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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

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LINCOLN PROPERTY CO. ET AL. *v.* ROCHE ET UX.CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE FOURTH CIRCUIT

No. 04–712. Argued October 11, 2005—Decided November 29, 2005

Title 28 U. S. C. §1441 authorizes the removal of civil actions from state court to federal court when the state-court action is one that could have been brought, originally, in federal court. When federal-court jurisdiction is predicated on the parties' diversity of citizenship, see §1332, removal is permissible "only if none of the parties in interest properly joined and served as defendants is a citizen of the State in which [the] action [was] brought." §1441(b).

Christophe and Juanita Roche, plaintiffs below, respondents here, leased an apartment in a Virginia complex, Westfield Village, managed by Lincoln Property Company (Lincoln). The Roches commenced suit in state court against diverse defendants, including Lincoln, asserting serious medical ailments from their exposure to toxic mold in their apartment, and alleging loss, theft, or destruction of personal property left in the care of Lincoln and the mold treatment firm during the remediation process. The Roches identified themselves as Virginia citizens and defendant Lincoln as a Texas corporation. Defendants removed the litigation to a Federal District Court, invoking that court's diversity-of-citizenship jurisdiction. In their consolidated federal-court complaint, the Roches identified themselves and Lincoln just as they did in their state-court complaints. Lincoln, in its answer, admitted that it managed Westfield Village, and did not seek to avoid liability by asserting that some other entity was responsible for managing the property. After discovery, the District Court granted defendants' motion for summary judgment, but before judgment was entered, the Roches moved to remand the case to state court. The District Court denied the motion, but the Fourth Circuit reversed, holding the removal improper on the ground that Lincoln failed to show the nonexistence of an affiliated Virginia en-

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tity that was a real party in interest.

Held: Defendants may remove an action on the basis of diversity of citizenship if there is complete diversity between all named plaintiffs and all named defendants, and no defendant is a citizen of the forum State. It is not incumbent on the named defendants to negate the existence of a potential defendant whose presence in the action would destroy diversity. Pp. 6–13.

(a) The Fourth Circuit correctly identified Lincoln as a proper party, but erred in insisting that some other entity affiliated with Lincoln should have been joined as a codefendant, and that it was Lincoln’s obligation to name that entity and show that its joinder would not destroy diversity. This Court stresses, first, that the existence of complete diversity between the Roches and Lincoln is plain and no longer subject to debate. The Court turns next to the reasons why the Fourth Circuit erred in determining that diversity jurisdiction was not proved by the removing parties. Since *Strawbridge v. Curtiss*, 3 Cranch 267, this Court has read the statutory formulation “between . . . citizens of different States,” 28 U. S. C. §1332(a)(1), to require complete diversity between all plaintiffs and all defendants. While §1332 allows plaintiffs to invoke diversity jurisdiction, §1441 gives defendants a corresponding opportunity. The scales are not evenly balanced, however. An in-state plaintiff may invoke diversity jurisdiction, but §1441(b) bars removal on the basis of diversity if any “part[y] in interest properly joined and served as [a] defendan[t] is a citizen of the State in which [the] action is brought.” In this case, Virginia plaintiffs joined and served no Virginian as a party defendant. Hence, the action qualified for the removal defendants effected. Neither Federal Rule of Civil Procedure 17(a), captioned “Real Party in Interest,” nor Rule 19, captioned “Joinder of Persons Needed for Just Adjudication,” requires plaintiffs or defendants to name and join any additional parties to this action. Both Rules address party joinder, not federal-court subject-matter jurisdiction. The Fourth Circuit and the Roches draw from this Court’s decisions a jurisdictional “real parties to the controversy” rule applicable in diversity cases to complaining and defending parties alike. But the Court is aware of no decision supporting the burden the Fourth Circuit placed on a properly joined defendant to negate the existence of a potential codefendant whose presence in the action would destroy diversity. Pp. 6–9.

(b) This Court’s decisions employing “real party to the controversy” terminology bear scant resemblance to the Roches’ action. No party here has been “improperly or collusively” named solely to create federal jurisdiction, see, e.g., 28 U. S. C. §1359, *Kramer v. Caribbean Mills, Inc.*, 394 U. S. 823, 830. Nor are cases in which actions against a state agency have been regarded as suits against the State itself,

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see *State Highway Comm'n of Wyo. v. Utah Constr. Co.*, 278 U. S. 194, 199–200, relevant to suits between private parties. Unlike cases in which a party was named to satisfy state pleading rules, *e.g.*, *McNutt ex rel. Leggett, Smith, & Lawrence v. Bland*, 2 How. 9, 14, or was joined only as designated performer of a ministerial act, *e.g.*, *Walden v. Skinner*, 101 U. S. 577, 589, or otherwise had no control of, impact, or stake in the controversy, *e.g.*, *Wood v. Davis*, 18 How. 467, 469–470, Lincoln has a vital interest in this case. Indeed, Lincoln accepted responsibility, in the event the Roches prevailed on the merits, by admitting that it managed Westfield Village. In any event, the Fourth Circuit had no warrant in this case to inquire whether some other person might have been joined as an additional or substitute defendant. Congress, empowered to prescribe the jurisdiction of the federal courts, sometimes has specified that a named party's own citizenship does not determine its diverse status. But Congress has not directed that a corporation, for diversity purposes, shall be deemed to have acquired the citizenship of all or any of its affiliates. For cases like the Roches', Congress has provided simply and only that "a corporation shall be deemed to be a citizen of any State by which it has been incorporated and of the State where it has its principal place of business," §1332(c)(1). The jurisdictional rule governing here is unambiguous and not amenable to judicial enlargement. Under §1332(c)(1), Lincoln is a citizen of Texas alone, and under §1441(a) and (b), this case was properly removed. Pp. 9–13.

373 F. 3d 610, reversed and remanded.

GINSBURG, J., delivered the opinion for a unanimous Court.