

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
CALIFORNIA

People of State of Cal. v. Trans World Airlines, Inc.

720 F. Supp. 826 (S.D. Cal. 1989) · No. Civ. No. 89-0538-G(CM) · Decided September 13, 1989

SUMMARY

The court granted the People of California’s motion to remand a state consumer-protection action against Trans World Airlines to California state court. The court held that the complaint raised no federal issue on its face, federal defenses did not support removal, and the Federal Aviation Act did not provide the plaintiff with an exclusive federal cause of action. The court denied the defendant’s requests for a stay or transfer.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	Earl B. Gilliam
JURISDICTION	California
DECIDED	September 13, 1989
DOCKET	Civ. No. 89-0538-G(CM)
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed a California consumer-protection action from the California Superior Court to federal district court. Plaintiff moved to remand; defendant opposed remand and moved to stay or transfer the action.
PRECEDENTIAL VALUE	Published federal district court memorandum decision

TOPICS

- subject matter jurisdiction
- consumer protection
- deceptive trade practices
- federalism
- civil procedure

PRACTICE AREAS

- civil procedure
- consumer protection
- federal jurisdiction
- federalism

QUESTIONS PRESENTED

1. Whether federal-question jurisdiction existed where the complaint pleaded only California consumer-protection claims and the defendant relied on federal preemption and other federal defenses.
2. Whether the Federal Aviation Act completely preempted the state claims even though the Act did not provide the State with a federal cause of action.
3. Whether the federal court should stay or transfer the action after determining that it lacked subject matter jurisdiction.

HOLDINGS

1. Removal jurisdiction was absent because the complaint raised no federal issue on its face, and federal defenses, including preemption, could not establish federal-question jurisdiction. Even assuming state regulation of airline advertising was preempted, the action remained one arising under state law because the Federal Aviation Act did not provide the State with a federal cause of action.
2. The motions to stay or transfer were denied because a federal court without subject matter jurisdiction could not properly retain the action pending related proceedings or transfer it to another federal court.

KEY QUOTATIONS

“Plaintiff’s complaint raises no federal issues on its face, and defendant cannot establish removal jurisdiction because of its federal law and constitutional defenses.” (720 F. Supp. at 828)

“Since this court does not have subject matter jurisdiction in this case, neither does a federal court in Texas.” (720 F. Supp. at 829)

FACTUAL BACKGROUND

California brought a consumer-protection action against Trans World Airlines based on advertisements for a London airfare and a rental-car promotion. The State alleged that the advertisements violated California Business and Professions Code provisions governing misleading and unfair advertising, including because the advertised airfare did not disclose the actual round-trip price and the rental-car promotion did not disclose a mandatory fuel fee. TWA removed the action to federal court, asserting that federal aviation law completely preempted or otherwise displaced the state claims.

PROCEDURAL HISTORY

The People of the State of California filed suit in the Superior Court for San Diego County on March 9, 1989. TWA removed the case on April 14, 1989, asserting federal-question jurisdiction based on complete preemption, federal-law conflict, and substantial federal and constitutional questions. The district court granted the motion to remand effective immediately and denied the motions to stay or transfer.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case was remanded immediately to the California Superior Court for San Diego County. The motions to stay or transfer were denied.

CASES CITED

- Franchise Tax Bd. v. Constr. Laborers Vacation Trust, 463 U.S. 1, 13 (1983)
- Metropolitan Life Ins. v. Taylor, 481 U.S. 58 (1987)
- Newberry v. Pacific Racing Ass'n, 854 F.2d 1142, 1146-1148 (9th Cir. 1988)
- Caterpillar v. Williams, 482 U.S. 386 (1987)

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