A patient from State A sued a doctor from State B in a State A federal court for medical malpractice that allegedly occurred in State B. At the conclusion of trial, the jury found in favor of the patient and awarded him $3,000,000 in damages. The court entered a judgment consistent with the verdict. Fifteen days later, the patient brought an action to enforce the judgment in the same federal court.

The Federal Rules of Civil Procedure impose an automatic 30-day stay on all final judgments awarding damages. State A law, in contrast, imposes a 14-day stay on all final judgments awarding damages and provides that the law of the state where the injury occurred must be applied to all malpractice claims. However, State B law imposes a 21-day stay on all final judgments awarding damages and provides that State B law must be applied to all tort claims.

Should the federal court enter an order to enforce the judgment?

A. No, because the Federal Rules of Civil Procedure impose a 30-day stay.

B. No, because the Federal Rules of Civil Procedure modify a substantive right.

C. Yes, because State A substantive law imposes a 14-day stay.

D. Yes, because State B substantive law imposes a 21-day stay.

Explanation:

When a federal court's subject-matter jurisdiction is based on **diversity**, the court must apply **state law** to **substantive** issues and **federal law** to **procedural** issues. When it is **unclear** whether an issue is substantive or procedural, the court must determine if a valid **federal law** (ie, federal rule, statute, or constitutional provision) ***directly* addresses** the issue. If so, federal-rule analysis provides that **federal law applies** if it is arguably procedural and does not modify a substantive right.

FRCP 62 directly imposes an automatic 30-day stay on a final judgment entered in federal court that awards damages. This valid rule* is arguably procedural and does not modify a substantive right because the rule regulates the *process* of enforcing a judgment—not a party's *right* to a judgment **(Choice B)**. As a result, the federal court should apply this *federal* rule. And since only 15 days have passed since the judgment was entered, the court should not enforce the judgment.

*No FRCP has ever been found unconstitutional or invalid. This is likely because the Supreme Court reviews and sends proposed rules to Congress before they are enacted.

(Choices C & D) Neither State A nor State B law applies to the length of the stay since this issue is procedural in nature. Additionally, there is no need to apply State A's choice-of-law rules because they are only necessary to determine which state's substantive law applies.
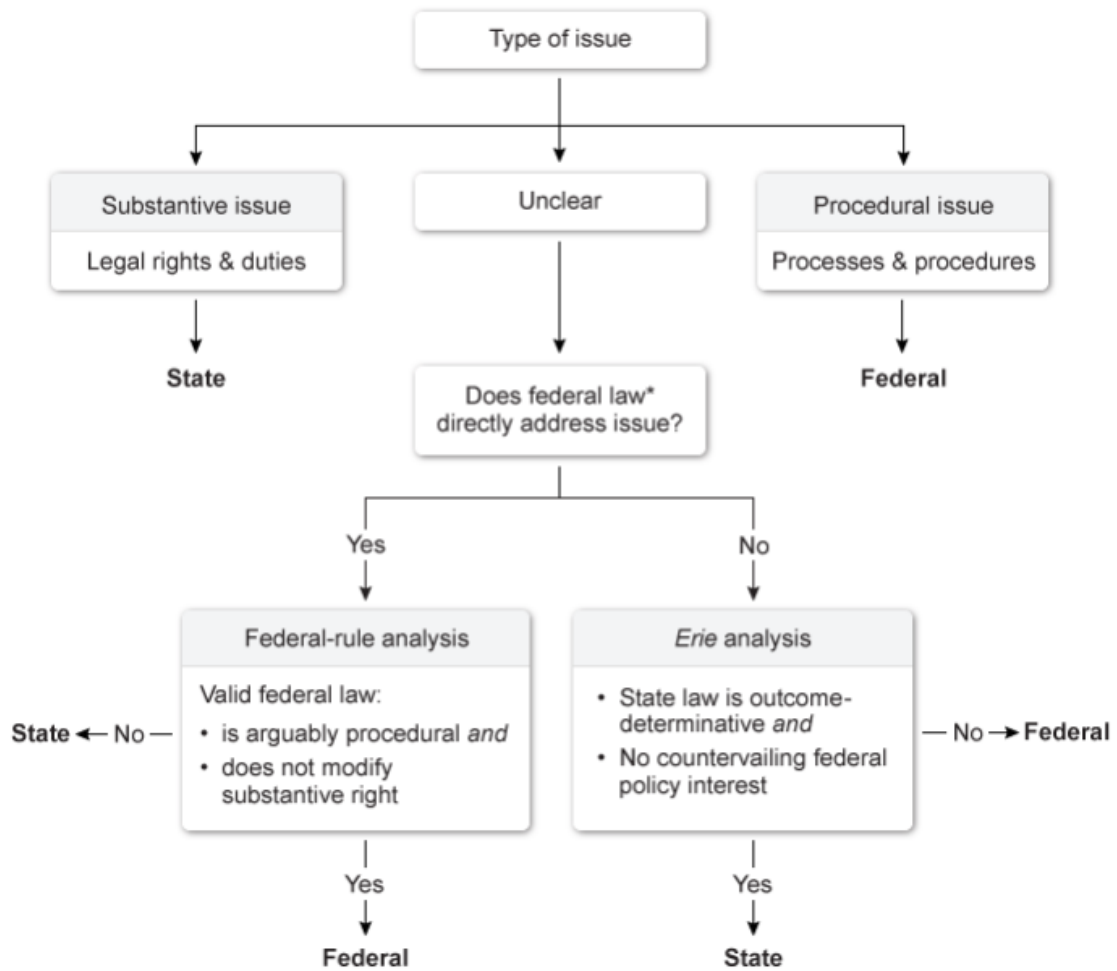
Educational objective:

To determine whether an issue is substantive or procedural, federal-rule analysis applies if a valid federal law directly addresses the issue. Under federal-rule analysis, a federal court sitting in diversity must apply that federal law so long as the law is arguably procedural and does not modify a substantive right.

FRCP = Federal Rule of Civil Procedure.

References

- Burlington N. R.R. Co. v. Woods, 480 U.S. 1, 4–5 (1987) (explaining federal-rule analysis).

Choice of law in diversity cases

Type of issue

- **Substantive issue**
  Legal rights & duties
  → **State**

- **Unclear**
  → **Does federal law* directly address issue?**
  - **Yes** →
    Federal-rule analysis
    Valid federal law:
    - is arguably procedural *and*
    - does not modify substantive right

    State ← No —
    Yes ↓
    Federal
  - **No** →
    ***Erie* analysis**
    - State law is outcome-determinative *and*
    - No countervailing federal policy interest

    — No → **Federal**
    Yes ↓
    State

- **Procedural issue**
  Processes & procedures
  → **Federal**

*Federal law includes federal statutes, rules, and constitutional provisions

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