

Supreme Court Holds That an Amended Pleading “Relates Back” Even When Plaintiff Knew of the Cruise Line’s Existence and Delayed in Amending

Breaking Developments In London Market Law 6/18/10

Krupski v. Costa Crociere, 560 U.S. __ (2010)

Wanda Krupski brought a diversity negligence claim against Costa Cruise Lines for injuries sustained when she tripped over a cable on a cruise ship. Krupski’s passenger ticket identified the cruise line owner, Costa Crociere S. p. A., as the proper party to sue. After the one-year limitations period expired, Costa Cruise Lines moved for summary judgment on the ground that it was merely the carrier’s sales and marketing agent and not the proper defendant.

The District Court for the Southern District of Florida denied Costa Cruise Line’s summary judgment motion and granted Krupski leave to amend her complaint. After Krupski added Costa Crociere as a defendant, the court dismissed Costa Cruise Lines from the case. Costa Crociere then moved to dismiss, opining that the amended complaint did not satisfy Federal Rule of Civil Procedure 15(c). The rule states that an amendment which changes a party or a party name “relates back” to the date of a timely filed original pleading, and is thus timely, if three elements are met:

- (1) The claim arose “out of the conduct, transaction, or occurrence set out — or attempted to be set out — in the original pleading”;
- (2) The newly-named defendant received “such notice of the action that it will not be prejudiced in defending on the merits,” within the Rule 4(m) period for service; and
- (3) The newly-named defendant “knew or should have known that the action would have been brought against it, but for a mistake concerning the proper party’s identity.”

Fed. R. Civ. P. 15(c)(1)(C)(i)-(ii).

The district court found that the first two requirements were easily satisfied and focused, instead, on the third element. It relied on Eleventh Circuit precedent to explain that the word “mistake” should not encompass a deliberate choice not to sue a party if the plaintiff knew the party’s identity before the limitations period had expired. The court noted that Costa Cruise Lines had informed Krupski of Costa Crociere’s role as the proper defendant in several court filings. It reasoned that because Krupski knew of Costa Crociere’s identity, yet delayed for months to amend her complaint, she made no mistake that would warrant relation back under Rule 15(c)(1)(C)(ii).

The Eleventh Circuit affirmed, concluding that Krupski either knew or should have known that Costa Crociere was the proper defendant because, before the limitations period ended, she provided her attorney with the passenger ticket which identified Costa Crociere as the proper party. The court held that it was appropriate to conclude that Krupski deliberately sued one potential party over another.

The Supreme Court granted the writ of certiorari to resolve Circuit courts' tension over the breadth of Rule 15(c)(1)(C)(ii). First, it looked at the Rule's text to conclude that the lower courts had given it an improper interpretation. The Court established that the proper inquiry entails "what the prospective *defendant* knew or should have known during the Rule 4(m) period, not what the *plaintiff* knew or should have known at the time of filing her original complaint." It added that a plaintiff's awareness of a potential defendant's existence does not preclude her from committing a mistake that would merit relation back. Although a plaintiff may know generally the potential defendant's identity, she may misunderstand its relation to the named party or the role it played in the "conduct, transaction, or occurrence" which gave rise to her claim." The Court stated that this interpretation comports with the Rule's policy to balance the interests of the defendant and to resolve disputes on their merits.

Second, the Court determined that the Eleventh Circuit erred in holding that Krupski's delay precluded satisfaction of Rule 15(c)(1)(C)(ii). It, again, looked at the text of the Rule to determine that plaintiff's diligence is not a requirement listed under the Rule.

Turning to the case at bar, the Court asked whether Costa Crociere knew or should have known during the Rule 4(m) period that it would have been named as the defendant but for a mistake by Krupski. It concluded that on its face, the original complaint clearly indicated that Krupski had intended to sue the company that "owned, operated, managed, supervised, and controlled" the cruise ship on which she was injured, and that she had mistakenly believed that Costa Cruise Lines assumed those roles. It held that Krupski's awareness of the language on the ticket, which identified Costa Crociere, did not eliminate the possibility that she misunderstood the parties' relation to one another. The Court stated that the interrelationship between Costa Cruise Lines and Costa Crociere, as well as the similarity of their names, support the conclusion that Krupski was, in fact, mistaken as to the proper party's identity. The Court reversed the judgment denying relation back and remanded the case, holding that Costa Crociere should have known that the action would have been brought against it, but for Krupski's error.

In summation, the *Krupski* Court held that neither a plaintiff's knowledge nor her undue delay in seeking to amend a complaint preclude relation back under Rule 15(c)(1)(C)(ii). The proper inquiry under this Rule is whether the defendant knew or should have known, during the Rule 4(m) period, that the claim would have been brought against it if not for the plaintiff's mistake as to its identity.

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