No. 04-79

In the Supreme Court of the United States

MARIA DEL ROSARIO ORTEGA, ET AL., PETITIONERS

v.

STAR-KIST FOODS, INC.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING PETITIONERS

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QUESTION PRESENTED

Whether, in a civil diversity action in which the claims of one plaintiff meet the amount-in-controversy threshold, 28 U.S.C. 1367 authorizes the district courts to exercise supplemental jurisdiction over the related claims of additional plaintiffs who do not satisfy the amount-in-controversy requirement.

TABLE OF CONTENTS

Table of Contents—Continued: Page

TABLE OF AUTHORITIES

Cases:

Cases—Continued: Page

Constitution, statutes and rules:

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INTEREST OF THE UNITED STATES

This case concerns the proper scope of the supplemental jurisdiction statute, 28 U.S.C. 1367. The United States has a significant interest in the proper interpretation of the supplemental jurisdiction statute, and in ensuring that the statute allows for the efficient adjudication of lawsuits that satisfy the criteria for federal-court jurisdiction. In cases in which jurisdiction is properly founded on diversity of citizenship and additional plaintiffs are joined pursuant to either Federal Rule of Civil Procedure 20 (as in this case) or Federal Rule of Civil Procedure 23 (as in *Exxon Mobil Corp.* v. *Allapattah Services, Inc.*, No. 04-70), Section 1367 allows the federal district courts to exercise supplemental jurisdiction, even if the respective claims of the joined plaintiffs do not independently meet the amount-in-controversy requirement of 28 U.S.C. 1332. In keeping with Congress's dual purposes in enacting the diversity and supplemental jurisdic-

tion statutes, the United States has an interest in assuring a neutral federal forum for the adjudication of all substantial disputes between persons of diverse citizenship and promoting the efficient resolution of disputes by permitting related claims to be resolved in one action. More broadly, the rules governing the joinder of parties and claims, particularly in class actions such as *Exxon*, have enormous consequences for the federal courts and interstate commerce. The United States has previously participated as amicus curiae in cases raising similar issues to those presented in this case and in *Exxon*. See, *e.g.*, *Ford Motor Co.* v. *McCauley*, 537 U.S. 1 (2002); *Devlin* v. *Scardelletti*, 536 U.S. 1 (2002). The United States has also previously participated in cases addressing the proper scope of the supplemental jurisdiction statute. See *Jinks* v. *Richland County*, 538 U.S. 456 (2003); *Raygor* v. *Regents of the Univ. of Minn.*, 534 U.S. 533 (2002).

STATEMENT

1. a. Under the federal diversity jurisdiction statute, 28 U.S.C. 1332, the federal district courts have jurisdiction over civil actions when two conditions are met. First, there must be diversity of citizenship. 28 U.S.C. 1332. In *Strawbridge* v. *Curtiss*, 7 U.S. (3 Cranch) 267 (1806), this Court held that the statute requires that diversity of citizenship be "complete"; *i.e.*, that no plaintiff may have the same citizenship as any defendant in the case. In the class action context, however, this Court has held that the requirement of complete diversity applies only to the named plaintiffs. See *Ben-Hur* v. *Cauble*, 255 U.S. 356 (1921).

Second, the matter in controversy must exceed a specified amount, now $75,000. 28 U.S.C. 1332. That amount-in-controversy requirement has long been understood to forbid aggregation of claims when none of the plaintiffs satisfies the jurisdictional amount. See *Zahn* v. *International Paper Co.*, 414 U.S. 291, 294-295 & nn.3 & 4 (1973) (citing cases). This Court has interpreted Section 1332 to require "that multiple

plaintiffs with separate and distinct claims must each satisfy the jurisdictional-amount requirement for suit in the federal courts." *Id.* at 294. Thus, while district courts sitting in diversity have jurisdiction over cases in which at least one of the plaintiffs presents claims exceeding $75,000, parties whose claims do not meet that jurisdictional amount must be dismissed. See *Clark* v. *Paul Gray, Inc.*, 306 U.S. 583, 590 (1939). In *Zahn*, the Court held that *Clark* applies in the class-action context as well, and thus Section 1332 does not authorize jurisdiction over a plaintiff, named or unnamed, in a Rule 23(b)(3) class action whose claim does not satisfy the amount-in-controversy requirement. See *Zahn*, 414 U.S. at 300-301.

b. The supplemental jurisdiction statute authorizes federal district courts to exercise jurisdiction over claims that would not, standing alone, come within a district court's original jurisdiction, but that are so related to claims within the court's original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution. See 28 U.S.C. 1367(a). The statute was enacted as part of the Judicial Improvements Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089, in response to decisions of this Court delineating the common-law doctrines of pendent and ancillary jurisdiction. See H.R. Rep. No. 734, 101st Cong., 2d Sess. 27-29 (1990); *City of Chicago* v. *International Coll. of Surgeons*, 522 U.S. 156, 165 (1997).

In *United Mine Workers of America (UMWA)* v. *Gibbs*, 383 U.S. 715 (1966), this Court held that district courts, when adjudicating federal-law claims within their subject-matter jurisdiction under 28 U.S.C. 1331, may also adjudicate state-law claims over which they would not otherwise have jurisdiction, if the federal-law and state-law claims "derive from a common nucleus of operative fact" and thus constitute "but one constitutional 'case'" under Article III. 383 U.S. at 725. Thereafter, in a series of decisions, the Court identified

various limits on a district court's ability to adjudicate claims that, although not independently within its subject-matter jurisdiction, were related to claims within its jurisdiction. See, *e.g.*, *Aldinger* v. *Howard*, 427 U.S. 1 (1976); *Owen Equip. & Erection Co.* v. *Kroger*, 437 U.S. 365 (1978).

In *Finley* v. *United States*, 490 U.S. 545 (1989), the Court held, in a suit in which original jurisdiction was based on the Federal Tort Claims Act, that the federal district courts may not exercise jurisdiction over pendent parties in the absence of congressional authorization. *Id.* at 546, 556.[1] The Court noted, however, that "[w]hatever we say regarding the scope of jurisdiction conferred by a particular statute can of course be changed by Congress." *Ibid.*

Congress responded to *Finley* by enacting 28 U.S.C. 1367, which provided express congressional authorization for both pendent-claim and pendent-party jurisdiction. See *Raygor* v. *Regents of the Univ. of Minn.*, 534 U.S. 533, 539-540 (2002). Section 1367 states, in relevant part:

> (a) Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.
>
> (b) In any civil action of which the district courts have original jurisdiction founded solely on section 1332 of this

[1] The *Finley* Court did recognize two exceptions to its presumption against pendent-party jurisdiction, "when an additional party has a claim upon contested assets within the court's exclusive control" and "when necessary to give effect to the court's judgment." 490 U.S. at 551.

> title, the district courts shall not have supplemental jurisdiction under subsection (a) over claims by plaintiffs against persons made parties under Rule 14, 19, 20, or 24 of the Federal Rules of Civil Procedure, or over claims by persons proposed to be joined as plaintiffs under Rule 19 of such rules, or seeking to intervene as plaintiffs under Rule 24 of such rules, when exercising supplemental jurisdiction over such claims would be inconsistent with the jurisdictional requirements of section 1332.

28 U.S.C. 1367(a) and (b). A district court may decline to exercise supplemental jurisdiction over a claim in various circumstances, such as when "the claim raises a novel or complex question of State law" or when the "claim substantially predominates over the claim or claims over which the district court has original jurisdiction." See 28 U.S.C. 1367(c)(1) and (2).

2. In this diversity action, petitioners Beatriz Blanco-Ortega and three of her family members assert claims against respondent Star-Kist Foods, Inc. Pet. App. 1a. All of the claims stem from an injury Beatriz allegedly suffered in opening a can of Star-Kist tuna. *Id.* at 1a, 5a. Complete diversity of citizenship is not in dispute, as petitioners are citizens of Puerto Rico and respondent is a citizen of Pennsylvania. Pet. 3-4.

The district court dismissed the case for lack of subject-matter jurisdiction. Pet. App. 46a-64a. The court concluded that there was "legal certainty" that none of petitioners' claims would be compensated in an amount exceeding $75,000, and thus none of the petitioners could satisfy the diversity statute's jurisdictional amount-in-controversy requirement. *Id.* at 58a-63a.

3. The court of appeals affirmed in part and reversed in part. Pet. App. 1a-45a. The court unanimously agreed that Beatriz's family members do not satisfy the amount-in-

controversy requirement, but it held that Beatriz does satisfy that requirement. *Id.* at 3a-10a; see *id.* at 33a (Torruella, J., concurring in part). By a divided vote, the court further held that the supplemental jurisdiction statute does not permit the district court to exercise supplemental jurisdiction over the family members' claims. *Id.* at 10a-33a.

The panel majority reasoned that, under *Clark* v. *Paul Gray, Inc.*, 306 U.S. 583 (1939), the presence of plaintiffs, including plaintiffs joined under Rule 20, that do not satisfy the amount-in-controversy requirement destroys the district court's original jurisdiction under Section 1332 to adjudicate the claims of plaintiffs that do satisfy the amount-in-controversy requirement. Pet. App. 18a, 20a-21a nn.11 & 12. Based on that premise, the court concluded that the joinder of plaintiffs with jurisdictionally insufficient claims deprives the district court of the "original jurisdiction" required by Section 1367(a) for any exercise of supplemental jurisdiction. *Id.* at 19a. In addition, after explaining that "the text of [the] statute is susceptible to two textually plausible interpretations," *id.* at 30a, the court resorted to the legislative history of Section 1367, which it construed to reveal that "Congress did not believe that § 1367 would make significant changes in the law of diversity jurisdiction." *Id.* at 31a. Accordingly, the court affirmed the order dismissing Beatriz's family members. *Id.* at 32a-33a. With respect to Beatriz's claims, the court concluded that, after the dismissal of the family members, the district court would then have original jurisdiction over her claims, and thus it vacated the order dismissing those claims and remanded to allow her to decide whether to join the claims together in the Puerto Rico courts or to proceed alone in federal court. *Id.* at 33a.

Judge Torruella dissented in part. Pet. App. 33a-45a. He explained that the presence of parties that cannot satisfy the jurisdictional amount does not undermine the district court's original jurisdiction over the claims of a party that satisfies

the jurisdictional amount. *Id.* at 40a. Thus, he concluded that the district court in this instance had "original jurisdiction" within the meaning of Section 1367(a) and that additional claims, including claims that involve the joinder of additional parties, could be brought pursuant to the terms of Section 1367(a). Judge Torruella further observed that Section 1367(b) expressly contemplates and addresses circumstances in which the district court's jurisdiction is founded solely on diversity and yet certain claims within the scope of Section 1367(a) would not independently satisfy the jurisdictional requirements of the diversity statute. *Id.* at 37a-39a, 41a-42a. He reasoned that, although Section 1367(b) excepts some claims that would otherwise satisfy the terms of Section 1367(a) (such as a claim asserted *against* a person made a party under Rule 20 of the Federal Rules of Civil Procedure), Section 1367(b) does not except claims brought *by* persons that have been joined as *plaintiffs* under Rule 20. *Id.* at 38a. Thus, Judge Torruella concluded that the district court had discretion to exercise supplemental jurisdiction over the claims of Beatriz's family members. *Id.* at 39a.

SUMMARY OF ARGUMENT

The plain text of Section 1367 resolves this case. Section 1367(a) provides a broad grant of supplemental jurisdiction to the federal courts over "all other claims" that are related to claims over which the district court has original jurisdiction. 28 U.S.C. 1367(a). Congress provided very specific exceptions to that grant of supplemental jurisdiction in the particular context of diversity cases. 28 U.S.C. 1367(b). None of those exceptions applies to claims, like those here, brought by additional plaintiffs joined pursuant to Rule 20. 28 U.S.C. 1367(b). Indeed, while Congress expressly excluded from supplemental jurisdiction under Section 1367(a) claims *against* parties joined under Rule 20 when the exercise of jurisdiction over those claims would be inconsistent with the diversity statute, see 28 U.S.C. 1367(b), it did not do

so with respect to claims *by* Rule 20 plaintiffs. Because the claims of Beatriz's family members are related to her claims (over which the district court clearly has original jurisdiction), and because none of the statutory exceptions applies to the family members' claims, the text of Section 1367 compels the conclusion that the district court may exercise supplemental jurisdiction over those claims.

In rejecting this plain reading, the panel majority engaged in a strained interpretation of the statutory language, which it based on a mistaken premise of background law. The court of appeals believed that to have the requisite "original jurisdiction" in a diversity case, the district court must have original jurisdiction over the claims of all of the parties, including those which invoke the court's supplemental jurisdiction. But "the whole point of supplemental jurisdiction is to allow the district courts to exercise pendent jurisdiction over claims as to which original jurisdiction is lacking." *City of Chicago* v. *International Coll. of Surgeons*, 522 U.S. 156, 157 (1997). The panel majority's interpretation of Section 1367 cannot be squared with the statutory text or the commonsense approach to the *supplemental* jurisdiction statute reflected in *City of Chicago*. Indeed, if the court of appeals' interpretation were correct, there would have been no need for Congress to make reference in subsection (b) to claims brought *against* parties joined under Rule 20 (or claims brought by plaintiffs joined under Rule 19). Under the court of appeals' approach, such claims would deprive the court of "original jurisdiction" under Section 1367(a), and so there would be no need for an exception in Section 1367(b). Moreover, the court below founded its reasoning on the incorrect premise that the presence of parties who do not meet the amount-in-controversy requirement destroys *ab initio* the district court's jurisdiction to decide the claims of the plaintiff who does meet the requisite jurisdictional amount.

Finally, reading the statute by its plain terms will not result in the radical departure from prior law posited by the court of appeals. Congress drew important lines in Section 1367(b) that largely protect the traditional rules of diversity jurisdiction. Furthermore, the lines drawn by Congress reflect its judgments regarding the efficiency of allowing related claims to be tried together in one action when the federal court undeniably has jurisdiction over one of the claims. This Court should read the statute according to its terms.

ARGUMENT

WHEN THE CLAIMS OF ONE PLAINTIFF IN A CIVIL DIVERSITY ACTION SATISFY THE AMOUNT-IN-CONTROVERSY REQUIREMENT, SECTION 1367 CONFERS SUPPLEMENTAL JURISDICTION OVER THE RELATED CLAIMS OF ADDITIONAL PLAINTIFFS JOINED UNDER RULE 20 WITHOUT REGARD TO THE AMOUNT IN CONTROVERSY

A. The Plain Text Of Section 1367 Provides Supplemental Jurisdiction Over Related Claims Of Plaintiffs Joined Under Rule 20 That Do Not Satisfy The Amount-In-Controversy Requirement

The task of divining the meaning of the supplemental jurisdiction statute "begins where all such inquiries must begin: with the language of the statute itself. * * * In this case it is also where the inquiry should end, for where, as here, the statute's language is plain, the sole function of the courts is to enforce it according to its terms." *United States* v. *Ron Pair Enters., Inc.*, 489 U.S. 235, 241 (1989) (internal citations and quotation marks omitted); accord *Lamie* v. *United States Trustee*, 540 U.S. 526, 534 (2004); *Connecticut Nat'l Bank* v. *Germain*, 503 U.S. 249, 253-254 (1992). Here, the plain terms of Section 1367 provide supplemental jurisdiction over the claims of additional plaintiffs joined pur-

suant to Rule 20, like those of Beatriz's family members, even when those claims do not independently meet the amount-in-controversy requirement.

Section 1367(a) provides in part that:

> Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.

28 U.S.C. 1367(a). It then underscores the breadth of this grant of jurisdiction, stating that "[s]uch supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties." 28 U.S.C. 1367(a). Accordingly, under the terms of the statute, the district court has supplemental jurisdiction over the claims of Beatriz's family members as long as: (1) the district court has original jurisdiction over the action, (2) the family members' claims are part of the same case or controversy, and (3) none of the statutory exceptions to supplemental jurisdiction applies. All three of those requirements are met here.

1. *The district court had original jurisdiction over Beatriz's action*

The district court unquestionably possessed original jurisdiction, under 28 U.S.C. 1332, over Beatriz's civil action against Star-Kist. Complete diversity of citizenship is not in dispute; Beatriz is a citizen of Puerto Rico; Star-Kist is a citizen of Pennsylvania. Pet. 3-4. Likewise, there is no longer any dispute that Beatriz's claims satisfy the $75,000 amount-in-controversy requirement for diversity jurisdiction, see 28 U.S.C. 1332(a). Pet. App. 10a. Indeed, the court below recognized that Beatriz's claims were "jurisdictionally

sufficient" standing alone, *ibid.*, *i.e.*, were within the Court's "original jurisdiction" under Section 1332, and it remanded for her claims to proceed in federal court if she wished, *id.* at 33a.

The district court's jurisdiction over Beatriz's claims suffices to give it "original jurisdiction" over a "civil action" within the meaning of the supplemental jurisdiction statute, such that it may exercise supplemental jurisdiction over "all other claims" that are related to her claims. 28 U.S.C. 1367(a). That is the plain reading of the first sentence of Section 1367(a). It is also the import of this Court's decision in *City of Chicago* interpreting Section 1367.

In that case, the City of Chicago removed to federal court two state court actions that presented federal-law claims along with state-law claims over which there was no independent basis for federal jurisdiction. 522 U.S. at 160-161. The plaintiffs challenged removal of the actions, arguing in this Court that because both actions included state-law claims "that call[] for deferential judicial review of a state administrative determination," neither action "constitute[d] a 'civil action . . . of which the district courts of the United States have original jurisdiction" under the removal statute. *Id.* at 166.[2] The Court squarely rejected that argument, holding that the district court had jurisdiction over *all* of the claims because the court had "original jurisdiction" over the federal-law claims under 28 U.S.C. 1331, and "supplemental jurisdiction" over the accompanying state-law claims under 28 U.S.C. 1367. 522 U.S. at 163-167. In so holding, the Court made clear that, as long as the district court possessed original jurisdiction over *some* of the claims asserted in the case, it possessed "original jurisdiction" over the "civil action." *Id.* at 166. Accordingly, the Court reasoned, "the relevant

[2] Although *City of Chicago* involved removal, "the propriety of removal * * * depend[ed] on whether the case originally could have been filed in federal court." 522 U.S. at 163.

inquiry" respecting the accompanying claims was "whether they fall within a district court's supplemental jurisdiction, not its original jurisdiction." *Id.* at 167. And that inquiry, the Court held, turned on whether the other claims "are so related to [the federal] claims . . . that they form part of the same case or controversy." *Ibid.* (quoting 28 U.S.C. 1367(a)).

2. *Petitioners' claims are all part of the same case or controversy*

Here, the family members' claims are indisputably related to Beatriz's claims such that "they form part of the same case or controversy under Article III of the United States Constitution." 28 U.S.C. 1367(a). The family members' claims derive from "a common nucleus of operative fact," *UMWA* v. *Gibbs*, 383 U.S. at 725—namely, Beatriz's alleged injury from the Star-Kist tuna can. Pet. App. 6a-10a (describing claims for past and future medical expenses for Beatriz brought by her mother and claims of emotional distress brought by her mother, sister, and father). As this Court held in *City of Chicago*, "[t]hat is all the statute requires to establish supplemental jurisdiction (barring an express statutory exception, see § 1367(a))." 522 U.S. at 165-166.

3. *The statutory exceptions are inapplicable*

None of those statutory exceptions applies here. Section 1367(b) expressly delineates the exceptions to supplemental jurisdiction in cases in which the district court's original jurisdiction, as in this case, is founded on diversity jurisdiction. Specifically, it provides in full:

> In any civil action of which the district courts have original jurisdiction founded solely on section 1332 of this title, the district courts shall not have supplemental jurisdiction under subsection (a) over claims by plaintiffs *against persons* made parties under Rule 14 ["Third-

> Party Practice"], 19 ["Joinder of Persons Needed for Just Adjudication"], 20 ["Permissive Joinder of Parties"] or 24 ["Intervention"] of the Federal Rules of Civil Procedure, or over claims *by persons* proposed to be joined as plaintiffs under Rule 19 of such rules, or seeking to intervene *as plaintiffs* under Rule 24 of such rules, when exercising supplemental jurisdiction over such claims would be inconsistent with the jurisdictional requirements of section 1332.

28 U.S.C. 1367(b) (emphasis added). The text of the statute is thus quite explicit with respect to which claims (by and against whom and under which rule) included under the terms of Section 1367(a) are nonetheless not a valid subject of supplemental jurisdiction by the terms of Section 1367(b).

Notably, and dispositively for this case, none of those exceptions applies to claims brought by parties joined *as plaintiffs* under Rule 20, the rule under which Beatriz's family members joined as plaintiffs. 28 U.S.C. 1367(b); Pet. App. 11a; see Fed. R. Civ. P. 20(a) (permitting "[a]ll persons" to "join in one action as plaintiffs if they assert any right to relief * * * in respect of or arising out of the same transaction, occurrence, or series of transactions or occurrences and if any question of law or fact common to all these persons will arise in the action"). Congress's failure to except claims brought by plaintiffs joined under Rule 20 is particularly striking in light of its express exemptions for claims asserted *against* persons joined pursuant to Rule 20 and for claims brought by plaintiffs joined under Rule 19. See 28 U.S.C. 1367(b). In this circumstance, it cannot be said that Congress failed to consider the possibility of Rule 20 joinders or of claims brought by joined plaintiffs, and thus the canon *expressio unius est exclusio alterius* applies with full force. See, *e.g.*, *Barnhart* v. *Peabody Coal Co.*, 537 U.S. 149, 168 (2003) (noting that the canon applies when the "items expressed are members of an 'associated group or series,'

justifying the inference that items not mentioned were excluded by deliberate choice, not inadvertence"). Accordingly, the text of Section 1367 compels the conclusion that the district court has supplemental jurisdiction over the family members' claims.

B. The Decision Of The Court Of Appeals Is Fundamentally Flawed

The court of appeals majority nonetheless found jurisdiction lacking. Its analysis is fundamentally flawed, however, and should be rejected by this Court.

1. *The panel majority's reading of the statute cannot be squared with the statutory text and is based on an incorrect premise*

The court of appeals began its analysis with a faulty reading of the statutory text, which it based on a mistaken premise regarding the background law. The court's textual analysis hinged on the first sentence of Section 1367(a), which "specifies that supplemental jurisdiction can only apply in a 'civil action of which the district courts have original jurisdiction.'" Pet. App. 17a (quoting 28 U.S.C. 1367(a)). The court believed that a district court has "original jurisdiction" over a diversity action only when it has jurisdiction over the claims of *all* the plaintiffs in the case, including the claims of plaintiffs seeking to invoke the district court's supplemental jurisdiction. *Id.* at 18a-19a. The court then concluded that the district court did not have the requisite "original jurisdiction" in this case because it believed that the presence of plaintiffs whose claims do not satisfy the amount-in-controversy requirement destroyed the original jurisdiction of the district court to adjudicate a different plaintiff's claims that do satisfy the jurisdictional amount. *Ibid.* The court of appeals was incorrect.

a. By reading the first sentence of Section 1367(a) as requiring the district court to have "original jurisdiction"

over the claims of all the plaintiffs, the court of appeals improperly collapsed the original jurisdiction inquiry into the supplemental jurisdiction inquiry. As discussed above, this Court corrected that very mistake in *City of Chicago*. There, the parties objecting to federal jurisdiction asserted that the district court had to have "original jurisdiction" not simply over the federal claims, but over the state-law claims as well. 522 U.S. at 166-167. As this Court observed, that "would effectively read the supplemental jurisdiction statute out of the books: The whole point of supplemental jurisdiction is to allow the district courts to exercise pendent jurisdiction over claims as to which original jurisdiction is lacking." *Id.* at 167. Similarly, here, "if each and every plaintiff in a diversity case must satisfy § 1332's requirements of complete 'diversity' and 'matter in controversy,' * * * then there remains no supplemental jurisdiction in a diversity action for district courts to exercise." *Rosmer* v. *Pfizer, Inc.*, 263 F.3d 110, 120 (4th Cir. 2001), cert. denied, 536 U.S. 979 (2002).

The flaw in the court of appeals' reading of the statute is underscored by the remainder of the first sentence of Section 1367, which provides that supplemental jurisdiction can be exercised over "*other* claims." 28 U.S.C. 1367(a) (emphasis added). That clause makes clear that the claims over which supplemental jurisdiction is to be exercised need not be within the district court's "original jurisdiction," and that the requirement of having original jurisdiction over a civil action is satisfied as long as any claim falls within the court's original jurisdiction. 28 U.S.C. 1367(a). As Judge Wilkinson observed, reading "'original jurisdiction' over a 'civil action' [to] mean[] that the district court must have original jurisdiction over the *entire* action at the initiation of the complaint," as the panel majority did here, "would render the phrase 'over all other claims that are so related to claims in the action within such original jurisdiction' virtually super-

fluous." *Rosmer*, 263 F.3d at 116 (quoting 28 U.S.C. 1367(a)). Indeed, the very existence of the exceptions in Section 1367(b), which exclude certain claims that would otherwise fall within the scope of Section 1367(a) and only apply to cases in which jurisdiction is "founded solely on section 1332," indicates that Congress clearly intended supplemental jurisdiction to extend to "other claims" in diversity suits. Both Section 1367(b) and Section 1367(a) envision supplemental jurisdiction over claims not covered by Section 1367(b)'s express exceptions (like those here) even if, in the absence of Section 1367(a), the exercise of supplemental jurisdiction over such claims "would be inconsistent with the jurisdictional requirements of section 1332." 28 U.S.C. 1367(b).

If Congress had actually intended to exclude supplemental jurisdiction in any diversity case in which it would be inconsistent with the diversity statute (*i.e.*, in any case in which *supplemental*, as opposed to original jurisdiction could be relevant), as the court of appeals believed, there would have been no need to parse through the various joinder mechanisms and devise the carefully reticulated and differentiated scheme of exclusions set forth in Section 1367(b). In fact, under the court of appeals' reasoning, Congress could have dispensed with subsection (b) altogether, and certainly could have omitted all the text that specifies which claims otherwise included in subsection (a) are excepted.

In other words, "the structure of this statute * * * makes its meaning unambiguous." *Olden* v. *LaFarge Corp.*, 383 F.3d 495, 504 (6th Cir. 2004). As discussed above, Section 1367(a) provides a broad grant of supplemental jurisdiction "over all claims not excluded by the second part," and subsection (b) then specifically details those exclusions. *Ibid.* "Given this structure, it defies logic to suggest that the inclusive section of the statute, containing the sweeping grant of supplemental jurisdiction, also contains a completely

unspoken, yet critically important, exclusion." *Ibid.* Yet that is the necessary result of the panel majority's analysis.

Even on its own terms, moreover, the panel majority's interpretation fails. As its remand order underscores, under the court of appeals' view, a district court lacks "original jurisdiction" over an action in which only some of the plaintiffs satisfy the amount-in-controversy requirement, but it has "original jurisdiction" over an action in which all the initially pled plaintiffs satisfy that requirement. In the latter case, however, Section 1367 clearly seems to allow the plaintiffs to add new plaintiffs under Rule 20 whose claims do not meet the amount-in-controversy requirement. The statute expressly allows supplemental jurisdiction over "claims that involve the joinder * * * of additional parties." 28 U.S.C. 1367(a). Although the panel majority states that such plaintiffs could not join the suit after filing (or presumably after remand here), Pet. App. 23a-24a & n.14, that proposition appears to expose just how strained the court's reading of "original jurisdiction" is. Carried to its logical end, the court's approach would mean that a district court is deprived of "original jurisdiction" over a case merely by the filing of a motion to amend the complaint to add new plaintiffs whose claims do not satisfy the jurisdictional amount requirement. Not surprisingly, the court of appeals cites no authority for that extraordinary proposition.

b. At bottom, the court of appeals' reasoning flowed from an incorrect premise: that the presence of plaintiffs whose claims do not meet the amount-in-controversy requirement destroys "original jurisdiction" to adjudicate the claims of parties that do satisfy the jurisdictional amount.

To be sure, this Court has stated that "[t]he presence of [a] *nondiverse* party automatically destroys original jurisdiction." Pet. App. 18a (quoting *Wisconsin Dep't of Corr.* v.

Schacht, 524 U.S. 381, 389 (1998)) (emphasis added).[3] But the presence of a plaintiff whose claim fails to meet the amount-in-controversy requirement does *not* destroy jurisdiction over the entire action. That has been clear at least since this Court's decision in *Clark* v. *Paul Gray, Inc.*, 306 U.S. 583 (1939). In *Clark*, this Court reached the merits of the claim of the party that satisfied the jurisdictional amount, even before the parties that failed to satisfy the jurisdictional amount were dismissed. As this Court explained in *Zahn* v. *International Paper Corp.*, 414 U.S. 291 (1973): "Upon ascertaining on its own motion that only one of the plaintiffs in the District Court had presented a claim satisfying the jurisdictional amount, the Court [in *Clark*] reached the merits of that claim but directed the District Court to dismiss the claims of all other plaintiffs for want of jurisdiction." *Id.* at 295-296. While *Clark* required "dismissal of those litigants whose claims do not satisfy the jurisdictional amount," *id.* at 295, the presence of such parties does not affect a court's jurisdiction to adjudicate the claims of other parties whose claims do satisfy the jurisdictional amount.

The court of appeals was therefore mistaken in concluding that "as long as the offending parties are present, original jurisdiction over the 'civil action' cannot exist." Pet. App. 20a-21a n.12. Instead, Beatriz's claims were not meaningfully distinguishable from the federal-law claims in *City of Chicago*. Just as "[t]hose federal claims suffice[d] to make the actions 'civil actions' within the 'original jurisdiction' of the district courts" despite the existence of the accompanying state-law claims, 522 U.S. at 166, so too did Beatriz's

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[3] In situations involving a dispensable nondiverse party, a court may correct the jurisdictional defect nunc pro tunc by dismissing the nondiverse party, and thereby exercise jurisdiction over the remainder of the suit. See, *e.g.*, *Newman-Green, Inc.* v. *Alfonzo-Larrain*, 490 U.S. 826, 835-836 (1989).

diversity claims suffice to establish the district court's original jurisdiction over this action. Indeed, the court below made the same error as the court of appeals in *City of Chicago*, by concluding that original jurisdiction was lacking even though it acknowledged that some of the claims, standing alone, would be within the district court's original jurisdiction. Pet. App. 10a, 33a. As Judge Torruella noted in dissent, "[o]n remand, it will be undisputed that Beatriz's claims constitute 'a civil action of which the district courts have original jurisdiction.'" *Id.* at 40a-41a (quoting 28 U.S.C. 1367(a)). That is all that the first sentence of Section 1367(a) requires, and the district court's original jurisdiction over Beatriz's claims provides the requisite predicate for its exercise of supplemental jurisdiction over her family members' claims.

2. *The panel majority's resort to legislative history cannot overcome the plain meaning of the text*

Given the plain language of Section 1367, the panel majority erred in resorting to the statute's concededly "muddled" legislative history. Pet. App. 30a-32a. As this Court has recognized, "reference to legislative history is inappropriate when the text of the statute is unambiguous." *Department of Hous. & Urban Dev.* v. *Rucker*, 535 U.S. 125, 132 (2002); see *BedRoc Ltd.* v. *United States*, 124 S. Ct. 1587, 1595 & n.8 (2004).

In any event, the passage from the committee report emphasized by the majority adds nothing to—and in fact rejects—the plain import of Section 1367's text. That passage reads as follows:

> [Section 1367] would authorize jurisdiction in a case like *Finley* [v. *United States*, 490 U.S. 545 (1989)] as well as essentially restore the pre-*Finley* understandings of the authorization for and limits on other forms of supplemental jurisdiction. * * * In diversity cases, the district

> courts may exercise supplemental jurisdiction, except when doing so would be inconsistent with the jurisdictional requirements of the diversity statute.

H.R. Rep. No. 734, 101st Cong., 2d Sess. 28 (1990). The court below reasoned that the statement that supplemental jurisdiction will be available "except when doing so would be inconsistent with the jurisdictional requirements of the diversity statute" indicates that Congress did not intend to authorize federal courts to exercise supplemental jurisdiction over the claim of a party that does not independently meet the jurisdictional prerequisites of Section 1332. Pet. App. 31a.

That reading of the committee report is impossible to reconcile with the statutory text for the reasons already discussed. It would render the notion of *supplemental* jurisdiction in diversity cases a dead letter. Further, it would render the specifically delineated exceptions set forth in the body of subsection (b) superfluous, in violation of "the settled rule that a statute must, if possible, be construed in such fashion that every word has some operative effect." *United States* v. *Nordic Vill. Inc.*, 503 U.S. 30, 36 (1992). The plain text of Section 1367 forbids inconsistency with the requirements of the diversity statute only in the instances expressly set forth, not in all cases. And it is the text of the statute, not the ambiguous general statement in the committee report, that controls here. See *City of Chicago* v. *Environmental Defense Fund*, 511 U.S. 328, 337 (1994) ("[I]t is the statute, and not the Committee Report, which is the authoritative expression of the law[.]"); see also *BedRoc Ltd.*, 124 S. Ct. at 1595 n.8 (refusing to "presume that Congress expressed itself in a single House Committee Report rather than in the unambiguous statutory text approved by both Houses and signed by the President"). Certainly, the mistake this Court corrected in *City of Chicago* (*i.e.*, ignoring that supplemental jurisdiction does, in fact, supplement the

court's original jurisdiction) is no less a mistake because it is reflected in a committee report.

The court of appeals also referenced statements from the bill's sponsors to the effect that the supplemental jurisdiction provisions did not work major changes in existing law, and the court observed that committee hearings on the bill lasted only one day. Pet. App. 31a. The court believed that those isolated remarks and the cursory congressional treatment given Section 1367 demonstrate that Congress did not intend—regardless of the language of the text on which the members actually voted—to authorize supplemental jurisdiction over claims by plaintiffs joined under Rule 20 that do not independently satisfy the amount-in-controversy requirement of Section 1332. But even if such an intent were manifest in the legislative history, it could not overcome the plain language of Section 1367. See, *e.g.*, *United Food & Commercial Workers Union Local 751* v. *Brown Group, Inc.*, 517 U.S. 544, 550 (1996) ("[T]he more natural reading of the statute's text, which would give effect to all of its provisions, always prevails over a mere suggestion to disregard or ignore duly enacted law as legislative oversight."). As the Ninth Circuit observed with respect to this same legislative history, "If courts could ignore the plain meaning of statutory texts because their legislative histories showed that some (or even many) of those who drafted and voted for the texts did not understand what they were doing, the plain meaning of many statutes, not only § 1367, would be in jeopardy." *Gibson* v. *Chrysler Corp.*, 261 F.3d 927, 940 (9th Cir. 2001), cert. denied, 534 U.S. 1104 (2002).[4]

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[4] As one commentator has observed, "[o]ne inescapable conclusion" from the legislative history of Section 1367(b) "is the general absence of congressional concern over the impact and merits of this statute." Christopher M. Fairman, *Abdication to Academia: The Case of the Supplemental Jurisdiction Statute, 28 U.S.C. § 1367*, 19 Seton Hall Legis. J. 157, 172 (1994).

C. Exercising Supplemental Jurisdiction Here Will Further Congress's Purposes Without Effecting The Radical Departure From Prior Law Posited By The Court Of Appeals

Although the grant of supplemental jurisdiction in Section 1367(a) is broad, Congress drew important lines in subsections (b) and (c) that limit that jurisdiction, especially in cases founded solely on diversity jurisdiction. See 28 U.S.C. 1367(b) and (c). As explained below, those lines reflect Congress's policy judgments and address many of the fears expressed by the panel majority. And, as the Court observed in *Finley*, if Congress decides that the plain import of the statutory text is inconsistent with its policy preferences, "the scope of jurisdiction conferred * * * can of course be changed by Congress." *Finley*, 490 U.S. at 556.

1. *Applying the statute by its terms does not result in the radical consequences feared by the court of appeals*

Reading the statute in accordance with its plain language will not result in the "surprising and far-reaching consequences" feared by the court of appeals. Pet. App. 27a. The majority expressed concern that allowing supplemental jurisdiction here would not only overrule *Clark*'s holding that each plaintiff's claims must satisfy the amount-in-controversy requirement, but would "overturn[]" the complete diversity requirement established in *Strawbridge*, because a "plain reading" interpretation of the statute would allow the joinder of nondiverse parties. *Ibid.* Those concerns are not well-founded.

In the first place, it is far from clear that the plain-language interpretation of Section 1367 would affect the rule announced in *Strawbridge* at all. There is a crucial distinction between the complete diversity requirement and the amount-in-controversy requirement, in that the former necessarily applies to the case as a whole, whereas the latter

applies on a plaintiff-by-plaintiff basis, *i.e.*, there is no "complete amount-in-controversy" requirement. When complete diversity is lacking, a district court lacks original jurisdiction over all aspects of the case, but the inability of one plaintiff to meet the amount-in-controversy requirement does nothing to affect the court's jurisdiction over the claims of a coplaintiff who does satisfy that requirement.[5] Accordingly, while the issue is not presented here, the Court might well conclude in an appropriate case that the complete diversity requirement survived the enactment of Section 1367, because the joinder of a nondiverse party (unlike the joinder of a party whose claims fall below the jurisdictional amount) destroys the court's original jurisdiction over the case *as a whole*.

In any event, even if Section 1367 were construed to authorize joinder of nondiverse parties, it would not make major inroads into *Strawbridge*. As Judge Easterbrook explained, Section 1367(b) draws important lines with respect to protecting the complete-diversity rule. See *Stromberg Metal Works, Inc.* v. *Press Mech., Inc.*, 77 F.3d 928, 932 (7th Cir. 1996). For example, even assuming arguendo that Section 1367(b) might allow claims *by* parties joined under Rule 20 to proceed without regard to diversity of citizenship,

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[5] To be sure, as noted above (note 3, *supra*), the jurisdictional defect created by the joinder of nondiverse parties can in some circumstances be corrected nunc pro tunc so as to preserve the court's ability to resolve the claims of diverse parties. That does not change the fact, however, that the court lacks original jurisdiction over *any* aspect of the case in the absence of such a correction. See *Newman-Green*, 490 U.S. at 827, 836-837 (holding that appellate courts had the authority to dismiss dispensable, nondiverse parties "whose presence spoils statutory diversity jurisdiction" so that the merits of the claims relating to the diverse parties could be decided on appeal); see also *id.* at 840 (Kennedy, J., dissenting) (describing the dismissal of a nondiverse party as "creating jurisdiction where none existed before"). The same is not true when some but not all of the plaintiffs merely fail to satisfy the amount-in-controversy requirement. See pp. 17-18, *supra* (discussing *Clark*).

claims *against* nondiverse persons made parties under Rule 20 are expressly forbidden. See *ibid.* Thus, the supplemental jurisdiction statute would not allow a citizen of Illinois to sue a citizen of Indiana under the diversity statute and then add a citizen of Illinois as a supplemental defendant. See *ibid.* Likewise, other exceptions in subsection (b) prevent the use of supplemental jurisdiction with respect to nondiverse, indispensable parties—whether plaintiffs or defendants—because subsection (b) does not allow claims *by* or *against* persons who join as necessary parties under Rule 19 or who intervene pursuant to Rule 24 when the joinder would be inconsistent with the requirements of the diversity statute. See 28 U.S.C. 1367(b).[6] "As written, § 1367(b) keeps cases of this kind out of federal court entirely, just as *Strawbridge* does." *Stromberg*, 77 F.3d at 932. Although, as Judge Easterbrook observed, *ibid.*, the wisdom of those lines has been subject to extensive debate, there is no basis for a court to disregard them.

Thus, even if applying the lines drawn by Congress would erode the rule of *Strawbridge* in part, there would be no cause for concern. In the Rule 20 context, the result would simply be that a federal forum would be provided to plaintiffs and defendants in certain instances in which there is minimal rather than complete diversity, due to the joinder of one or more nondiverse plaintiffs. That same result already occurs on a much broader scale in the class action context, in which it has long been the law that unnamed plaintiffs may join the action as class members regardless of their diversity of citizenship. See *Ben-Hur* v. *Cauble*, 255 U.S. 356, 365-367 (1921).

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[6] Those exceptions protect the complete diversity rule in the context in which this Court has suggested it cannot even be corrected nunc pro tunc, namely, with respect to claims by or against indispensable parties. Cf. note 3, *supra*; *Horn* v. *Lockhart*, 84 U.S. (17 Wall.) 570, 579 (1873).

To be sure, allowing supplemental jurisdiction here, when the additional plaintiffs do not meet the amount-in-controversy requirement, does allow federal jurisdiction in instances in which the rule of *Clark* would not, at least with respect to claims brought by plaintiffs joined pursuant to Rule 20. But just as the rule of *Strawbridge* is preserved for all of the instances covered by the subsection (b) exceptions, so too is the rule of *Clark*. As a leading treatise has observed, Section 1367's "extension of supplemental jurisdiction is severely limited in certain diversity cases by subsection (b)," 16 James Wm. Moore, *Moore's Federal Practice* § 106.05[2], at 106-24 (3d ed. 2004) (*Moore's*), and, "[i]n most instances, the statute mirrors prestatutory common law practice," *id.* § 106.40, at 106-55.

Furthermore, construing Section 1367 in this manner would not burden federal district courts with claims that, in the judgment of the district court, ought to be decided elsewhere. Even if the requirements for supplemental jurisdiction are satisfied, Section 1367 expressly provides district courts with discretion to decline to exercise that jurisdiction. 28 U.S.C. 1367(c); see 16 *Moore's* § 106.05[4], at 106-27 ("Subsection (c) of Section 1367 codifies the discretionary factors that justify a refusal to exercise supplemental jurisdiction."). That discretion will protect federal courts from having to resolve claims that raise "novel or complex issue[s] of State law" or claims that "substantially predominate[]" over the original jurisdiction claims. 28 U.S.C. 1367(c). A district court also can decline to exercise supplemental jurisdiction if it has dismissed the claims over which it has original jurisdiction. 28 U.S.C. 1367(c). Finally, "in exceptional circumstances," a court can decline to exercise its supplemental jurisdiction if "there are other compelling reasons" for doing so. 28 U.S.C. 1367(c). As this Court recognized in *City of Chicago*, "[t]he statute thereby reflects the understanding that, when deciding whether to exercise supplemental

jurisdiction, a federal court should consider and weigh in each case, and at every stage of the litigation, the values of judicial economy, convenience, fairness, and comity." 522 U.S. at 173 (internal citation and quotation marks omitted). Thus, Section 1367 provides ample means by which federal district courts can manage their dockets and decline to adjudicate matters most appropriately left to the state courts.

2. *Affording supplemental jurisdiction here serves the congressional purposes of fostering the efficient resolution of disputes and of providing a neutral federal forum to resolve substantial controversies*

As Judge Torruella observed, under the decision below, "the plaintiffs in this case must either (1) pursue Beatriz's claims in federal court and her family's claims in state court, (2) dispose of her family's claims altogether, or (3) pursue all of the claims in state court." Pet. App. 44a. "The first option leads to a waste of judicial resources and a potential for inconsistent verdicts. The second option deprives Beatriz's family of their day in court. The third option * * * deprives Beatriz of a federal forum and of her right to a trial by jury, as her case would not receive a jury trial in the Commonwealth courts." *Ibid.* The statute should not lightly be read to require such a result, particularly when Congress drew specific lines in the text reflecting the situations in which it has determined that the efficiency of exercising supplemental jurisdiction outweighs the interest in ensuring that each plaintiff meets the amount-in-controversy requirement. See 28 U.S.C. 1367(b). Rather, Section 1367 should be read—as its plain text dictates—to allow supplemental jurisdiction over claims of additional Rule 20 plaintiffs whose claims do not satisfy the amount-in-controversy requirement for diversity jurisdiction, an interpretation that will further

the congressional purposes underlying both this statute and the diversity jurisdiction statute more generally.

First, allowing the joinder under Rule 20 of the related claims of additional plaintiffs promotes the efficient resolution of disputes, both for parties and for the federal and state court systems. It is uncontested that such efficiency interests motivated Section 1367. As Judge Torruella noted, Pet. App. 44a, it was those interests that prompted Congress's desire to amend the statute in light of this Court's decision in *Finley*, which held that a plaintiff suing the United States under the Federal Tort Claims Act could not, absent statutory authorization, join related state-law claims against additional defendants. Those efficiency benefits are extolled in the legislative history of Section 1367. As the House Report noted, "[s]upplemental jurisdiction has enabled federal courts and litigants to take advantage of the federal procedural rules on claim and party joinder to deal economically —in single rather than multiple litigation—with related matters, usually those arising from the same transaction, occurrence, or series of transactions or occurrences." H.R. Rep. No. 734, *supra*, at 28; *ibid.* ("[T]he district court's exercise of supplemental jurisdiction, by making federal court a practical arena for the resolution of an entire controversy, has effectuated Congress's intent in the jurisdictional statutes to provide plaintiffs with a federal forum for litigating claims within original federal jurisdiction.").[7]

Second, allowing supplemental jurisdiction over the related claims of plaintiffs joined pursuant to Rule 20 is not inconsistent with the general purpose of diversity jurisdic-

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[7] Accord *Report to the Federal Courts Study Committee of the Subcommittee on the Role of Federal Courts and Their Relation to the States* (Mar. 12, 1990), *reprinted in* 1 *Federal Courts Study Committee, Working Papers and Subcommittee Reports* 547 (July 1, 1990) ("Supplemental jurisdiction facilitates the joinder in litigation of all claims arising out of the same transaction. The benefits in judicial economy and in party and witness convenience are apparent.").

tion. The purpose of the diversity jurisdiction statute, including its amount-in-controversy requirement, is to provide a neutral federal forum for the adjudication of substantial controversies involving diverse parties. Congress included the amount-in-controversy requirement in the original diversity jurisdiction statute, and subsequently adjusted the amount, to reserve the federal courts' diversity jurisdiction for relatively substantial cases in monetary terms. See 15 *Moore's* § 102.109[3], at 102-199 ("[T]he jurisdictional-amount requirement reflects a congressional judgment that federal judicial resources should be devoted only to those diversity cases in which the financial stakes rise to a predetermined level."). Because original jurisdiction over at least one plaintiff's claims is a prerequisite to the exercise of supplemental jurisdiction, every diversity case in which supplemental jurisdiction is exercised over a Rule 20 plaintiff will necessarily entail a substantial controversy. The joinder of another plaintiff with injuries from the same transaction or occurrence only enhances, rather than detracts from, the significance of the controversy. The supplemental jurisdiction statute will simply allow a neutral federal forum for adjudication of additional claims that are part and parcel of that substantial controversy. See *Stromberg*, 77 F.3d at 932 (noting that the statute's "closely related" requirement is a "vital qualification"). That result creates no cause for concern, and provides no possible justification for overriding the plain text of the statute.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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