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## Labor & Employment Law BLOG

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## U.S. Supreme Court Allows Lawsuit By Employee Who Claimed He Was Fired In Retaliation For His Fiancée's Discrimination Complaint

On January 24, 2011, the United States Supreme Court held in <u>Thompson v. North American Stainless, LP</u> that an employee who claimed he was fired in retaliation for his fiancée's discrimination complaint could pursue a claim against their mutual employer under Title VII of the Civil Rights Act.

In 2003, both Eric Thompson and his fiancée, Miriam Regalado, were employed by North American Stainless, LP ("NAS"). In February 2003, the Equal Employment Opportunity Commission ("EEOC") notified NAS that Regalado had filed a Charge against the Company alleging sex discrimination. Three weeks later, NAS fired Thompson. Thompson then filed suit, alleging that he was terminated in retaliation for his fiancée's EEOC Complaint.

In a unanimous decision, the Supreme Court held that Thompson could pursue his Title VII retaliation claim against NAS. The Court first determined that the alleged conduct was prohibited by Title VII. In doing so, the Court explained that Title VII's anti-retaliation provision has been interpreted broadly, and prohibits any act that would "have dissuaded a reasonable worker from making or supporting a charge of discrimination." Applying that rule, the Court held that a reasonable employee would be dissuaded from making a protected complaint if she knew that her fiancé would be fired as a result. Thus, the conduct alleged by Thompson, if true, would constitute unlawful "retaliation" under Title VII. However, the Court declined to say how closely related the plaintiff would have be to the complaining employee for an adverse action to be considered retaliation, leaving some uncertainty as to how broadly this rule will be applied in the future.

Having found that the alleged conduct was unlawful, the Court then went on to find that Thompson had standing to sue under Title VII. Title VII gives only "aggrieved" individuals standing to sue. The Court held that an employee is "aggrieved" within the meaning of Title VII if he or she falls "within the 'zone of interests' sought to be protected" by Title VII. This means that an individual has standing to sue if Title VII "arguably sought" to protect that person's rights, but not if the individual has interests that are only "marginally related to or inconsistent" with the purposes of the law. Under this test, standing to sue is not limited to the specific employee who engaged in protected activity, but is not so broad as to, for example, allow a "shareholder . . . to sue a company for firing a valuable employee for racially discriminatory reasons."

Applying this test, the Court found that Thompson had standing to pursue his own retaliation claim against NAS. Thompson fell within the "zone of interests" protected by Title VII because "the purpose of Title VII is to protect employees from their employers' wrongful actions," such as retaliation. Thus, because Thompson alleged that his termination constituted unlawful retaliation, he therefore had standing to pursue his claim.

This case expands employers' potential liability under Title VII, as it places the employer at risk whenever a terminated employee has a relationship with another employee who has previously filed a complaint. Employers should exercise caution when terminating an individual whose spouse or family member will remain an employee of the Company. This case also serves to remind employers to carefully document the reasons for employee terminations, so that the terminated employee cannot later claim that he or she was terminated in retaliation for another employee's protected activity, or for any other unlawful reason.

Authored by Sheppard Mullin's Labor & Employment Practice Group.