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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

SMITH ET AL. *v.* BAYER CORP.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

No. 09–1205. Argued January 18, 2011—Decided June 16, 2011

Respondent (Bayer) moved in Federal District Court for an injunction ordering a West Virginia state court not to consider a motion for class certification filed by petitioners (Smith), who were plaintiffs in the state-court action. Bayer thought such an injunction warranted because, in a separate case, Bayer had persuaded the same Federal District Court to deny a similar class-certification motion that had been filed against Bayer by a different plaintiff, George McCollins. The District Court had denied McCollins' certification motion under Fed. Rule Civ. Proc. 23.

The court granted Bayer's requested injunction against the state court proceedings, holding that its denial of certification in McCollins' case precluded litigation of the certification issue in Smith's case. The Court of Appeals for the Eighth Circuit affirmed. It first noted that the Anti-Injunction Act (Act) generally prohibits federal courts from enjoining state court proceedings. But it found that the Act's relitigation exception authorized this injunction because ordinary rules of issue preclusion barred Smith from seeking certification of his proposed class. In so doing, the court concluded that Smith was invoking a State Rule, W. Va. Rule Civ. Proc. 23, that was sufficiently similar to the Federal Rule McCollins had invoked, such that the certification issues presented in the two cases were the same. The court further held that Smith, as an unnamed member of McCollins' putative class action, could be bound by the judgment in McCollins' case.

Held: In enjoining the state court from considering Smith's class certification request, the federal court exceeded its authority under the "relitigation exception" to the Act. Pp. 5–18.

(a) Under that Act, a federal court "may not grant an injunction to stay proceedings in a State court except" in rare cases, when neces-

sary to "protect or effectuate [the federal court's] judgments." 28 U. S. C. §2283. The Act's "specifically defined exceptions," *Atlantic Coast Line R. Co.* v. *Locomotive Engineers*, 398 U. S. 281, 286, "are narrow and are 'not [to] be enlarged by loose statutory construction,'" *Chick Kam Choo* v. *Exxon Corp.*, 486 U. S. 140, 146. Indeed, "[a]ny doubts as to the propriety of a federal injunction against state court proceedings should be resolved in favor of permitting the state courts to proceed." *Atlantic Coast Line R. Co.,* 398 U. S., at 297. The exception at issue in this case, known as the "relitigation exception," authorizes an injunction to prevent state litigation of a claim or issue "that previously was presented to and decided by the federal court." *Chick Kam Choo,* 486 U. S., at 147. This exception is designed to implement "well-recognized concepts" of claim and issue preclusion. *Ibid.* Because deciding whether and how prior litigation has preclusive effect is usually the bailiwick of the *second* court—here, the West Virginia court—every benefit of the doubt goes toward the state court, see *Atlantic Coast Line*, 398 U. S., at 287, 297; an injunction can issue only if preclusion is clear beyond peradventure. For the federal court's class-action determination to preclude the state court's adjudication of Smith's motion, at least two conditions must be met. First, the issue the federal court decided must be the same as the one presented in the state tribunal. And second, Smith must have been a party to the federal suit or must fall within one of a few discrete exceptions to the general rule against binding nonparties. Pp. 5–7.

(b) The issue the federal court decided was not the same as the one presented in the state tribunal. This case is little more than a rerun of *Chick Kam Choo.* There, a federal court dismissed a suit involving Singapore law on *forum non conveniens* grounds and then enjoined the plaintiff from pursuing the "same" claim in Texas state court. However, because the legal standards for *forum non conveniens* differed in the two courts, the issues before those courts differed, making an injunction unwarranted. Here, Smith's proposed class mirrored McCollins', and the two suits' substantive claims broadly overlapped. But the federal court adjudicated McCollins' certification motion under Federal Rule 23, whereas the state court was poised to consider Smith's proposed class under W. Va. Rule 23. And the State Supreme Court has generally stated that it will not necessarily interpret its Rule 23 as coterminous with the Federal Rule. Absent clear evidence that the state courts had adopted an approach to State Rule 23 tracking the federal court's analysis in McCollins' case, this Court could not conclude that they would interpret their Rule the same way and, thus, could not tell whether the certification issues in the two courts were the same. That uncertainty would preclude an injunction. And indeed, the case against an injunction here is even

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stronger, because the State Supreme Court has expressly disapproved the approach to Rule 23(b)(3)'s predominance requirement embraced by the Federal District Court. Pp. 8–12.

(c) The District Court's injunction was independently improper because Smith was not a party to the federal suit and was not covered by any exception to the rule against nonparty preclusion. Generally, a party "is '[o]ne by or against whom a lawsuit is brought,' " *United States ex rel. Eisenstein* v. *City of New York*, 556 U. S. ___, ___, or who "become[s] a party by intervention, substitution, or third-party practice," *Karcher* v. *May*, 484 U. S. 72, 77. The definition of "party" cannot be stretched so far as to cover a person like Smith, whom McCollins was denied leave to represent. The only exception to the rule against nonparty preclusion potentially relevant here is the exception that binds non-named members of "properly conducted class actions" to judgments entered in such proceedings. *Taylor* v. *Sturgell*, 553 U. S. 880, 894. But McCollins' suit was not a proper class action. Indeed, the very ruling that Bayer argues should have preclusive effect is the District Court's decision not to certify a class. Absent certification of a class under Federal Rule 23, the precondition for binding Smith was not met. Neither a proposed, nor a rejected, class action may bind nonparties. See *id.,* at 901. Bayer claims that this Court's approach to class actions would permit class counsel to try repeatedly to certify the same class simply by changing plaintiffs. But principles of *stare decisis* and comity among courts generally suffice to mitigate the sometimes substantial costs of similar litigation brought by different plaintiffs. The right approach does not lie in binding nonparties to a judgment. And to the extent class actions raise special relitigation problems, the federal Class Action Fairness Act of 2005 provides a remedy that does not involve departing from the usual preclusion rules. Pp. 12–18.

593 F. 3d 716, reversed.

KAGAN, J., delivered the opinion of the Court, in which ROBERTS, C. J., and SCALIA, KENNEDY, GINSBURG, BREYER, ALITO, and SOTOMAYOR, JJ., joined, and in which THOMAS, J., joined as to Parts I and II–A.