Reporting (2019)**: A federal court ordered the Trump EEOC to reinstate expanded EEO-1 reporting requirements, including employee pay data by race and gender.
- **Public Charge Rule (2019–2021)**: Several courts stopped the Trump administration's immigration changes that would have made it harder for foreign nationals to obtain work visas and green cards.
- **Joint Employer Standards (2020)**: Nationwide orders vacated Trump-era changes to the USDOL's joint employer rule, reintroducing uncertainty for franchise and staffing businesses.
- **Union Election Rules (2020–2022)**: Federal courts temporarily blocked the Trump administration's rules that streamlined union elections, preserving more union-friendly Obama-era procedures.
- **COVID-19 Vaccine Mandates (2021)**: Federal courts blocked the Biden administration's OSHA emergency temporary standard (ETS) that aimed to require vaccination or testing for large employers.
- **Overtime Rule 2.0 (2024)**: Legal challengers paused the Biden USDOL from implementing the full spectrum of updated salary thresholds for exempt workers under the FLSA.
- **Title IX Regulations (2025)**: Recent nationwide injunctions have wiped away Biden-era rules and affected the interpretation of gender identity protections by educational institutions and employers that receive federal funding.
- **EEOC Gender Identity Guidance (2025)**: A federal judge in Texas scrapped Biden-era EEOC enforcement guidance requiring bathroom, dress, and pronoun accommodations.
- **Reproductive Healthcare Privacy Protections (2025)**: One month later, that same judge tossed out Biden-era HIPAA privacy requirements banning the use or disclosure of protected health information for certain activities, such as criminal proceedings, against individuals for seeking, obtaining, providing, or facilitating lawful reproductive healthcare.

No longer will opponents to such actions have such an easy path to block the White House and federal agencies from these orders and rules.

### How Did We Do With Our Predictions?

Our author team had a mixed bag of results with their predictions about the case outcome:

- **Jeff Shapiro** correctly predicted a 6-3 ruling limiting the ability to obtain nationwide relief. **Randy Coffey** got the outcome correct, but predicted a 7-2 margin.
- Both **Samantha Monsees** and **Amanda Brown** didn't think the Court would go this far, each predicting a 6-3 ruling upholding the use of nationwide injunctions.

### Conclusion

We will continue to monitor developments that impact your workplace and provide updates when warranted. If you have any questions about these developments or how they may affect your business, please contact your Fisher Phillips attorney or the authors of this Insight. Visit our [New Administration Resource Center for Employers](#) to review all our thought leadership and practical resources, and make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information.

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