Assignment

Introduction to Subject-Matter Jurisdiction of the Federal Courts

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Sources:

Article III, United States Constitution
28 U.S.C. §§ 1331, 1332 (a), 1441 (a), 1333, 1338
Introduction to Jurisdiction

For the first half of this semester, we are going to study the concept of jurisdiction, that is the power of a court to hear a particular case. In order to hear a case, a court needs two kinds of jurisdiction: personal jurisdiction over the defendant and subject matter jurisdiction over that particular kind of case.

All courts, both federal and state, need personal jurisdiction over the defendant. The outer limits of the personal jurisdiction of the courts of any state are set by the Due Process Clause of the United States Constitution. The Constitutional power of courts has evolved over the last 150 years, but generally must be based on the presence of the defendant in the forum state, or the maintenance, by the defendant, of certain contacts with the forum state. States are not required to give their courts jurisdiction to the outer limits defined by the constitution, but may also add their own additional restrictions. Therefore, the personal jurisdiction of state courts are set by state law, but must stay within their jurisdictional power under the constitution.

Federal Courts must also have personal jurisdiction over the defendant, and since they are asserting the power of the federal government, could constitutionally exercise power over any defendant with sufficient contacts anywhere in the United States. But Congress has generally instructed the federal courts in each state to exercise no greater personal jurisdiction than the state courts in that particular state. Therefore, with a few exceptions, if a state court cannot exercise jurisdiction over an out-of-state defendant, then neither can a federal court sitting in that state.

All courts must also have subject-matter jurisdiction, that is, they may be limited to hearing certain kinds of cases. The question of subject-matter jurisdiction does not usually cause any difficulty when dealing with state courts. Each state has a court of general jurisdiction, which, subject to an amount in controversy minimum, can hear almost any kind of case (unless the state has a specialized court that has exclusive jurisdiction over certain kinds of cases (i.e. wills and trusts or domestic relations).
Federal Courts, however, are courts of limited jurisdiction and can only hear cases within the judicial power of the United States over which they have been given subject-matter jurisdiction. As with personal jurisdiction, the Constitution sets the outer limits of the subject matter jurisdiction of the federal courts, but Congress gets to decide which of those cases can be heard by which courts. The outer limits of federal court jurisdiction are set by Article III of the Constitution, which defines “the judicial power of the United States.”

**Subject Matter Jurisdiction of the Federal Courts**

As with all three branches of the federal government, the powers of the federal courts are strictly limited by the U.S. Constitution. The organization and powers of the federal courts are laid out in Article III. The Constitution makes establishment of a Supreme Court mandatory, but leaves the decision as to whether to establish lower federal courts to Congress,

**ARTICLE III. Section I.** The judicial power of the United States, shall be vested in one Supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish….

This was the result of a compromise at the Constitutional Convention. There was general agreement that the new federal government needed a Supreme Court to decide disputes between the states and to give a definitive interpretation of federal law. There was not agreement, however, as to whether the new country needed a complete system of lower courts (trial and intermediate appellate courts). At the time of the framing of the Constitution, each of the states already had complete, working judicial systems. Some of the delegates believed that they could continue to hear almost all cases, subject to appeal to the United States Supreme Court. Others felt that there was a need for a separate federal judiciary. First, there was great mistrust between the states, which at that time were much more like separate countries today. A citizen of one state might rightly fear
discrimination if he had to litigate against a citizen of another state, in that person’s home state. Others felt that state-court judges might favor state law and state interests over federal law and federal interests.

A compromise was reached which left the decision as to whether to establish lower federal courts to Congress. Interestingly, the first Congress, which was composed largely of delegates to the Constitutional Convention, established a system of lower federal courts (including trial courts and intermediate appellate courts) in the first Judiciary Act of 1789 without any significant controversy.

Federal judges receive protections from Article III and elsewhere in the Constitution, designed to give them independence from political pressures or from the need to please a local constituency. While many state-court judges are elected, federal judges are appointed by the President of the United States, subject to confirmation by the Senate. Whereas most state judges serve for a fixed term and must be re-elected or re-appointed, federal judges receive lifetime appointments “during good behavior,” and may only be removed from office through the difficult and cumbersome impeachment process. In addition, their salaries may not be reduced while they are in office.

Article III defines the “judicial Power of the United States,” which consists of a list of nine different kinds of “cases” and “controversies.” This list constitutes the outer limits of the jurisdiction of any federal court, including the Supreme Court. Only the kinds of cases that are contained in this list may be heard by the courts. It would be unconstitutional for a federal court, even pursuant to a Congressional Statute, to hear anything that was not on the list.

Forgetting for a moment the subject matter, federal courts may only hear “cases” or “controversies.” This has been interpreted to mean that the courts cannot render “advisory opinions” to Congress or the President about the Constitutionality of proposed legislation. It also means that anyone bringing suit in the federal courts must be involved in an actual, concrete, unresolved dispute with the defendant and that both parties must
have a personal stake in and be directly affected by the outcome. In legal terminology, the parties must have standing in a legal dispute which is ripe, but not moot.

For example, the Sierra club, an organization dedicated to the environment, asserted a special interest in the conservation of the national parks and forests and brought suit to enjoin the construction of a ski resort in a national forest. The Supreme Court held that the club did not have standing to bring the suit, since it had not alleged that any of its members had ever used the land in question. Merely having an interest in a problem is not sufficient for standing.

Or for example, Plaintiff, a woman, would like to join a club, which is advertised as being all male. If she files suit demanding admission before she has applied, the controversy is not yet ripe. If she applies for admission and is denied, and then brings suit, prompting the club to change its policy voluntarily and to admit her and other women, the suit might now be dismissed as moot.

In addition to being a case or controversy, the dispute must fall within one of the listed categories. Every type of case was put on this list because the framers felt that there was some special need for a federal court to hear it, that there was reason to believe that state courts could not always be trusted to have the appropriate national, as opposed to local, interest to fairly decide it. Although there are nine different categories of cases listed, the two most important for purposes of civil procedure are referred to as “federal question” and “diversity” cases.

Federal question cases are those “arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their authority.” The main purpose of federal question jurisdiction is to protect against bias by state-court judges against federal law (or those asserting federal rights) and in favor of state law or state interests, when there is a clash between the two. In addition, it provides the expertise of judges who are more familiar with issues of federal law. It also may help produce uniformity in the interpretation of federal law, when issues are decided by a
relatively small number of federal judges, rather than a much larger number of state-court judges in many different states.

Diversity cases are “Controversies…between Citizens of different States…” The main purpose of the diversity provision is to provide a more neutral forum for cases involving citizens from different states to protect one or the other from actual or perceived bias by an elected state judge who might favor an in-state party at the expense of an out-of-state party in order to increase chances of re-election. (both federal question and diversity jurisdiction will be discussed in more detail in the next two assignments).

Because of the mandatory language of Article III, Section 1: “The judicial power of the Untied States shall be vested in one Supreme Court and in such inferior Courts as the Congress may from time to time ordain and establish,” it may seem like federal courts must be able to hear all of the kinds of cases listed, without exception. However, that is not the true. As to the lower federal courts, the Supreme Court has held that since Congress was not required to establish any inferior federal courts at all (which would have given them no jurisdiction), it can take the lesser action of creating them, but giving them less than the entirety of all the cases listed.

Therefore, the lower federal courts have jurisdiction over only those kinds of cases granted by Congressional statute. Congress cannot grant jurisdiction to the courts that goes beyond the federal judicial power in Article III, but is not required to give the entire judicial power to the courts. In order for the federal district courts to have jurisdiction over a case, two requirements must be satisfied. First, it must be one of those kinds of cases listed within the judicial power of the United States and second, there must be a statute granting jurisdiction to the district courts over that kind of case.

The statute granting district court jurisdiction over federal question cases is 28 U.S.C. § 1331, and the statute granting jurisdiction over federal question cases is 28 U.S.C. § 1332. Both of these statutes provide jurisdiction which is concurrent with the jurisdiction of state courts, meaning that plaintiff has the choice of bringing them in
either federal court or state court. In some cases, if plaintiff brings a case within the federal court’s concurrent jurisdiction in state court, the defendant may “remove” the case to the Federal District court in that same state. See 28 U.S.C. § 1441 (a).

In a small number of cases, Congress has provided that federal court jurisdiction is “exclusive” of the state courts, meaning that they may only be heard in federal court. Some examples of grants of exclusive jurisdiction are Admiralty, Patent and Copyright cases. See 28 U.S.C. §§ 1333, 1338. Neither § 1331 nor 1332 specify whether they are concurrent or exclusive. Can you figure out why they have consistently been interpreted to be concurrent?

As was mentioned above, the Supreme Court has held that Congress is not required to grant original jurisdiction to the district courts over all cases within the judicial power of the United States. One clear example in which Congress has not given federal district courts the full judicial power allowed by the Constitution concerns the diversity jurisdiction. The statute granting jurisdiction to the district courts to hear cases between citizens of different states (28 §U.S.C. 1332) has always contained a required amount in controversy (which is currently in excess of $75,000). Therefore, a suit between citizens of different states over a piece of property worth $50,000, although within “the judicial power of the United States,” may not be brought in a federal court. It would have to be brought in a state court.

As to the jurisdiction of the Supreme Court, it may seem that it must have jurisdiction over the entirety of the judicial power, since, unlike with the lower courts, Congress had no discretion whether to create it or not, and Article III provides that “the judicial power of the United States shall be vested in one Supreme Court.…” However, in this case, the Supreme Court has reached the same result as to its own jurisdiction as it did with the jurisdiction of the lower courts, but using different reasoning. Except for a very small number of cases over which the Supreme Court is granted original jurisdiction, the Supreme Court is granted appellate jurisdiction by Article III, but “with such Exceptions and under such Regulations as the Congress shall make.” The Supreme
Court has interpreted this language as giving Congress wide power to decide which cases among those listed in Article III over which the Supreme Court has appellate jurisdiction.

The only cases over which the Court must be given jurisdiction are those involving original jurisdiction of “Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party” (applicable only in a small number of cases). As to all other cases, the Court may have only appellate jurisdiction, which is subject to congressional “exceptions” and “regulations.” Although Article III refers to Congress’ power to “make exceptions” to the appellate jurisdiction of the Supreme Court, Congress has never passed statues making exceptions to the Court’s jurisdiction. Rather, it has passed statutes affirmatively granting jurisdiction in a broad range of cases, and the Supreme Court has interpreted this grant of jurisdiction to mean that Congress intended to make exceptions from their jurisdiction of any other kind of case. As a result, the determination of whether the Supreme Court has appellate jurisdiction over a case is made in the same way as the determination of whether the district courts have original jurisdiction: the case must be one within the judicial power and must fall within a statutory grant of jurisdiction. The two main statutes gratning appellate jurisdiction to the Supreme Court are 28 U.S.C. § 1254 (from the states “highest court”) and 28 U.S.C. § 1257 (from the United States Courts of Appeals). Both of these grants of jurisdiction are discretionary: that is the Supreme Court must grant a “Writ of Certiorari” in order for a case to be heard.
Problem: Introduction to Federal Subject-Matter Jurisdiction

The two most important types of civil cases heard by the federal courts are “federal question” and “diversity” cases. Answer each of the questions below separately for each of the two kinds of cases:

1. Find in Article III of the Constitution where each is listed within “the judicial power of the United States.”
   
   A. What does it mean for a kind of case to be within “the judicial power of the United States”
   
   B. Are all cases within the judicial power of the United States automatically heard by the federal district courts?
   
   C. If not, how can you tell whether the federal district courts can hear any particular case within the judicial power of the United States.

2. What is the difference between “original” and “appellate” jurisdiction?
   
   A. Has Congress given, by statute, “original” jurisdiction of diversity and federal question cases to the Federal District Courts?
   
   B. Give an example of a civil case which fits each category.

3. If these cases could not be heard by the Federal District Courts, where could they be brought?

4. Why do you think the federal courts were given jurisdiction over these kinds of cases? What is it about federal courts (or judges) that make them “better” at hearing such cases than state courts?

5. What is the difference between exclusive and concurrent jurisdiction?
   
   A. Is federal jurisdiction in diversity and federal question cases exclusive or concurrent?
   
   B. How can you tell?
6. Does concurrent jurisdiction defeat some or all of the purposes for which jurisdiction was given? For example, what if plaintiff chooses to file a case within the concurrent jurisdiction of the federal courts in state court instead, but Defendant legitimately prefers a federal court? Is there a statute which helps remedy this?

7. What might lead Congress to make jurisdiction in a certain kind of case exclusive, rather than concurrent (in other words, which of the various reasons for federal subject-matter jurisdiction would require exclusive jurisdiction to be effective)?

8. Assume that Congress passed the following (hypothetical) statute:

   28 USC § 1111: The Federal District Courts shall have original jurisdiction over all cases where the amount in controversy is more than $50,000.

P, a citizen of Baltimore, Maryland is severely injured in an auto accident with D, a citizen of Annapolis, Maryland. P brings suit against D for negligent injury in Federal District Court, basing jurisdiction on 28 USC § 1111. If you represent D, what argument can you make that the case should be dismissed for lack of jurisdiction.