

## **A Look at Some of the U.S. Supreme Court's Biggest Decisions of the Term**

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On June 30, 2014, the U.S. Supreme Court concluded its 2013-2014 term. The Court will reconvene for the 2014-2015 term on October 6, 2014. Here is a snapshot of some of the Court's biggest decisions of the term.

### ***Burwell v. Hobby Lobby***

Decided: June 30, 2014

In *Burwell* (formerly *Sebelius*) v. *Hobby Lobby*, the Court held, 5-4, that a closely-held for-profit company cannot be compelled to provide coverage for contraception under the Affordable Care Act ("ACA"). Instead, such companies must be afforded the same protection under the Religious Freedom Restoration Act ("RFRA") currently extended to non-profits. The majority opinion, authored by Justice Alito was joined by Chief Justice Roberts and Justice Scalia, Justice Kennedy, and Justice Thomas. The majority opinion noted that the Court's holding will not extend to employers who use religious practice as a pretense for illegal discrimination, the holding does not consider the RFRA's application to public companies, and the holding only applies to the ACA's contraceptive mandate. Justice Ginsburg, joined by Justice Breyer, Justice Sotomayor, and Justice Kagan dissented, arguing that the majority's decision had "startling breadth" and would allow companies to "opt out of any law (saving only tax laws) that they judge incompatible with their sincerely held religious beliefs."

The full opinion can be read [here](#).

### ***Harris v. Quinn***

Decided: June 30, 2014

In another 5-4 opinion, the Court held that "partial public employees" cannot be required under the First Amendment to contribute fees toward a union's collective bargaining costs. The majority opinion was authored by Justice Alito, and joined by Chief Justice Roberts and Justice Scalia, Justice Kennedy, and Justice Thomas. Justice Kagan, joined by Justice Ginsburg, Justice Breyer, and Justice Sotomayor dissented, arguing that the Court's decision in *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977) (holding that state employees who chose not to join a public-sector union may nevertheless be compelled to pay an agency fee to support union work related to the collective bargaining process) should control the result of this case.

The full opinion can be read [here](#).

***ABC v. Aereo, Inc.***

Decided: June 25, 2014

In a 6-3 decision, the Court ruled that Aereo's product (a service that allows subscribers to watch TV programs over the Internet at the same time as the programs broadcast over the air) violated the Copyright Act. The majority opinion by Justice Breyer held that Aereo's service was similar to that of cable companies, so it intruded on the original broadcaster's exclusive right to perform the content. Justice Scalia dissented, joined by Justice Thomas and Justice Alito, arguing that Aereo's service was "akin to a copy show that provides its patrons with a library card," instead of a cable company, and that Aereo's rebroadcasting was not a performance because any transmission was the result of subscriber action as opposed to action on the part of Aereo.

The full opinion can be read [here](#).

***Loughrin v. United States***

Decided: June 23, 2014

In *Loughrin v. United States*, the Court held, in a unanimous opinion that Section 1344(2) of the federal bank fraud statute did not require intent to defraud a financial institution. This opinion, authored by Justice Kagan, resolved a previous Circuit split as to whether the government had to prove that the defendant intended to defraud a bank under Section 1344(2). Instead, the Court held that Section 1344(2) requires (1) that the defendant intend to obtain any of the moneys or other property owned by or under the custody or control of a financial institution and (2) to obtain such bank property "by means of" false or fraudulent pretenses, representations, or promises.

The full opinion can be read [here](#).

***Haliburton Co. v. Erica P. John Fund, Inc.***

Decided: June 23, 2014

In *Haliburton Company*, the Court expanded the ability of a company to defend itself against class action lawsuits for securities fraud. The majority opinion, authored by Chief Justice Roberts, rejected Haliburton's argument that class action plaintiffs should not be able to rely on the presumption that public, material misrepresentation will distort the price of a stock (which was set out in *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988)), but agreed that a corporate defendant should be able to present evidence to defeat that presumption at the class certification stage of the litigation. The Court's decision reversed the Fifth Circuit's ruling that Haliburton could not introduce evidence to rebut the *Basic* presumption until trial.

The full opinion can be read [here](#).

***Clark v. Rameker***

Decided: June 12, 2014

In this bankruptcy decision, the Court unanimously held that an inherited individual retirement account does not qualify as a “retirement fund” that can be exempted from a debtor’s estate in bankruptcy under 11 U.S.C. § 522(b)(3)(C). The opinion authored by Justice Sotomayor explained that “retirement funds” referred to funds objectively set aside for retirement, while inherited IRA funds are different and can be withdrawn even before retirement.

The full opinion can be read [here](#).

***POM Wonderful, LLC v. Coca-Cola Co.***

Decided: June 12, 2014

In a unanimous decision, the Court held that claims under the Lanham Act for unfair competition are not precluded under the Food, Drug, and Cosmetic Act (“FDCA”). The case arose when POM sued Coca-Cola under the Lanham Act for selling a juice blend that displayed the words “pomegranate blueberry” although the juice contained only 0.3% pomegranate juice and 0.2% blueberry juice. Coca-Cola claimed that the FDCA, which prohibits the misbranding of food but allowed Coca-Cola’s advertisements, precluded POM’s claim. The opinion by Justice Kennedy held that the statutes were independent and the FDCA did not preclude the Lanham Act, thus allowing the two companies to continue their fight in the courts.

The full opinion can be read [here](#).

***McCutcheon v. FEC***

Decided: April 2, 2014

In one of the biggest decisions of the term, the Court struck down one prong of campaign finance laws that limited the aggregate amount of money that a donor could contribute in a single campaign season. Prior to the Court’s decision, the law limited the aggregate amount that a donor could contribute to \$48,600 to federal candidates and \$74,600 to committees. The Court’s 5-4 opinion found these aggregate limits to be unconstitutional under the First Amendment, and that these limits did not sufficiently serve the governmental interest of preventing corruption (i.e., *quid pro quo* corruption). Justice Thomas concurred and Justice Breyer, joined by Justice Ginsburg, Justice Sotomayor, and Justice Kagan dissented, arguing that the majority’s holding will enable political corruption.

The full opinion can be read [here](#).

***Northwest, Inc. v. Ginsburg***

Decided: April 2, 2014

The case arose after an airline cancelled a customer's membership in its frequent flyer program for "abusing" the benefits and the customer sued under state law claiming a breach of the duty of good faith and fair dealing. The district court dismissed the claim, finding that it was pre-empted under the Airline Deregulation Act of 1978. The Court, in a unanimous opinion authored by Justice Alito, affirmed the district court. The Court held that where state law does not allow for parties to contract out of the covenant of good faith and fair dealing, such a claim will always be pre-empted under the Act.

The full opinion can be read [here](#).

***United States v. Quality Stores, Inc.***

Decided: March 25, 2014

In another unanimous decision, the Court, in an opinion by Justice Kennedy, held that severance payments made to employees terminated against their will are taxable wages under the Federal Insurance Contributions Act ("FICA"). Justice Kagan did not participate in this decision.

The full opinion can be read [here](#).