

The Burger Court Opinion Writing Database

Fornaris v. Ridge Tool Co.

400 U.S. 41 (1970)

Paul J. Wahlbeck, George Washington University

James F. Spriggs, II, Washington University

Forrest Maltzman, George Washington University



GVR

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE HUGO L. BLACK

November 16, 1970

Dear Bill,

Re: No. 543 - Puerto Rico v. The
Ridge Tool Co., et al.

No. 602 - Arnold Tours, Inc. v.
Camp, et al.

I agree to your Per Curiam opinions
in the above cases.

Sincerely,


H. L. B.

Mr. Justice Douglas

cc: Members of the Conference

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To: The Chief Justice
Mr. Justice Black
Mr. Justice Harlan ✓
Mr. Justice Brennan
Mr. Justice Stewart
Mr. Justice White
Mr. Justice Marshall
Mr. Justice Blackmun

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SUPREME COURT OF THE UNITED STATES

October Term, 1970

PUERTO RICO *v.* THE RIDGE TOOL CO. ET AL.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 543. Decided November —, 1970

MR. JUSTICE DOUGLAS, dissenting.

The relations of the federal courts to Puerto Rico have often raised delicate problems. It is a Spanish-speaking Commonwealth with a set of laws still impregnated with the Spanish tradition. Federal courts, reversing Puerto Rican courts, were inclined to construe Puerto Rican laws in the Anglo-Saxon tradition which often left little room for the overtones of Spanish culture. Out of that experience grew a pronouncement by this Court that a Puerto Rican court should not be overruled on its construction of local law unless it could be said to be "inescapably wrong." See *Bonet v. Texas Co.*, 308 U. S. 463, 471.

The question presented here is kin to that question, for we deal with a rather vague Puerto Rican law that the Supreme Court of Puerto Rico has not construed. Only last Term in *Reetz v. Bozanich*, 397 U. S. 82, we held that a three-judge federal court should not have proceeded to strike down an Alaska law which, if construed by the Alaska Supreme Court, might be so confined as not to have any constitutional impunity. We said, "A state court decision here . . . could conceivably avoid any decision under the Fourteenth Amendment and would avoid any possible irritant in the federal-state relationship." *Id.*, at 86-87.

In 1964 by Act No. 75, the Legislature of Puerto Rico enacted the Dealer's Contract Law which in effect provides that a Puerto Rican dealer's contract with a

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To: The Chief Justice
Mr. Justice Black
Mr. Justice Harlan ✓
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SUPREME COURT OF THE UNITED STATES

October Term, 1970

PUERTO RICO *v.* THE RIDGE TOOL CO. ET AL.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 543. Decided November —, 1970

MR. JUSTICE DOUGLAS, dissenting.

This case was brought by a dealer in a Puerto Rican court for damages for breach of his distributorship contract against Ridge Tool Co., an appellee. The case was removed to the Federal District Court on the basis of diversity of citizenship. That court denied the motion to dismiss which claimed that the Dealers Contract Law under which the complaint was based was unconstitutional. The Court of Appeals allowed an interlocutory appeal and held the Dealers Contract Law unconstitutional. 423 F. 2d 563. No Puerto Rican court, except an inferior one, has construed the language of the Act on which the issue of constitutionality *vel non* turns.

The relations of the federal courts to Puerto Rico have often raised delicate problems. It is a Spanish-speaking Commonwealth with a set of laws still impregnated with the Spanish tradition. Federal courts, reversing Puerto Rican courts, were inclined to construe Puerto Rican laws in the Anglo-Saxon tradition which often left little room for the overtones of Spanish culture. Out of that experience grew a pronouncement by this Court that a Puerto Rican court should not be overruled on its construction of local law unless it could be said to be "inescapably wrong." See *Bonet v. Texas Co.*, 308 U. S. 463, 471.

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Douglas, J.

Filed: 11/10/70

To: The Chief Justice
Mr. Justice Black
Mr. Justice Harlan ✓
Mr. Justice Brennan
Mr. Justice Stewart
Mr. Justice White
Mr. Justice Marshall
Mr. Justice Blackmun

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From: Douglas, J.

SUPREME COURT OF THE UNITED STATES

October Term, 1970

11/10/70

PUERTO RICO *v.* THE RIDGE TOOL CO. ET AL.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 543. Decided November —, 1970

MR. JUSTICE DOUGLAS, dissenting.

In 1964 by Act No. 75, the Legislature of Puerto Rico enacted the Dealer's Contract Law which in effect provides that a Puerto Rican dealer's contract with a manufacturer, regardless of any provisions for termination, is renewable indefinitely at the option of the local dealer unless the manufacturer has "just cause" to terminate. Section 1 (d) defines "just cause" as "nonperformance of any of the essential obligations of the dealer's contract, on the part of the dealer, or any action or omission on his part that adversely and substantially affects the interests of the principal or grantor in promoting the marketing or distribution of the merchandise or service." If a manufacturer terminates for any other reason he is liable for substantial damages.

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To: The Chief Justice
Mr. Justice Harlan ✓
Mr. Justice Brennan
Mr. Justice Stewart
Mr. Justice White
Mr. Justice Marshall
Mr. Justice Blackmun

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From: Douglas, J.

SUPREME COURT OF THE UNITED STATES:

October Term, 1970

Recirculated:

11/12/70

PUERTO RICO v. THE RIDGE TOOL CO. ET AL.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 543. Decided November —, 1970

MR. JUSTICE DOUGLAS, with whom MR. JUSTICE
HARLAN concurs, dissenting.

In 1964 by Act No. 75, the Legislature of Puerto Rico enacted the Dealer's Contract Law which in effect provides that a Puerto Rican dealer's contract with a manufacturer, regardless of any provisions for termination, is renewable indefinitely at the option of the local dealer unless the manufacturer has "just cause" to terminate. Section 1 (d) defines "just cause" as "nonperformance of any of the essential obligations of the dealer's contract, on the part of the dealer, or any action or omission on his part that adversely and substantially affects the interests of the principal or grantor in promoting the marketing or distribution of the merchandise or service." If a manufacturer terminates for any other reason he is liable for substantial damages.

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For the Chief Justice
Mr. Justice Black
Mr. Justice Harlan ✓
Mr. Justice Brennan
Mr. Justice Stewart
Mr. Justice White
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Mr. Justice Blackmun

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SUPREME COURT OF THE UNITED STATES

October Term, 1970

PUERTO RICO *v.* THE RIDGE TOOL CO. ET AL.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 543. Decided November —, 1970

MR. JUSTICE DOUGLAS, with whom MR. JUSTICE BLACK and MR. JUSTICE HARLAN concur, dissenting.

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11/13/70

For The Chief Justice
Mr. Justice Black
Mr. Justice Harlan ✓
Mr. Justice Brennan
Mr. Justice Stewart
Mr. Justice White
Mr. Justice Marshall
Mr. Justice Blackmun

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SUPREME COURT OF THE UNITED STATES

October Term, 1970

circulated: 11/14/70

PUERTO RICO v. THE RIDGE TOOL CO. ET AL.

circulated: _____

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 543. Decided November —, 1970

PER CURIAM.

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¹ Appellant invoked 28 U. S. C. § 1254 (2) as the authority for this appeal. That provision provides that a judgment in the Court of Appeals may be brought here "By appeal by a party

November 12, 1970

Re: No. 543 - Puerto Rico v. Ridge Tool

Dear Bill:

**Please join me in your dissent, which I think
represents the best disposition of this case.**

Sincerely,

J. M. H.

Mr. Justice Douglas

CC: The Conference

November 16, 1970

Re: No. 543 - Puerto Rico v. Ridge Tool

Dear Bill:

I agree with your per curiam. I take it that the per curiam would also cover the Fornaris case, No. 541, and hence that you will wish to recaption the per curiam.

Sincerely,

J. M. H.

Mr. Justice Douglas

CC: The Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE WM. J. BRENNAN, JR.

November 16, 1970

RE: No. 543 - Puerto Rico v. The Ridge
Tool Co., et al.

Dear Bill:

I agree with the Per Curiam you have
prepared in this case.

Sincerely,



Mr. Justice Douglas

cc: The Conference

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Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE HARRY A. BLACKMUN

November 17, 1970

Re: No. 543 - Puerto Rico v. Ridge Tool Co.

Dear Bill:

You may join me in your proposed Per Curiam for this case and for No. 541.

My only concern, as expressed at conference, was whether, possibly, we were remitting these appellants to what might prove to be a frustrating situation in the Puerto Rican courts. Fornaris did institute his action in the Commonwealth court, but the case was removed by his opponents on diversity grounds. Apparently at this point the Commonwealth intervened. I would not like to have the district court instructed to hold its hand until the Puerto Rican Supreme Court has authoritatively ruled if there is no way for this diversity plaintiff to obtain that ruling. I therefore am forced to assume that there is a way for him to accomplish this aim. Perhaps the answer lies in Puerto Rican declaratory judgment procedure. See 32 Laws of Puerto Rico §§ 2991-92.

I note that in some opinions this Court has gone out of its way to specify the available channels for relief on the state side. Examples are *Railroad Commission v. Pullman Co.*, 312 U.S. 496, 501 (1941); *Spector Motor Co. v. McLaughlin*, 323 U.S. 101, 106 (1944); *Leiter Minerals, Inc. v. United States*, 352 U.S. 220, 229 (1957); and *United Gas Pipe Line Co. v. Ideal Cement Co.*, 369 U.S. 134, 135 (1962). On the other hand, there may be cases where the Court did not take the trouble to specify the state-side relief procedure. One example may be the Hawaiian Territory case, *Stainback v. Mo Hock Ke Lok Po*, 336 U.S. 368 (1949).

My concern may be undue and premature, for it is apparent from Chief Judge Aldrich's opinion, 423 F.2d at 564, and from comments in the briefs before us (Jurisdictional

Statement in No. 541, page 27, and appellee's reply thereto, page 7; Jurisdictional Statement in No. 543, page 17, and brief in opposition to motion to dismiss or affirm, page 6) that other similar litigation is pending, some of which apparently remains in the Commonwealth courts.

I may be overlooking something here. I just do not want the appellants to say later that the relief we are granting is elusive. The fact that they suggest abstention, however, as one of their grounds may be sufficient assurance for us as to the practical result, and I am content.

H. A. B.
H. A. B.

Mr. Justice Douglas

cc: The Conference