

Supreme Court to Examine Legal Test for NLRB Injunctions



London, United Kingdom - April 9, 2011: Starbucks green logo advertising sign hanging outside one of its coffee houses

The United States Supreme Court has granted Starbucks Corp.'s request to review the legal test applicable to National Labor Relations Board (NLRB) requests for temporary orders against companies facing labor law violation accusations. An analysis by Bloomberg Law reveals that the NLRB consistently succeeds in obtaining injunctions, irrespective of the legal standard employed.

Background and Legal Landscape

Over the last decade, the NLRB has secured numerous "10(j) injunctions," seeking remedies such as reinstating terminated employees, engaging in union negotiations, and halting unfair labor practices while underlying administrative cases are pending. Federal district courts, authorized by the NLRB, have issued these temporary orders in 78% of 124 decisions since 2013.

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Judges apply one of three legal tests based on their federal circuit location when considering the NLRB's petitions. Starbucks, challenging an order to rehire workers allegedly terminated due to union activities, contends that the Supreme Court should abandon "more lenient" standards, advocating for the "stringent" test for other preliminary injunctions.

Significance and Potential Impact

The outcome of this Supreme Court case may not only determine the legal test but also shape court procedures for NLRB injunction requests. This decision could influence the efficacy of injunctions, which have been powerful tools in the NLRB's enforcement arsenal against major corporations like Starbucks, Amazon.com Inc., and UPS Supply Chain Solutions Inc.

Judicial Tests and Success Rates

Courts in different federal circuits apply various legal tests, some employing a two-part test and others a four-factor one. Courts that use the two-part test have granted injunctions in 80% of decisions, compared to 75% for the four-part test and 81% for the hybrid test. The variation in success rates highlights the complexity and variability in judges' decisions.

Ongoing Legal Battle: Starbucks vs. NLRB

The Supreme Court case is part of an ongoing dispute between Starbucks and the NLRB over the agency's ability to secure immediate orders from federal courts. The case involves an injunction calling on Starbucks to rehire the "Memphis Seven," employees fired after appearing on a news segment about their organizing efforts.

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While Starbucks argues for a more challenging four-factor test, the NLRB claims that the legal tests are essentially the same, differing only in terminology. The case could have broader implications for the NLRB's authority and the legal standards applied to similar injunction requests.

Industry Perspectives and Potential Ramifications

Industry experts have differing opinions on the preferred legal test. Some argue that the four-part test is fairer and more balanced, covering essential factors not addressed by the two-part standard. However, concerns are raised that adopting the four-part test could complicate litigation, potentially discouraging the NLRB from seeking court orders.

The Supreme Court's decision is eagerly awaited, as it may shape the legal landscape for NLRB injunctions and impact the broader framework of labor law enforcement in the country. The court's pronouncements on procedural aspects could set new precedents and influence future litigation strategies in labor disputes.

Don't be a silent ninja! Let us know your thoughts in the comment section below.

