1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 EASTERN DISTRICT OF CALIFORNIA 10 ----00000----11 12 PAUL EVERT'S RV COUNTRY, CIV. NO. 1:15-00124 WBS SKO 13 INC.; PAUL EVERT; and CHARLES CURTIS, ORDER RE: MOTION FOR LEAVE TO 14 FILE COUNTERCLAIM FOR Plaintiffs, DECLARATORY RELIEF 15 V. 16 UNIVERSAL UNDERWRITERS INSURANCE COMPANY; and DOES 17 1-25, inclusive, 18 Defendant. 19 20 AND RELATED COUNTERCLAIMS. 2.1 22 ----00000----23 24 Plaintiffs Paul Evert's RV Country Inc., Paul Evert, 25 and Charles Curtis initiated this suit against defendant 26 Universal Underwriters Insurance Company alleging a breach of 27 defendant's duty to defend and indemnify. (Docket No. 1.) On

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June 18, 2015, the court issued a Status (Pretrial Scheduling)

Order that prohibited further amendments to the pleadings "except with leave of court, good cause having been shown under Federal Rule of Civil Procedure 16(b)." (Docket No. 18.) Defendant now seeks leave to amend its answer so it may file a counterclaim for declaratory relief. (Def.'s Mot. for Leave to File Countercl. ("Def.'s Mot.") (Docket No. 22).)

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Here, the Scheduling Order controls and defendant must meet the requirements of Rule 16(b). A party seeking leave to amend under Rule 16(b) must demonstrate "good cause." Fed. R. Civ. P. 16(b). The court finds that defendant has established good cause for seeking leave to amend its answer and plaintiffs will not be prejudiced by the filing of this counterclaim.

Defendant's counterclaim does not expand the scope of the case or greatly alter the nature of the litigation. To the contrary, it seeks a judicial declaration on defendant's duty to defend and responsibility for damages—issues that have been at the center of this litigation from the beginning. In addition, defendant's counterclaim will not cause any delay in the litigation as discovery is still open, little discovery has yet been conducted, and the pretrial conference and trial dates will remain unchanged.

Plaintiffs' argument that amendment is futile because the counterclaim is "redundant" of the causes of action already asserted in plaintiffs' Complaint would be better resolved on a motion to dismiss or motion for summary judgment. (Pls.' Opp'n at 16, 21 (Docket No. 31).) "While courts will determine the legal sufficiency of a proposed amendment using the same standard

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as applied on a Rule 12(b)(6) motion . . . such issues are often more appropriately raised in a motion to dismiss rather than in an opposition to a motion for leave to amend." <u>SAES Getters</u>

<u>S.p.A. v. Aeronex, Inc.</u>, 219 F. Supp. 2d 1081, 1086 (S.D. Cal. 2002).

IT IS THEREFORE ORDERED that defendant's motion for leave to file a counterclaim for declaratory relief (Docket No. 22) be, and the same hereby is, GRANTED.

Dated: April 6, 2016

WILLIAM B. SHUBB

UNITED STATES DISTRICT JUDGE