

February 2019 – Civil Procedure MEE – Question 4

Issue: The issue is whether State B federal court has subject matter jurisdiction for personal injury claim against the airline from the woman.

Rule: There is subject matter jurisdiction of federal question jurisdiction or diversity jurisdiction. Federal question jurisdiction occurs when the matter involves the U.S. Constitution, a federal law, or a treaty. Regarding diversity jurisdiction, the plaintiff and the defendant cannot come from the same state, and the plaintiff and defendant have to domicile in dissimilar states. The dollar amount in controversy needs to be in excess of \$75,000. For corporate diversity jurisdiction, the company is domiciled in the state of incorporation and its principal place of business or nerve center.

Application: Here, the airline is incorporated in State A and has its headquarters in State A. The airline serves States A and C, and not State B. For State B, the airline has a facility where it processes online and telephone reservation requests, and it employs 150 employees in State B. Also, the airline has its physical base of operations and major maintenance facility and has at least 12,000 out of 15,000 employees in State C. That is, the airline's major operations and business activities are in States A and C. The airline would assert that there is no subject matter jurisdiction via diversity jurisdiction because the airline has no major corporate activities and operations in State B. However, the woman would argue that there are still business operations in State B. Also, the amount of controversy of \$1 million is above the \$75,000 threshold for diversity jurisdiction.

Conclusion: A factfinder would find that there is no diversity jurisdiction because the airline does not have any major corporate activities and does not have its headquarters in State B.

Issue: The issue is whether State B has personal jurisdiction over the airline for a personal injury claim for the woman.

Rule: Personal jurisdiction exists when there are minimum contacts and purposeful availment for a party to get the benefits and privileges in that forum state. There are minimum contacts when a party has been to that forum state for business activities and/or network connects to allow a forum state to have jurisdiction over that party. Also, purposeful availment occurs when a party foreseeably knows that he has the benefits by being in that forum state.

Application: Here, the airline does not serve State B. The airline serves States C and A. The woman lives in State C. She went to State A to hunt for an apartment to start working on a new job on December 1<sup>st</sup>. She has not been in State B. By wanting to get a higher potential jury awards, she is interested in going to State B federal court. Although State B has a long arm statute to exercise personal jurisdiction over parties that have minimum contacts and purposeful availment in State B, the facts do not show that the woman has been to State B to demonstrate that State B has personal jurisdiction over the woman. In addition, although the airline has a small facility and employs 150 people in State B, the airline does not have major business operations in State B. The airline serves only in States C and A.

However, the woman would assert that the airline has minimum contacts in State B by having employees in State B and business operations in State B. The airline has purposeful availment by getting the benefits of State B by having employees working in State B.

Conclusion: A factfinder would find that the State B does not have personal jurisdiction over the airline because the major business operations of the airline are in States C and A.