

A company located in State A filed a lawsuit against its distributor located in State B in a federal district court. The company's complaint asserted a breach of contract claim for \$60,000 and a negligence claim for \$30,000. These claims arose from different facts.

May the federal court hear these claims in a single suit?

- A. No, because neither claim satisfies subject-matter jurisdiction on its own.
- B. No, because the claims arose out of different facts.
- C. Yes, because the claims were properly joined, and the federal court has diversity jurisdiction.
- D. Yes, because the claims were properly joined, and the federal court has supplemental jurisdiction.

Explanation:

Amount in controversy

(aggregation of claims)

Procedural posture	Claims asserted	Outcome
One π v. one Δ	<ul style="list-style-type: none">• Negligence – \$40K• Battery – \$60K	<ul style="list-style-type: none">• Aggregation allowed• Amount in controversy = \$100K
One π v. multiple Δ s	<ul style="list-style-type: none">• Negligence against $\Delta 1$ – \$40K• Battery against $\Delta 2$ – \$60K	<ul style="list-style-type: none">• Aggregation <i>not</i> allowed unless Δs jointly liable• Amounts in controversy = \$40K & \$60K
Multiple π s v. one Δ	<ul style="list-style-type: none">• $\pi 1$ asserts negligence – \$40K• $\pi 2$ asserts battery – \$60K• $\pi 1$ asserts negligence – \$40K• $\pi 1$ asserts breach of contract – \$40K• $\pi 2$ asserts battery – \$60K	<ul style="list-style-type: none">• Aggregation <i>not</i> allowed unless πs enforcing common or undivided interest• Amounts in controversy = \$40K & \$60K• Aggregation allowed for $\pi 1$'s claims• Aggregation <i>not</i> allowed for $\pi 2$'s claim• Amounts in controversy = \$80K & \$60K

π = plaintiff; Δ = defendant.

Federal Rule of Civil Procedure (FRCP) 18 allows a party to **join** (ie, add) **as many claims** as it has **against an opposing party** in a **single lawsuit**—even if the claims arise from different facts or occurrences* (as seen here) **(Choice B)**. But like all disputes in federal court, a suit involving multiple claims must **satisfy subject-matter jurisdiction**. This can be established through either:

- federal-question jurisdiction – when a claim arises under the U.S. Constitution, a treaty, or a federal law (not seen here) *or*
- diversity jurisdiction – when the opposing parties are **citizens** of different states and the amount in controversy exceeds \$75,000.

The amount in controversy refers to the amount demanded in the plaintiff's complaint (excluding costs and interest). To meet the required amount, a single plaintiff may aggregate (ie, combine) joined claims asserted against a single defendant.

Here, the company and the distributor are citizens of different states (States A and B, respectively). The company properly joined a breach of contract claim for \$60,000 and a negligence claim for \$30,000, even though they arise from different facts. And though neither claim individually satisfies the amount-in-controversy requirement, they can be aggregated to \$90,000 to meet that requirement since both claims are asserted against the distributor. Therefore, the federal district court has diversity jurisdiction and can hear both claims in a single suit **(Choice A)**.

*FRCP 42 allows a federal court to order separate trials of claims for convenience, to avoid prejudice, or to expedite and economize.

(Choice D) A federal court may exercise [supplemental jurisdiction](#) to hear certain claims that do not independently satisfy federal-question or diversity jurisdiction. But there is no need for supplemental jurisdiction here since the court has diversity jurisdiction over the aggregated claims.

Educational objective:

A party may join as many claims as it has against an opposing party in federal court—even if the claims arise out of different facts or occurrences—provided subject-matter jurisdiction is satisfied.

References

- Fed. R. Civ. P. 18 (joinder of claims).
- 28 U.S.C. § 1332 (diversity jurisdiction).