

A plaintiff has sued a defendant in a court of the state in which both parties reside. The plaintiff alleges only a cause of action arising under a federal statute, although state law provides a similar cause of action. The federal statute provides that claims under the statute can be brought in any court of competent jurisdiction. The statute has not yet been interpreted by any federal court.

Should the state court hear the case?

- A. No, because cases arising under federal law must be decided in federal court.
- B. No, because state courts must abstain in cases arising under federal law until a federal court has decided the federal issue.
- C. Yes, because state courts may not discriminate against cases arising under federal law.
- D. Yes, because the parties cannot proceed in federal court since there is no diversity of citizenship.

Explanation:

Concurrent jurisdiction

Type of claim	Federal court	State court
Federal law	Jurisdiction always proper	Jurisdiction proper <i>unless</i> : <ul style="list-style-type: none">• Congress granted federal courts exclusive jurisdiction <i>or</i>• neutral state rule bars state court jurisdiction
State law	Jurisdiction proper <i>if</i> : <ul style="list-style-type: none">• diverse opposing parties <i>and</i>• amount in controversy > \$75,000	Jurisdiction always proper

State and federal courts share concurrent jurisdiction over claims arising under federal law **(Choice A)**. But under the supremacy clause, **state courts cannot discriminate** against cases arising under **federal law**. As a result, state courts **can only refuse** to hear such a case in **two narrow circumstances**:

- when Congress expressly granted **federal courts exclusive jurisdiction** over the subject matter (eg, bankruptcy) *or*
- when a **neutral state rule prohibits** the state court from adjudicating the case (eg, a rule barring state courts from deciding cases that do not involve state residents or property).

Here, the plaintiff sued the defendant in state court, alleging only a cause of action arising under federal law. The relevant statute provides that claims under the statute can be brought in *any* court of competent jurisdiction, and there is no indication that a state rule prohibits the state court from hearing the case. And since state courts cannot discriminate against cases arising under federal law, the state court should hear the case.

(Choice B) A federal court should **abstain** from hearing a case involving an unsettled issue of *state* law so that state courts can sort out the issue. But *state* courts need not abstain from hearing unsettled issues of *federal* law (as seen here).

(Choice D) Federal courts can obtain subject-matter jurisdiction under either (1) diversity jurisdiction *or* (2) federal-question jurisdiction—ie, when the case arises under the Constitution, a treaty, or a federal law (as seen here). Therefore, the parties could have

proceeded in federal court even though they lack diversity of citizenship—ie, are citizens of the same state.

Educational objective:

The supremacy clause bars state courts from discriminating against cases arising under federal law. As a result, state courts can only refuse to hear federal-law claims if (1) Congress expressly granted federal courts exclusive jurisdiction or (2) a neutral state rule prohibits the state court from hearing the case.

References

- Claflin v. Houseman, 93 U.S. 130, 136 (1876) (holding that state courts share concurrent jurisdiction with federal courts over cases arising under federal law).
- Haywood v. Drown, 556 U.S. 729, 735–36 (2009) (explaining that state courts can refuse to hear a case involving a federal law only when federal courts have exclusive jurisdiction or a neutral state rule prohibits the state court from hearing it).
- 20 Am. Jur. 2d Courts § 88 (2019) (describing federal and state courts' concurrent jurisdiction).

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