No. 35702 - *Huston v. Mercedes-Benz USA, LLC*

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WORKMAN, Chief Justice, concurring, in part, and dissenting, in part:

I concur with the majority that the answer to the first certified question in this case should be "no." I dissent, however, to the majority's decision to adopt principles of federal jurisdiction as the law governing state court jurisdiction.

The question in this case is whether a federal district court in Pennsylvania properly retained jurisdiction over disagreements arising from a class action settlement agreement. As the majority correctly notes early in its analysis, "[t]he United States Supreme Court case of *Kokkonen v. Guardian Life Insurance Company of America*, 511 U.S. 375, 114 S. Ct. 1673, 128 L.Ed.2d 391 (1994), is determinative of this issue." Indeed, whether a federal court has jurisdiction to hear a case is a question that can *only* be decided under federal law. Accordingly, I would merely apply the holding in *Kokkonen*, as interpreted by other federal courts, to find that the United States District Court for the Eastern District of Pennsylvania did, in fact, correctly retain jurisdiction over the instant dispute.

Rather than simply applying well-settled federal law to the limited question before the Court, the majority issues a new syllabus point adopting the holding of *Kokkonen* as the law governing jurisdiction in West Virginia. Nothing in this case supports such a result. This Court has not been called upon to determine whether a West Virginia court properly retained jurisdiction over a settlement agreement; rather, we are asked to decide whether a *federal* court retained jurisdiction. Such an issue may *only* be governed by federal law, as federal jurisdiction is determined by federal law alone. *See Int'l Sci. & Tech. Inst., Inc. v. Inacom Comm., Inc.*, 106 F.3d 1146, 1153 (4th Cir. 1997) ("While Article III of the Constitution authorizes judicial power of 'cases, in law and equity, arising under' the Constitution, laws, and treaties of the United States, the district courts have only that jurisdiction that Congress grants through statute." (original emphasis omitted)). Indeed, it is axiomatic that no law of this State can have any impact on whether a federal court has jurisdiction over a case. Consequently, the new syllabus point is wholly unnecessary in this case and, in fact, is improper.

Moreover, the majority creates this new syllabus point without this issue having been raised, briefed or argued, and without any explanation as to why the holding of *Kokkonen* should be adopted as the law of this State. Importantly, in *Kokkonen*, the Supreme Court's analysis clearly turns on the fact that federal courts are courts of limited jurisdiction. 511 U.S. at 377 & 380-81. The same is not true of state courts. *Thompson v. City of Atlantic*

City, 190 N.J. 359, 378-79, 921 A.2d 427, 438-39 (2007) ("[F]ederal courts only have limited jurisdiction-that is the jurisdiction to hear cases authorized by the Federal Constitution or federal statutes. . . . On the other hand . . . state courts are invested with general jurisdiction that provides expansive authority to resolve myriad controversies brought before them."). Consequently, not only does the majority provide no explanation for its decision to adopt the new syllabus point, the reasoning on which the United States Supreme Court based its holding in *Kokkonen* is not applicable to the state court context.[1]

Despite the lack of any legal or factual basis on which to issue the new syllabus point, the majority not only sets forth the new law, it then purports to rely on that syllabus point to find that the federal court properly retained jurisdiction in this case. As already explained, however, federal court jurisdiction is purely an issue of federal law. Accordingly, the majority errs in relying on West Virginia law, i.e. its newly created syllabus point, to find that the federal court in Pennsylvania has jurisdiction over the underlying settlement agreement.

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[1]Even more telling is the fact that only one other state, Ohio, has even arguably adopted the holding of *Kokkonen* as state law. I say arguably because the only Ohio cases purporting to adopt the *Kokkonen* holding are both unpublished opinions issued by Ohio's intermediary appellate court. *See Grace v. Howell*, No. 20283, 2004 WL 1753386 (Ohio Ct. App. Aug. 6, 2004); *Lamp v. Richard Goettle, Inc.*, No. C-040461, 2005 WL 927164 (Ohio Ct. App. Apr. 22, 2005).

For these reasons, I respectfully dissent to the majority's adoption of federal jurisdictional law in this state without providing any basis for such a broad expansion. Nevertheless, under *Kokkonen* and it prodigy, the federal district court properly retained jurisdiction over disputes arising from the class action settlement agreement in this case, thereby divesting the courts of this State of jurisdiction.[2] Accordingly, I concur in the result reached by the majority.

[2]The majority states, without providing any legal support, that because the federal court retained jurisdiction, "jurisdiction elsewhere is not proper." While I agree with this conclusion, I find it important to provide a legal basis for this statement. I therefore direct the parties to *Flanagan v. Arnaiz*, 143 F.3d 540, 544-45 (9th Cir. 1998), in which the Ninth Circuit Court of Appeals held that when a federal court retains jurisdiction to resolve disputes arising under a settlement agreement pursuant to *Kokkonen*, such jurisdiction is exclusive in the absence of language to the contrary.