Lydon v. Commissioner, 56 T. C. 128 (1971)

A lower court cannot reopen a case after its decision has been affirmed on appeal without the appellate court's permission.

Summary

The Lydons sought to reopen a case decided by the U. S. Tax Court and affirmed by the Seventh Circuit Court of Appeals, claiming the decision was based on perjured testimony. The Tax Court denied their motion, stating that after a case is appealed and affirmed, any motion to reopen must be addressed to the appellate court that affirmed the decision. The court clarified that perjured testimony alone does not constitute "fraud on the court" sufficient to reopen a case without appellate court approval, emphasizing the finality of judgments and the proper jurisdiction for such motions.

Facts

After losing a tax case in the U. S. Tax Court (T. C. Memo 1964-27) and having the decision affirmed by the Seventh Circuit Court of Appeals (351 F. 2d 539), the Lydons claimed that the decision was based on perjured testimony by Orville Hodge. They moved to reopen the case in the Tax Court, asserting that Hodge had recanted his testimony in a subsequent proceeding.

Procedural History

The Lydons initially lost their case in the U. S. Tax Court. They appealed the decision to the Seventh Circuit Court of Appeals, which affirmed the Tax Court's ruling. After the appeal, the Lydons filed a motion with the Tax Court to reopen the case based on allegations of perjured testimony.

Issue(s)

1. Whether the Tax Court can reopen a case after its decision has been affirmed on appeal without permission from the appellate court.

Holding

1. No, because the proper procedure after a case is affirmed on appeal requires that any motion to reopen must be addressed to the appellate court, not the original trial court.

Court's Reasoning

The Tax Court relied on established legal principles that a lower court cannot deviate from an appellate court's mandate. The court cited Hazel-Atlas Co. v. Hartford Co. (322 U. S. 238) and other cases to support its stance that any motion to

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reopen must be directed to the appellate court. The court noted that perjured testimony, even if confessed, does not automatically constitute “fraud on the court” sufficient to bypass this procedural requirement. The court emphasized the importance of finality in judgments and the role of appellate courts in reviewing such motions to prevent unwarranted attacks on final judgments.

Practical Implications

This decision clarifies the jurisdictional boundaries between trial and appellate courts regarding the reopening of cases after an appeal. Attorneys should be aware that once a case is appealed and affirmed, any subsequent motion to reopen based on new evidence or allegations must be addressed to the appellate court. This ruling reinforces the finality of judgments and limits the ability of lower courts to reopen cases without higher court approval. Practitioners should ensure they follow the correct procedure to avoid procedural dismissals and preserve their clients’ rights to relief based on new evidence or fraud allegations.

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