COUNTERCLAIMS

I. A. Arkansas plaintiff and Tennessee defendant are involved in an automobile collision. Plaintiff sues in federal court for $85,000 for personal injuries. Read pages 657-668

The Tennessee defendant has a claim for $25,000 for property damage to his car.

1) May he file in the same action? Must he file?

2) Does the federal court have jurisdiction?

B. Suppose the Tennessee defendant also has a breach of contract claim for $10,000. What are the options of the defendant?

C. Suppose the breach of contract claim is for $58,000. What are the options?

D. Suppose the breach of contract claim is for $80,000. What are the options?

E. If the plaintiff sues for $85,000, may the defendant file a compulsory counterclaim for $250,000? for an injunction?

F. Plaintiff acquires jurisdiction by attaching the defendant's property. Must the defendant file a compulsory counterclaim?

G. One month after filing its answer, Defendant realizes it neglected to file a compulsory counterclaim. Any relief?

H. Plaintiff files the complaint on the last day permitted by the governing statute of limitation. May defendant file a compulsory counterclaim for negligence? A permissive counterclaim for slander?

I. Three months after an answer is filed, plaintiff slanders defendant. Must the

defendant file an additional claim?

J. When the defendant files his compulsory counterclaim, he wishes to assert it also against the mechanic who negligently repaired the plaintiff's car. May he do so?

II. K. Texas plaintiff sues an Arkansas defendant in federal court and wins. The Arkansas defendant did not file a counterclaim.

1) May the Arkansas defendant now file a complaint (which arises out of the same transaction or occurrence) in federal court?

2) The citizen of Arkansas files instead in state court. What arguments will the Texas citizen make against the complaint now brought in Arkansas state court?

3) The Arkansas Defendant now files an unrelated breach of contract claim against plaintiff in federal court.

Conclusion: Explain the phrase "the transaction or occurrence that is the subject matter of the opposing party's claim."

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