

106<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2112

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## AN ACT

To amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and to provide for Federal jurisdiction of certain multiparty, multiforum civil actions.



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To amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and to provide for Federal jurisdiction of certain multiparty, multiforum civil actions.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Multidistrict,  
5 Multiparty, Multiforum Trial Jurisdiction Act of 1999”.

6 **SEC. 2. MULTIDISTRICT LITIGATION.**

7       Section 1407 of title 28, United States Code, is  
8 amended—

9           (1) in the third sentence of subsection (a), by  
10       inserting “or ordered transferred to the transferee  
11       or other district under subsection (i)” after “termi-  
12       nated”; and

13           (2) by adding at the end the following new sub-  
14       section:

15       “(i)(1) Subject to paragraph (2) and except as pro-  
16       vided in subsection (j), any action transferred under this  
17       section by the panel may be transferred for trial purposes,  
18       by the judge or judges of the transferee district to whom  
19       the action was assigned, to the transferee or other district  
20       in the interest of justice and for the convenience of the  
21       parties and witnesses.

22       “(2) Any action transferred for trial purposes under  
23       paragraph (1) shall be remanded by the panel for the de-  
24       termination of compensatory damages to the district court  
25       from which it was transferred, unless the court to which

1 the action has been transferred for trial purposes also  
2 finds, for the convenience of the parties and witnesses and  
3 in the interests of justice, that the action should be re-  
4 tained for the determination of compensatory damages.”.

5 **SEC. 3. MULTIPARTY, MULTIFORUM JURISDICTION OF DIS-**  
6 **TRICT COURTS.**

7 (a) BASIS OF JURISDICTION.—

8 (1) IN GENERAL.—Chapter 85 of title 28,  
9 United States Code, is amended by adding at the  
10 end the following new section:

11 **“§ 1369. Multiparty, multiforum jurisdiction**

12 “(a) IN GENERAL.—The district courts shall have  
13 original jurisdiction of any civil action involving minimal  
14 diversity between adverse parties that arises from a single  
15 accident, where at least 25 natural persons have either  
16 died or incurred injury in the accident at a discrete loca-  
17 tion and, in the case of injury, the injury has resulted in  
18 damages which exceed \$75,000 per person, exclusive of in-  
19 terest and costs, if—

20 “(1) a defendant resides in a State and a sub-  
21 stantial part of the accident took place in another  
22 State or other location, regardless of whether that  
23 defendant is also a resident of the State where a  
24 substantial part of the accident took place;

1           “(2) any two defendants reside in different  
2 States, regardless of whether such defendants are  
3 also residents of the same State or States; or

4           “(3) substantial parts of the accident took place  
5 in different States.

6           “(b) SPECIAL RULES AND DEFINITIONS.—For pur-  
7 poses of this section—

8           “(1) minimal diversity exists between adverse  
9 parties if any party is a citizen of a State and any  
10 adverse party is a citizen of another State, a citizen  
11 or subject of a foreign state, or a foreign state as  
12 defined in section 1603(a) of this title;

13           “(2) a corporation is deemed to be a citizen of  
14 any State, and a citizen or subject of any foreign  
15 state, in which it is incorporated or has its principal  
16 place of business, and is deemed to be a resident of  
17 any State in which it is incorporated or licensed to  
18 do business or is doing business;

19           “(3) the term ‘injury’ means—

20           “(A) physical harm to a natural person;  
21 and

22           “(B) physical damage to or destruction of  
23 tangible property, but only if physical harm de-  
24 scribed in subparagraph (A) exists;

1           “(4) the term ‘accident’ means a sudden acci-  
2           dent, or a natural event culminating in an accident,  
3           that results in death or injury incurred at a discrete  
4           location by at least 25 natural persons; and

5           “(5) the term ‘State’ includes the District of  
6           Columbia, the Commonwealth of Puerto Rico, and  
7           any territory or possession of the United States.

8           “(c) INTERVENING PARTIES.—In any action in a dis-  
9           trict court which is or could have been brought, in whole  
10          or in part, under this section, any person with a claim  
11          arising from the accident described in subsection (a) shall  
12          be permitted to intervene as a party plaintiff in the action,  
13          even if that person could not have brought an action in  
14          a district court as an original matter.

15          “(d) NOTIFICATION OF JUDICIAL PANEL ON MULTI-  
16          DISTRICT LITIGATION.—A district court in which an ac-  
17          tion under this section is pending shall promptly notify  
18          the judicial panel on multidistrict litigation of the pend-  
19          ency of the action.”.

20          (2) CONFORMING AMENDMENT.—The table of  
21          sections at the beginning of chapter 85 of title 28,  
22          United States Code, is amended by adding at the  
23          end the following new item:

“1369. Multiparty, multiform jurisdiction.”.

24          (b) VENUE.—Section 1391 of title 28, United States  
25          Code, is amended by adding at the end the following:

1           “(g) A civil action in which jurisdiction of the district  
2 court is based upon section 1369 of this title may be  
3 brought in any district in which any defendant resides or  
4 in which a substantial part of the accident giving rise to  
5 the action took place.”.

6           (c) MULTIDISTRICT LITIGATION.—Section 1407 of  
7 title 28, United States Code, as amended by section 2 of  
8 this Act, is further amended by adding at the end the fol-  
9 lowing:

10           “(j)(1) In actions transferred under this section when  
11 jurisdiction is or could have been based, in whole or in  
12 part, on section 1369 of this title, the transferee district  
13 court may, notwithstanding any other provision of this  
14 section, retain actions so transferred for the determination  
15 of liability and punitive damages. An action retained for  
16 the determination of liability shall be remanded to the dis-  
17 trict court from which the action was transferred, or to  
18 the State court from which the action was removed, for  
19 the determination of damages, other than punitive dam-  
20 ages, unless the court finds, for the convenience of parties  
21 and witnesses and in the interest of justice, that the action  
22 should be retained for the determination of damages.

23           “(2) Any remand under paragraph (1) shall not be  
24 effective until 60 days after the transferee court has  
25 issued an order determining liability and has certified its

1 intention to remand some or all of the transferred actions  
2 for the determination of damages. An appeal with respect  
3 to the liability determination and the choice of law deter-  
4 mination of the transferee court may be taken during that  
5 60-day period to the court of appeals with appellate juris-  
6 diction over the transferee court. In the event a party files  
7 such an appeal, the remand shall not be effective until the  
8 appeal has been finally disposed of. Once the remand has  
9 become effective, the liability determination and the choice  
10 of law determination shall not be subject to further review  
11 by appeal or otherwise.

12       “(3) An appeal with respect to determination of puni-  
13 tive damages by the transferee court may be taken, during  
14 the 60-day period beginning on the date the order making  
15 the determination is issued, to the court of appeals with  
16 jurisdiction over the transferee court.

17       “(4) Any decision under this subsection concerning  
18 remand for the determination of damages shall not be re-  
19 viewable by appeal or otherwise.

20       “(5) Nothing in this subsection shall restrict the au-  
21 thority of the transferee court to transfer or dismiss an  
22 action on the ground of inconvenient forum.”.

23       (d) REMOVAL OF ACTIONS.—Section 1441 of title 28,  
24 United States Code, is amended—

1           (1) in subsection (e) by striking “(e) The court  
2           to which such civil action is removed” and inserting  
3           “(f) The court to which a civil action is removed  
4           under this section”; and

5           (2) by inserting after subsection (d) the fol-  
6           lowing new subsection:

7           “(e)(1) Notwithstanding the provisions of subsection  
8 (b) of this section, a defendant in a civil action in a State  
9 court may remove the action to the district court of the  
10 United States for the district and division embracing the  
11 place where the action is pending if—

12           “(A) the action could have been brought in a  
13 United States district court under section 1369 of  
14 this title; or

15           “(B) the defendant is a party to an action  
16 which is or could have been brought, in whole or in  
17 part, under section 1369 in a United States district  
18 court and arises from the same accident as the ac-  
19 tion in State court, even if the action to be removed  
20 could not have been brought in a district court as  
21 an original matter.

22 The removal of an action under this subsection shall be  
23 made in accordance with section 1446 of this title, except  
24 that a notice of removal may also be filed before trial of  
25 the action in State court within 30 days after the date

1 on which the defendant first becomes a party to an action  
2 under section 1369 in a United States district court that  
3 arises from the same accident as the action in State court,  
4 or at a later time with leave of the district court.

5 “(2) Whenever an action is removed under this sub-  
6 section and the district court to which it is removed or  
7 transferred under section 1407(j) has made a liability de-  
8 termination requiring further proceedings as to damages,  
9 the district court shall remand the action to the State  
10 court from which it had been removed for the determina-  
11 tion of damages, unless the court finds that, for the con-  
12 venience of parties and witnesses and in the interest of  
13 justice, the action should be retained for the determination  
14 of damages.

15 “(3) Any remand under paragraph (2) shall not be  
16 effective until 60 days after the district court has issued  
17 an order determining liability and has certified its inten-  
18 tion to remand the removed action for the determination  
19 of damages. An appeal with respect to the liability deter-  
20 mination and the choice of law determination of the dis-  
21 trict court may be taken during that 60-day period to the  
22 court of appeals with appellate jurisdiction over the dis-  
23 trict court. In the event a party files such an appeal, the  
24 remand shall not be effective until the appeal has been  
25 finally disposed of. Once the remand has become effective,

1 the liability determination and the choice of law deter-  
2 mination shall not be subject to further review by appeal  
3 or otherwise.

4 “(4) Any decision under this subsection concerning  
5 remand for the determination of damages shall not be re-  
6 viewable by appeal or otherwise.

7 “(5) An action removed under this subsection shall  
8 be deemed to be an action under section 1369 and an ac-  
9 tion in which jurisdiction is based on section 1368 of this  
10 title for purposes of this section and sections 1407, 1660,  
11 1697, and 1785 of this title.

12 “(6) Nothing in this subsection shall restrict the au-  
13 thority of the district court to transfer or dismiss an ac-  
14 tion on the ground of inconvenient forum.”.

15 (e) CHOICE OF LAW.—

16 (1) DETERMINATION BY THE COURT.—Chapter  
17 111 of title 28, United States Code, is amended by  
18 adding at the end the following new section:

19 **“§ 1660. Choice of law in multiparty, multiform ac-**  
20 **tions**

21 “(a) FACTORS.—In an action which is or could have  
22 been brought, in whole or in part, under section 1369 of  
23 this title, the district court in which the action is brought  
24 or to which it is removed shall determine the source of  
25 the applicable substantive law, except that if an action is

1 transferred to another district court, the transferee court  
2 shall determine the source of the applicable substantive  
3 law. In making this determination, a district court shall  
4 not be bound by the choice of law rules of any State, and  
5 the factors that the court may consider in choosing the  
6 applicable law include—

7           “(1) the place of the injury;

8           “(2) the place of the conduct causing the in-  
9 jury;

10           “(3) the principal places of business or  
11 domiciles of the parties;

12           “(4) the danger of creating unnecessary incen-  
13 tives for forum shopping; and

14           “(5) whether the choice of law would be reason-  
15 ably foreseeable to the parties.

16 The factors set forth in paragraphs (1) through (5) shall  
17 be evaluated according to their relative importance with  
18 respect to the particular action. If good cause is shown  
19 in exceptional cases, including constitutional reasons, the  
20 court may allow the law of more than one State to be ap-  
21 plied with respect to a party, claim, or other element of  
22 an action.

23           “(b) ORDER DESIGNATING CHOICE OF LAW.—The  
24 district court making the determination under subsection  
25 (a) shall enter an order designating the single jurisdiction

1 whose substantive law is to be applied in all other actions  
2 under section 1369 arising from the same accident as that  
3 giving rise to the action in which the determination is  
4 made. The substantive law of the designated jurisdiction  
5 shall be applied to the parties and claims in all such ac-  
6 tions before the court, and to all other elements of each  
7 action, except where Federal law applies or the order spe-  
8 cifically provides for the application of the law of another  
9 jurisdiction with respect to a party, claim, or other ele-  
10 ment of an action.

11       “(c) CONTINUATION OF CHOICE OF LAW AFTER RE-  
12 MAND.—In an action remanded to another district court  
13 or a State court under section 1407(j)(1) or 1441(e)(2)  
14 of this title, the district court’s choice of law under sub-  
15 section (b) shall continue to apply.”.

16       (2) CONFORMING AMENDMENT.—The table of  
17 sections at the beginning of chapter 111 of title 28,  
18 United States Code, is amended by adding at the  
19 end the following new item:

“1660. Choice of law in multiparty, multiform actions.”.

20       (f) SERVICE OF PROCESS.—

21       (1) OTHER THAN SUBPOENAS.—(A) Chapter  
22 113 of title 28, United States Code, is amended by  
23 adding at the end the following new section:

1 **“§ 1697. Service in multiparty, multiform actions**

2 “When the jurisdiction of the district court is based  
3 in whole or in part upon section 1369 of this title, process,  
4 other than subpoenas, may be served at any place within  
5 the United States, or anywhere outside the United States  
6 if otherwise permitted by law.”.

7 (B) The table of sections at the beginning of  
8 chapter 113 of title 28, United States Code, is  
9 amended by adding at the end the following new  
10 item:

“1697. Service in multiparty, multiform actions.”.

11 (2) SERVICE OF SUBPOENAS.—(A) Chapter 117  
12 of title 28, United States Code, is amended by add-  
13 ing at the end the following new section:

14 **“§ 1785. Subpoenas in multiparty, multiform actions**

15 “When the jurisdiction of the district court is based  
16 in whole or in part upon section 1369 of this title, a sub-  
17 poena for attendance at a hearing or trial may, if author-  
18 ized by the court upon motion for good cause shown, and  
19 upon such terms and conditions as the court may impose,  
20 be served at any place within the United States, or any-  
21 where outside the United States if otherwise permitted by  
22 law.”.

23 (B) The table of sections at the beginning of  
24 chapter 117 of title 28, United States Code, is

1 amended by adding at the end the following new  
2 item:

“1785. Subpoenas in multiparty, multiform actions.”.

3 **SEC. 4. EFFECTIVE DATE.**

4 (a) SECTION 2.—The amendments made by section  
5 2 shall apply to any civil action pending on or brought  
6 on or after the date of the enactment of this Act.

7 (b) SECTION 3.—The amendments made by section  
8 3 shall apply to a civil action if the accident giving rise  
9 to the cause of action occurred on or after the 90th day  
10 after the date of the enactment of this Act.

Passed the House of Representatives September 13,  
1999.

Attest:

*Clerk.*