

Name of the case: **Erie Railroad Co. v. Tompkins**

Plaintiff: Tompkins

Defendant: Erie Railroad Co.

Facts:

The plaintiff was walking on a footpath next to a railroad in Pennsylvania, when a train owned by the defendant struck him. He suffered injuries. The plaintiff was a citizen of Pennsylvania while the defendant was incorporated in New York.

The plaintiff commenced action in New York. The lawsuit was to be solved there. He stated that he was walking on the property near the track legally, because he was a licensee and that the injury happened because of the defendant's negligence. The defendant denied liability. He denied it based on the fact that there should have been a rule established by courts in Pennsylvania, that persons using paths going along with the railroad were trespassers.

The plaintiff denied that such a rule was established in Pennsylvania and pointed out, that since no statute in Pennsylvania exists for such cases, rules established in federal court should be applied (*Swift v. Tyson*). Under federal common law, the plaintiff was to be regarded as a licensee and therefore should be awarded damages.

The jury ruled in favor of the plaintiff and awarded him damages of 30,000 \$. The court of appeal affirmed. The court of appeal also ruled that when the state law does not determine some cases, federal courts are free to state what the law is. The court held, that the railroad company owes a duty of ordinary care to those using the paths along railways.

Defendant appealed and the Supreme Court again affirmed the decision of the lower courts.

Issue:

The question raised by this case is whether the federal courts must apply state common law in addition to statutory law.

Holding of the court:

If we overlook some exceptions, then yes – federal courts have to apply state common law in addition to statutory law.

Reasoning of the court:

There is no law in the constitution that would grant federal courts the power to create federal common law. The ruling in *Swift v. Tyson* is overruled. The flaw of the ruling in *Swift v. Tyson* is, that it promotes citizens to switch between states and create chaos in rulings and then bring the lawsuit to federal courts and choose which holding is more preferable.