

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Lubang Cao v. Mercedes-Benz USA, LLC

Cao · No. CV 25-3905 FMO (SSCx) · Decided June 25, 2025

SUMMARY

The United States District Court for the Central District of California remanded the action to California state court for lack of subject matter jurisdiction. The court held that Mercedes-Benz USA, LLC, as the removing defendant, failed to respond to the order to show cause or establish that removal based on diversity jurisdiction was proper.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fernando M. Olguin
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 25, 2025
DOCKET	CV 25-3905 FMO (SSCx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed the action from California state court based on diversity jurisdiction. After the plaintiff disputed federal subject matter jurisdiction and the court ordered defendant to show cause, defendant failed to respond. The district court remanded the action to state court.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing that removal is proper, and subject matter jurisdiction may not be waived.
PRECEDENTIAL VALUE	Unpublished and expressly not intended for publication or inclusion in Westlaw or Lexis.

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism

PRACTICE AREAS

- civil procedure
- federal jurisdiction
- removal and remand

QUESTIONS PRESENTED

1. Whether the federal court had subject matter jurisdiction over the removed action.
2. Whether the action should be remanded when the removing defendant failed to establish that removal was proper.

HOLDINGS

1. The court could not exercise subject matter jurisdiction because the removing defendant failed to establish that removal was proper.
2. The action must be remanded to the Superior Court of the State of California for lack of subject matter jurisdiction.

KEY QUOTATIONS

“Because “[s]ubject matter jurisdiction may not be waived,””

“the “longstanding, near-canonical rule that the burden on removal rests with the removing defendant””

“The strong presumption against removal jurisdiction means that the defendant always has the burden of establishing that removal is proper.”

FACTUAL BACKGROUND

Defendant removed the action to federal court based on diversity jurisdiction. Plaintiff disputed federal subject matter jurisdiction in the parties' Rule 26(f) report, and defendant failed to respond to the court's order to show cause regarding jurisdiction.

PROCEDURAL HISTORY

Mercedes-Benz USA, LLC removed the action on May 1, 2025, asserting diversity jurisdiction. The parties later filed a Joint Rule 26(f) Report in which plaintiff disputed subject matter jurisdiction. The court ordered defendant to show cause why federal jurisdiction existed, but defendant did not respond, so the court remanded the action to the California Superior Court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action shall be remanded to the Superior Court of the State of California, and the Clerk shall send a certified copy of the order to the state court.

CASES CITED

- Kelton Arms Condo. Owners Ass’n, Inc. v. Homestead Ins. Co., 346 F.3d 1190, 1192 (9th Cir. 2003)
- Abrego Abrego v. The Dow Chem. Co., 443 F.3d 676, 684 (9th Cir. 2006) (per curiam)

- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)

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