US Supreme Court

Case: *Chambers v. NASCO, Inc.*, 501 U.S. 32, 111 S.Ct. 2123, 115 L.Ed2d 27
Date: June 6, 1991 **Votes:** 5-4

Opinion: White **Dissents:** Scalia; Kennedy (with Rehnquist and Souter)

Tags: Attorney fees, bad-faith conduct, sanctions, fee shifting

Question(s) Presented: What is "the scope of the inherent power of a federal court to sanction a litigant for bad-faith conduct"? (35)

- Specifically: did District Court properly assess attorney fees as sanction against a party's bad-faith conduct?

Holdings: District court acted within its discretion to award attorney fees for other party's bad-faith conduct.

Rationale: Courts DO have the inherent power to do this: "Courts of justice are universally acknowledged to be vested, by their very creation, with power to impose silence, respect, and decorum, in their presence, and submission to their lawful mandates." (quoted @43)

Facts: Lawsuit involving TV station offered in sale to NASCO, Inc. Seller backed out; NASCO sought special performance of the agreement. Seller & his attorneys did all they could to make things difficult for buyer, including legal actions. District Court sanctioned them for misconduct & contempt. Court of Appeal found seller's claim frivolous and awarded attorney's fees to buyer (FRCP 38). Buyer moved for sanctions at District Court level based on court's "inherent power." Court did so: $996,644.65 in litigation costs.

Dicta/Discussion:

- "Because of their very potency, inherent powers must be exercised with restraint and discretion. . . . A primary aspect of that discretion is the ability to fashion an appropriate sanction for conduct which abuses the judicial process." (44-45/2132-33)paige.p

Concurrence/Dissent: Scalia et al.

- Think fee shifting shouldn't happen except by way of statute or common funds (*Alyeska*), and that court went beyond its inherent powers to assess these fees.