

SUPREME COURT OF DELAWARE

Reid v. Spazio

970 A.2d 176 (Del. 2009) · Decided April 9, 2009

SUMMARY

The Delaware Supreme Court held that the Delaware Savings Statute applies to discretionary appeals, including a petition for certiorari to the United States Supreme Court. Because the plaintiff filed his Delaware action within one year after the denial of certiorari, the action was timely. The court also held that laches did not clearly appear on the face of the complaint and reversed and remanded the Court of Chancery’s dismissal.

CASE DETAILS

COURT	Supreme Court of Delaware
WRITING FOR THE COURT	Ridgely, Justice; Berger; Holland; Jacobs; Ridge; Ridgely; Steele
JURISDICTION	Delaware
DECIDED	April 9, 2009
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from the Court of Chancery's dismissal of Reid's complaint as barred by the statute of limitations and laches.
STANDARD OF REVIEW	Questions of statutory interpretation and the application of legal precepts on a motion to dismiss are reviewed de novo. On a Rule 12(b) (6) motion, reasonable factual inferences are drawn in favor of the plaintiff, and dismissal is appropriate only when it appears with reasonable certainty that the plaintiff would not be entitled to relief under any set of facts that could be proven.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Dennis Reid v. Alenia Spazio, Alcatel Alenia Space Italia, S.p.A., Finmeccanica, S.p.A.

TOPICS

- statute of limitations
- affirmative defenses
- motions to dismiss
- appellate procedure
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Delaware's Savings Statute, 10 Del. C. § 8118(a), applies to discretionary appeals, including a petition for writ of certiorari to the United States Supreme Court, so that the one-year savings period does not begin until those appeals are resolved.
2. Whether the Court of Chancery properly dismissed the complaint on a Rule 12(b)(6) motion based on the affirmative defense of laches.

HOLDINGS

1. The Delaware Savings Statute applies with equal force to discretionary appeals, including a petition for writ of certiorari to the United States Supreme Court; therefore, the one-year grace period did not begin until the certiorari petition was denied, and Reid's Delaware complaint was timely.
2. The Court of Chancery erred in dismissing the complaint for laches because the affirmative defense did not clearly appear on the face of the complaint, and the complaint did not establish unusual conditions or extraordinary circumstances making it inequitable to permit the action within the period allowed by the Savings Statute.

KEY QUOTATIONS

"We hold that the Delaware Savings Statute applies with equal force to discretionary appeals." (181-182)

"These considerations apply with equal force whether the appeal is discretionary or of right." (182)

"Unless it is clear from the face of the complaint that an affirmative defense exists and that the plaintiff can prove no set of facts to avoid it, dismissal of the complaint based upon an affirmative defense is inappropriate." (183)

"Here, the affirmative defense of laches does not clearly appear from the allegations of the complaint." (184)

FACTUAL BACKGROUND

Reid alleged that, in 1998 or 1999, the appellees conspired to breach a joint venture agreement involving USRT and appropriated a commercial satellite business opportunity, excluding USRT from the venture. He pursued claims in federal and state courts in Texas, but the Texas action ultimately was dismissed for lack of personal jurisdiction over the appellees after appellate proceedings. Reid then filed the Delaware action within one year after the United States Supreme Court denied certiorari.

PROCEDURAL HISTORY

Reid first sued the appellees in federal court in Texas, where the action was dismissed by agreement for lack of diversity jurisdiction. He then filed in Texas state court; the trial court denied the appellees' personal-jurisdiction challenge, but the Texas intermediate appellate court reversed and ordered dismissal, and subsequent review by the Texas Supreme Court and United States Supreme Court was denied. Reid filed the Delaware Court of Chancery action within one year after denial of United States Supreme Court review. The Court of Chancery

dismissed on statute-of-limitations and laches grounds without reaching personal jurisdiction; the Delaware Supreme Court reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The matter was remanded to the Court of Chancery for further proceedings consistent with the opinion.

CASES CITED

- Gosnell v. Whetsel, 198 A.2d 924 (Del. 1964)
- Vari v. Food Fair Stores, New Castle, Inc., 205 A.2d 529 (Del. 1964)
- Christiana Care Health Services, Inc. v. Crist, 956 A.2d 622 (Del. 2008)
- LeVan v. Independence Mall, Inc., 940 A.2d 929 (Del. 2007)
- Leatherbury v. Greenspun, 939 A.2d 1284 (Del. 2007)
- Colonial Insurance Co. of Wisconsin v. Ayers, 772 A.2d 177 (Del. 2001)
- Giles v. Rodolico, 140 A.2d 263 (Del. 1958)
- Howmet Corp. v. City of Wilmington, 285 A.2d 423 (Del. Super. Ct. 1971)
- Grider v. USX Corp., 847 P.2d 779 (Okla. 1993)
- Owens v. Hewell, 474 S.E.2d 740 (Ga. Ct. App. 1996)
- Clark v. Velsicol Chemical Corp., 431 S.E.2d 227 (N.C. Ct. App. 1993)
- Kendrick v. City of Eureka, 98 Cal. Rptr. 2d 153 (Cal. Ct. App. 2000)
- Feldman v. Cutaia, 951 A.2d 727 (Del. 2008)
- VLIW Technology, LLC v. Hewlett-Packard Co., 840 A.2d 606 (Del. 2003)
- U.S. Cellular Investment Co. v. Bell Atlantic Mobile Systems, Inc., 677 A.2d 497 (Del. 1996)
- Homestore, Inc. v. Tafeen, 888 A.2d 204 (Del. 2005)
- Fike v. Ruger, 752 A.2d 112 (Del. 2000)
- Adams v. Jarikouskas, 452 A.2d 148 (Del. 1982)
- Malpiede v. Townson, 780 A.2d 1075 (Del. 2001)
- Harman v. Masoneilan International, Inc., 442 A.2d 487 (Del. 1982)