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BEACON THEATRES v. WESTOVER, 359 U.S. 500

U.S. Supreme Court (1959)

359 U.S. 500

BEACON THEATRES, INC., v. WESTOVER, U.S. DISTRICT JUDGE, ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT.

No. 45.

Argued December 10, 1958.

Decided May 25, 1959.

In anticipation of a suit by petitioner for treble damages under the Sherman and Clayton Acts, the prospective defendant brought suit against petitioner in a Federal District Court for a declaratory judgment which would have settled some of the key issues in such an antitrust suit and prayed that the bringing of such a suit be enjoined pending outcome of the declaratory judgment litigation. Petitioner filed a counterclaim raising the issues which would have been raised in the antitrust suit for treble damages and demanded a jury trial. Purporting to act in the exercise of its discretion under Rules 42 (b) and 57 of the Federal Rules of Civil Procedure, the District Court ruled that it would try in equity without a jury the issues common to both proceedings before trying petitioner's counterclaim. The Court of Appeals held that the District Court had acted within the proper scope of its discretion, and it denied petitioner's application for a writ of mandamus requiring the District Court to set aside its ruling. Held: The judgment of the Court of Appeals is reversed. Pp. 501-511.

1. The District Court's finding that the complaint for declaratory relief presented basically equitable issues draws no support from the Declaratory Judgment Act, which specifically preserves the right to a jury trial for both parties. P. 504.
2. If petitioner would have been entitled to a jury trial in a treble damage suit, he cannot be deprived of that right merely because the prospective defendant took advantage of the availability of declaratory relief to sue petitioner first. P. 504.
3. Since the right to trial by jury applies to treble damage suits under the antitrust laws and is an essential part of the congressional plan for making competition rather than monopoly the rule of trade, the antitrust issues raised in the declaratory judgment suit were essentially jury questions. P. 504.
4. Assuming that the pleadings can be construed to support a request for an injunction against threats of lawsuits and as alleging the kind of harassment by a multiplicity of lawsuits which would traditionally have justified equity in taking jurisdiction and settling

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the case in one suit, nevertheless, under the Declaratory Judgment Act and the Federal Rules of Civil Procedure, neither claim can justify denying petitioner a trial by jury of all the issues in the antitrust controversy. Pp. 506-511.

(a) Today the existence of irreparable harm and inadequacy of legal remedies as a basis of injunctive relief must be determined, not by precedents under discarded procedures, but in the light of the remedies now made available by the Declaratory Judgment Act and the Federal Rules of Civil Procedure. Pp. 506-510.

(b) Viewed in this manner, the use of discretion by the District Court under Rule 42 (b) to deprive petitioner of a full jury trial of the issues in the antitrust controversy cannot be justified. P. 508.

5. Mandamus is available under the All Writs Act, 28 U.S.C. 1651, to require jury trial where it has been improperly denied. P. 511.

252 F.2d 864, reversed.

Jack Corinblit argued the cause for petitioner. With him on the brief was Elwood S. Kendrick.

Frank R. Johnston argued the cause for respondents. With him on the brief was Hudson B. Cox.

MR. JUSTICE BLACK delivered the opinion of the Court.

Petitioner, Beacon Theatres, Inc., sought by mandamus to require a district judge in the Southern District of California to vacate certain orders alleged to deprive it of a jury trial of issues arising in a suit brought against it by Fox West Coast Theatres, Inc. The Court of Appeals for the Ninth Circuit refused the writ, holding that the trial judge had acted within his proper discretion in denying petitioner's request for a jury. 252 F.2d 864. We granted certiorari, 356 U.S. 956, because "Maintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care." *Dimick v. Schiedt*, [293 U.S. 474, 486](#). [359 U.S. 500, 502]