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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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ROTELLA v. WOOD ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE FIFTH CIRCUIT

No. 98–896. Argued November 3, 1999— Decided February 23, 2000

Petitioner Rotella was admitted to a private psychiatric facility in 1985 and discharged in 1986. In 1994, the facility’s parent company and one of its directors pleaded guilty to criminal fraud related to improper relationships and illegal agreements between the company and its doctors. Rotella learned of the plea that same year, and in 1997 he filed a civil damages action under the Racketeer Influenced and Corrupt Organizations Act (RICO), claiming that respondents, doctors and related business entities, had conspired to keep him hospitalized to maximize their profits. RICO makes it criminal “to conduct” an “enterprise’s affairs through a pattern of racketeering activity,” 18 U. S. C. §1962(c). A “pattern” requires at least two acts of racketeering activity, the last of which occurred within 10 years after the commission of a prior act. §1961(5). A person injured by a RICO violation may bring a civil RICO action. §1964(c). The District Court granted respondents summary judgment on the ground that the 4-year limitations period for civil RICO claims, see *Agency Holding Corp. v. Malley-Duff & Associates, Inc.*, 483 U. S. 143, 156, had expired in 1990, four years after Rotella admitted discovering his injury. In affirming, the Fifth Circuit rejected Rotella’s argument that the limitations period does not begin to run until a plaintiff discovers (or should have discovered) both the injury and the pattern of racketeering activity.

Held: The “injury and pattern discovery rule” invoked by Rotella does not govern the start of the limitations period for civil RICO claims. Pp. 3–11.

(a) In *Malley-Duff*, this Court based its choice of a uniform 4-year statute of limitations period for civil RICO on a Clayton Act analogy, but did not decide when the period began to run. In *Malley-Duff*’s

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wake, some Circuits, like the Fifth, applied an injury discovery accrual rule starting the clock when a plaintiff knew or should have known of his injury, while others applied the injury and pattern discovery rule that Rotella seeks. This Court has rejected the Third Circuit’s “last predicate act” rule, *Klehr v. A. O. Smith Corp.*, 521 U. S. 179, and now eliminates another possibility. Pp. 3–4.

(b) The injury and pattern discovery rule is unsound for a number of reasons. It would extend the potential limitations period for most civil RICO cases well beyond the time when a plaintiff’s cause of action is complete. Under a provision recognizing the possibility of predicate acts 10 years apart, even an injury occurrence rule unsoftened by a discovery feature could in theory open the door to proof of predicate acts occurring 10 years before injury and 14 years before commencement of suit. A pattern discovery rule would allow proof even more remote from time of trial and, hence, litigation even more at odds with the basic policies of all limitations provisions: repose, elimination of stale claims, and certainty about a plaintiff’s opportunity for recovery and a defendant’s potential liabilities. See, e.g., *Klehr*, *supra*, at 187. In the circumstance of medical malpractice, where the cry for a discovery rule is loudest, the Court has been emphatic that the justification for such a rule does not extend beyond the injury. *United States v. Kubrick*, 444 U. S. 111, 122. A person suffering from inadequate treatment is thus responsible for determining within the limitations period then running whether the inadequacy was malpractice. There is no good reason for accepting a lesser degree of responsibility on a RICO plaintiff’s part. The fact, as Rotella notes, that identifying a pattern in civil RICO may require considerable effort does not place a RICO plaintiff in a significantly different position from the malpractice victim, who may be thwarted by ignorance of the details of treatment decisions or of prevailing medical practice standards. This Court has also recognized that the connection between fraud and civil RICO is an insufficient ground for recognizing a limitations period beyond four years, *Malley-Duff*, *supra*, at 149, and adopting Rotella’s lenient rule would amount to backtracking from *Malley-Duff*. Rotella’s less demanding discovery rule would also clash with the limitations imposed on Clayton Act suits. There is a clear legislative record of congressional reliance on the Clayton Act when RICO was under consideration, and the Clayton Act’s injury-focused accrual rule was well established by the time civil RICO was enacted. Both statutes share a common congressional objective of encouraging civil litigation not merely to compensate victims but also to turn them into private attorneys general, supplementing Government efforts by undertaking litigation in the public good. The Clayton Act analogy reflects Congress’s clear intent to re-

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ject a potentially longer basic rule under RICO. Neither of Rotella's two remaining points— that this Court itself has undercut the Clayton Act analogy; and that without a pattern discovery rule, some plaintiffs will be barred from suit by Federal Rule of Civil Procedure 9(b), which requires that fraud be pleaded with particularity— supports adoption of a more protracted basic limitations period. Pp. 5–11.

147 F. 3d 438, affirmed.

SOUTER, J., delivered the opinion for a unanimous Court.