

A computer company, incorporated in State A and with its principal place of business in State B, manufactured a laptop that would overheat if left on for over 24 hours. A college student purchased this laptop in State B, where she resided. While at her apartment, the student left the laptop on for over 24 hours. The laptop exploded, causing her to sustain severe injuries.

After recuperating from her injuries, the student moved to State C and sued the computer company in State C federal court to recover \$200,000 for her injuries.

The computer company filed a motion to transfer the lawsuit to the State B federal court on the ground that State C is an improper venue.

How will the State C federal court likely rule on the computer company's motion?

- A. Deny the motion, because the court only has the power to dismiss the student's lawsuit.
- B. Deny the motion, because venue is proper in State C.
- C. Grant the motion, because the doctrine of forum non conveniens allows for such a transfer.
- D. Grant the motion, because venue is improper in State C.

Explanation:

Venue

Proper venue

Case may be brought in any federal district where:

(28 U.S.C. § 1391)

- any defendant resides, if defendants all reside in same state
- substantial part of events giving rise to claim occurred or property at issue is located
- any defendant is subject to court's personal jurisdiction (if neither of the above provisions applies)

Transfer from proper venue

When venue is proper, district court may transfer case to any other proper venue for convenience of parties/witnesses & in interest of justice

(28 U.S.C. § 1404)

Transfer or dismissal from improper venue

When venue is improper, district court must either:

(28 U.S.C. § 1406)

- dismiss case
- transfer case to proper venue (if interest of justice requires)

Venue—ie, the geographic location of the specific federal district in which suit may be brought—is proper in **any federal district where**:

- any **defendant resides**—eg, where a company is incorporated or maintains its principal place of business—so long as all the defendants reside in the same state
- a **substantial** part of the **events that gave rise to the suit occurred** or the property at issue is located *or*
- any defendant is subject to the court's **personal jurisdiction** (if neither of the above provisions applies).

Here, the computer company resides in State A (state of incorporation) and State B (principal place of business)—not State C. And the events giving rise to the suit—the computer purchase and the explosion—occurred only in State B. Therefore, venue is improper in State C (**Choice B**).

When **venue is improper**, the federal court must either (1) **dismiss** the lawsuit or (2) **transfer** it to a federal court with **proper venue (Choice A)**. Federal courts prefer transfer over dismissal for judicial efficiency. Therefore, the State C federal court will likely grant the computer company's motion to transfer the student's lawsuit to the State B federal court—where venue is proper.

(Choice C) The doctrine of *forum non conveniens* allows a federal court to dismiss or stay a lawsuit—even when venue is proper in that court—if a *state* or *foreign* judicial system is better suited to hear the dispute (not seen here).

Educational objective:

A federal court with improper venue must either transfer the suit to a federal court with proper venue (preferred) or dismiss the case.

References

- 28 U.S.C. § 1391 (venue).
- 28 U.S.C. § 1406 (transfer when venue is improper).