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Supreme Court: Parens Patriae Suits Not “Mass Actions” under CAFA (Class Action Fairness Act)

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On January 14, 2014, the Supreme Court ruled in a unanimous opinion that *parens patriae* suits brought by states on behalf of their citizens do not constitute “mass actions” under the **Class Action Fairness Act (CAFA)**. *Miss. ex rel. Hood v. AU Optronics Corp.*, No. 12-1036 (U.S. Jan. 14, 2014). Enacted in 2005, CAFA lowered the bar for diversity jurisdiction in class action and mass action lawsuits, thereby bestowing federal jurisdiction on defendants in these cases. A suit is not a “mass action” under CAFA unless it involves 100 or more claimants, in addition to other requirements.

In *AU Optronics*, Mississippi sued defendant LCD manufacturers in state court, alleging that the defendant’s participation in an international price-fixing cartel violated state antitrust and consumer protection laws. The defendants attempted to remove the case to federal court under CAFA. The district court and Fifth Circuit both held that the case was a “mass action” despite there being only one named plaintiff, but the Supreme Court disagreed. Writing for the majority, Justice Sotomayor rejected this interpretation of CAFA as unsupported by the text or Congressional intent. After *Au Optronics*, defendants in suits brought on behalf of state citizens will be stuck defending their cases in state court.a