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CAN SCHOOL DISTRICT RECOVER THEIR LEGAL FEES AFTER SUCCESSFULLY DEFENDING A LAWSUIT?

A common question is whether school districts can recover their legal fees after successfully defending against a lawsuit.

In general, under the “American Rule,” each party in a case is responsible for paying their own litigation expenses. One exception is when the party bringing a lawsuit in federal court filed it in bad faith, vexatiously, wantonly, or for oppressive reasons or when certain statutes contain an express authorization of fee-shifting such as in Title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967. In such cases, upon proper motion, the court may award fees to the prevailing party defendant at its discretion. However, a review of the relevant case law shows that courts grant this type of relief “sparingly” and only in cases in which the matter had “no legal foundation” or the lawsuit was “clearly unreasonable” or “frivolous.” Therefore, in most cases litigated in federal court, school districts should not expect to recover their legal fees even in matters on which they prevail.

Additionally, in Pennsylvania, a school district can also initiate a separate legal action in state court to recover its legal fees. This type of action is commonly called a “Dragonetti Claim.” To succeed on such a claim, a school district would have to prove that “a person who [took] part in the procurement, initiation or continuation of civil proceedings against another ... :

- (1) [acted] in a grossly negligent manner or without probable cause and primarily for [an improper] purpose ...; and
- (2) the proceedings ... terminated in favor of the person against whom they [were] brought.” 42 Pa.Con.Stat. Sec. 8351-8354.

A party seeking redress under a Dragonetti Claim bears a heavy burden because the plaintiff need not only demonstrate either probable cause or gross negligence, but must also prove the underlying action was filed for an improper purpose.

In sum, whether it is by a motion to the court or the initiation of legal proceedings in state court, school districts can attempt to recover their legal fees after successfully defending against a lawsuit in certain, limited circumstances. However, the law is such that obtaining a judgment to recover fees is difficult. The courts have set both the legal standard and evidentiary bar very high. Nevertheless, these options remain available to school districts to pursue recovery of defense costs in the truly frivolous and improper lawsuits.

Clients who have questions regarding issues discussed in this article, or any education law matter, should feel free to call us at 215-345-9111.

SOUTHEAST REGION OFFICE

331 East Butler Avenue, New Britain, PA 18901

PHONE 215 345 9111 | FAX 215 348 1147

CENTRAL REGION OFFICE

P.O. Box 956, Hershey, PA 17033

PHONE 717 641 9025 | FAX 717 641 9026

NORTHEAST REGION OFFICE

2 South Main Street, Suite 303, Pittston, PA 18640

PHONE 570 654 2210 | FAX 570 655 1875