

SpaceX Lawsuit Against NLRB Venue Decision



Court Rejects SpaceX's Bid

In a divided decision, the 5th U.S. Circuit Court of Appeals declined SpaceX's latest attempt to keep its lawsuit challenging the National Labor Relations Board (NLRB) structure in Texas. The court voted 8-8, refusing to reconsider a previous ruling that denied SpaceX's request to block the case's transfer from Brownsville, Texas, to Los Angeles.

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Background of the Lawsuit

SpaceX filed a lawsuit in January, alleging that the NLRB's enforcement proceedings violated its constitutional right to a jury trial. The company specifically cited limitations on the removal of board members and administrative judges. The lawsuit was filed in response to the NLRB's complaint alleging that SpaceX unlawfully terminated eight employees for criticizing Elon Musk, the company's CEO.

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Transfer of the Case

The NLRB urged U.S. District Judge Rolando Olvera to transfer the case to Los Angeles, arguing that the events central to the lawsuit primarily occurred in California. Despite SpaceX's objection, the case was transferred to Los Angeles in February. The 5th Circuit initially stayed the transfer order but later upheld the decision to move the case.

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Judicial Response and Dissent

The tie in the full court vote was due to the recusal of U.S. Circuit Judge James Ho. Judge Edith Jones, along with other Republican appointees, dissented, arguing that SpaceX had the right to sue in its chosen venue. Jones criticized the NLRB's tactics in advocating for the transfer, accusing them of "forum shopping."

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Conclusion and Ongoing Proceedings

Despite the court's decision, SpaceX continues to pursue its legal challenge against the NLRB in Los Angeles. Meanwhile, the NLRB attorneys involved in the case were cleared of wrongdoing in a separate order, although the court noted some errors in their actions. The case remains a focal point in the ongoing dispute over jurisdiction and venue selection.

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Case Details:

Case Name: In re: Space Exploration Technologies

Court: 5th U.S. Circuit Court of Appeals

Case Number: 24-40103

Representation:

• SpaceX: Harry Johnson, Michael Kenneally, Catherine Eschbach, and Amanda Salz of Morgan Lewis & Bockius

• *NLRB:* David Boehm

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