

## Insights

### Time Limit for Vacating Void Judgments?

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On January 20, 2026, the United States Supreme Court issued its unanimous 9-0 opinion written by Justice Alito with a concurrence by Justice Sotomayor in *Coney Island Auto Parts Unlimited, Inc. v. Burton* and addressed whether vacating a void judgment has a time limit. Prior to the decision, there was an 11-1 circuit split, and the majority view had been that parties were permitted to move to vacate void judgments irrespective of how much time had passed. The Court surprisingly, adopted the minority position held only by the 6th Circuit, and held that parties must seek to vacate a void judgment within a “reasonable time.”

Vista-Pro Automotive (“Vista-Pro”) filed bankruptcy proceedings in Tennessee in 2014. As part of the bankruptcy, separate lawsuits were filed against companies with unpaid invoices including against Coney Island Auto Parts Unlimited (“Coney Island”). When Coney Island failed to respond to the lawsuit, the Tennessee bankruptcy court entered a default judgment ordering Coney Island to pay nearly \$50,000 plus interest (the “Judgment”).

In 2016, a bankruptcy trustee was appointed as Vista-Pro was no longer operating. As part of her duties to the bankruptcy estate, the Trustee initiated collection proceedings concerning obligations owed to the bankruptcy estate – including collection of the Judgment from Coney Island. As part of the process, the Trustee sent a demand letter to Coney Island’s CEO in 2016, which was ignored. In 2021, after domesticating the Judgment in New York, the Trustee attached to funds in Coney Island’s bank account.

After the funds were seized, Coney Island began legal proceedings in New York and alleged that the Judgment was served improperly, and therefore, the Judgment from the Tennessee bankruptcy court was void. The New York bankruptcy court and the U.S. District Court declined to hear argument and indicated that Coney Island should seek relief from the Tennessee bankruptcy court.

In July 2022, Coney Island requested the Tennessee bankruptcy court void the Judgment pursuant to Federal Rule of Civil Procedure (FRCP) 60(b)(4) because Vista-Pro had failed to properly effectuate service. According to FRCP 60(c)(1), a party may obtain relief from a judgment in certain circumstances but such relief must be sought within a “reasonable time.” Coney Island argued the majority position that relief was warranted regardless of how much time had passed. According to Coney Island, a void judgment is a “legal nullity” and application of time limits in FRCP 60 would give life to judgments that never should have been entered in the first place. *See, United Student Aid Funds, Inc. v. Espinosa*, 559 U.S. 260, 270 (2010). The bankruptcy court disagreed with Coney Island, refused to void the Judgment and explained that the 7-year gap from 2016 to 2021 violated the “reasonable time” requirement set forth in FRCP 60. The District Court and Court of Appeals for the 6th Circuit affirmed.

Ultimately, the Supreme Court upheld the Tennessee bankruptcy court's decision. The Supreme Court held that the "reasonable time" limit set forth in FRCP 60(c)(1) applies to a motion alleging that a judgment is void pursuant to FRCP 60(b)(4). The Supreme Court held that they could not "divine any principle requiring courts to keep their doors perpetually open to allegations of voidness." Given the significance of the Supreme Court accepting the minority position on this issue, this case is likely to impact law firms and corporate legal departments across the country concerning their strategies relative to advancing challenges to void judgments.

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