

A truck driver from State A and a bus driver from State B were involved in a collision in State B that injured the truck driver. The truck driver filed a federal diversity action in State B based on negligence, seeking \$100,000 in damages from the bus driver.

What law of negligence should the court apply?

- A. The court should apply the federal common law of negligence.
- B. The court should apply the negligence law of State A, the truck driver's state of citizenship.
- C. The court should consider the negligence law of both State A and State B and apply the law that the court believes most appropriately governs negligence in this action.
- D. The court should determine which state's negligence law a state court in State B would apply and apply that law in this action.

Explanation:

When a federal court's subject-matter jurisdiction is based on **diversity jurisdiction**, the dispute is between citizens of different states. As a result, the court must determine which state's substantive law applies to the case. If no federal rule, federal statute, or constitutional provision controls the [substantive issue](#), then the court must follow the **choice-of-law rules** of the **state where the court sits**.

Here, the federal court in State B has diversity jurisdiction over this negligence case. There is no [federal law](#) on negligence. Therefore, the court must use the choice-of-law rules of the state where the court sits (State B) to determine which state's (State A's or State B's) negligence law a court in State B should apply.

(Choice A) There is no federal common law of negligence, so federal courts must adhere to state law on this substantive matter.

(Choice B) The court cannot simply select the law of the truck driver's state of citizenship. Instead, the court must look to the choice-of-law rules of the state where the court sits to determine which competing state's substantive law should apply to this case.

(Choice C) If the court were to review the negligence law of both states and select the law the court found most appropriate, then the court would be erroneously developing its own federal choice-of-law rules.

Educational objective:

In a federal diversity action where no federal substantive law applies, a federal court must look to the choice-of-law rules of the state where the court sits to determine which state's substantive law to follow.

References

- Klaxon Co. v. Stentor Elec. Mfg. Co., 313 U.S. 487, 496–97 (1941) (explaining that a federal court hearing a diversity case must apply the choice-of-law rules of the state in which the court sits).

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Choice of law

