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# SUPREME COURT OF THE UNITED STATES

No. 97-463

TEXTRON LYCOMING RECIPROCATING ENGINE DIVISION, AVCO CORP., PETITIONER v. UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, INTERNATIONAL UNION AND ITS LOCAL 787

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[May 18, 1998]

JUSTICE SCALIA delivered the opinion of the Court.

The sole question presented for review is whether federal courts have subject-matter jurisdiction of this case under §301(a) of the Labor Management Relations Act, 1947, 61 Stat. 156, 29 U. S. C. §185(a).

T

Petitioner, Textron Lycoming Reciprocating Engine Division (Textron), employs at its Williamsport, Pennsylvania, plant approximately 500 members of respondents, the United Automobile, Aerospace and Agricultural Implement Workers of America and its Local 187 (hereinafter UAW or Union). From April 1, 1994, to April 1, 1997, Textron and the Union were parties to a collective-bargaining agreement that prohibited the Union from striking against Textron for any reason and, through the adoption of a separate memorandum agreement, required

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Textron to give the Union seven days' notice before entering into any agreement to "subcontract out" work that would otherwise be performed by Union members. In June 1994, Textron announced that it planned to subcontract out a volume of work that would cause roughly one-half of the Union members to lose their jobs.

Thereafter, in November 1995, the Union filed the present complaint in Federal District Court, alleging that Textron fraudulently induced the Union to sign the collectivebargaining agreement. Specifically, the Union claims that both before and during negotiations it repeatedly asked Textron to provide any information it might have regarding plans to subcontract out work that would otherwise be performed by Union members; that during negotiations, Textron had in fact completed such a plan, but despite the Union's repeated requests said nothing about its existence. As redress, the Union seeks "a declaratory judgment that the existing collective bargaining agreement between the parties is voidable at the option of [the] UAW," and "compensatory and punitive damages . . . to compensate [the Union and its members for the harm caused by [Textron's misrepresentations and concealments and to deter other Employers from similar conduct." App. 19. Union does not allege that either it or Textron ever violated the terms of the collective-bargaining agreement. As the basis of federal subject-matter jurisdiction, the complaint invokes §301(a) of the Labor Management Relations Act, 29 U. S. C. §185(a).1

<sup>&</sup>lt;sup>1</sup>The Union's brief before this Court asserts, in a footnote and without elaboration, that "there may well be jurisdiction over this case under 28 U. S. C. §1331 as well as under §301, since the case 'arises under' the federal common law of contract." Brief for Respondents 23, n. 11. That issue was not contained within the Question Presented in the Petition for Certiorari, which read:

<sup>&</sup>quot;Whether Section 301 of the Labor-Management Relations Act, 29 U. S. C. §185, which confers federal jurisdiction over '[s]uits for viola-

The District Court dismissed the complaint for lack of subject-matter jurisdiction, concluding that the cause of action it set forth did not come within §301(a). The Court of Appeals for the Third Circuit reversed, 117 F. 3d 119 (1997); we granted certiorari, 522 U. S. \_\_ (1997).

II

Section 301(a) of the Labor Management Relations Act provides:

"Suits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce as defined in this Act, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties." 61 Stat. 156, 29 U. S. C. §185(a).

By its terms, this provision confers federal subject-matter jurisdiction only over "[s]uits for violation of contracts." The Union, and the Government in an *amicus* brief filed in support of the Union, contend that this includes suits alleging that a contract is invalid. Focusing on the breadth of the word "for," the Government argues that §301(a) "is broad enough to encompass not only a suit that 'alleges' a violation of contract, but also one that concerns a violation of contract, or is intended to establish a legal right to engage in what otherwise would be a contract violation." Brief for United States as *Amicus Curiae* 11 (footnotes omitted). It is true enough, as the Government points out, that one of the numerous definitions of the word "for" is

tion of contracts between an employer and a labor organization,' permits a union to sue in federal court to declare a collective bargaining agreement voidable in the absence of any alleged violation of the agreement."

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"[i]ndicating the end with reference to which anything acts, serves, or is done; . . . . As a preparation towards, against, or in view of; having as goal or object; . . . . With the purpose or object of; . . . with a view to." Webster's New International Dictionary 984 (2d ed. 1950) (def. 2). Even applying that definition, the Government must make a considerable stretch to bring the present case within it. This suit obviously does not have as its "purpose or object" violation of any contract. The most the Government can assert (and it falls short of the definition) is that the suit seeks to facilitate "what otherwise would be . . . contract violation[s]." Brief for United States 11 (emphasis added).

More basically, however, it is a "fundamental principle of statutory construction (and, indeed, of language itself) that the meaning of a word cannot be determined in isolation, but must be drawn from the context in which it is used." Deal v. United States, 508 U.S. 129, 132 (1993). Accord Cohen v. de la Cruz, 523 U. S. \_\_\_ (1998) (slip op., at 7). It is not the meaning of "for" we are seeking here, but the meaning of "[s]uits for violation of contracts." phrase cannot possibly bear the meaning ascribed to it by the Government. No one, for example, would describe a corporation's harassing lawsuit against a competitor as a "suit for unfair competition," even though that is precisely its "goal or object." In the same vein, a suit "for violation of a contract" is not one filed "with a view to" a future contract violation (much less to facilitate action that "otherwise would be" a contract violation). It is one filed because a contract has been violated, just as a suit "for unfair competition" is one filed because unfair competition has occurred. In this context, the word "for" has an unmistakably backwardlooking connotation, *i.e.*, "[i]ndicating the cause, motive, or occasion of an act, state, or condition; hence, because of; on account of; in consequence of; as the effect of; for the sake of; as, cursed himself for showing leniency." Webster's New International Dictionary 984 (2d ed. 1950) (def. 7).

"Suits for violation of contracts" under §301(a) are not suits that claim a contract is invalid, but suits that claim a contract has been violated.

This does not mean that a federal court can never adjudicate the validity of a contract under §301(a). That provision simply erects a gateway through which parties may pass into federal court; once they have entered, it does not restrict the legal landscape they may traverse. Thus if, in the course of deciding whether a plaintiff is entitled to relief for the defendant's alleged violation of a contract. the defendant interposes the affirmative defense that the contract was invalid, the court may, consistent with §301(a), adjudicate that defense. See *Kaiser Steel Corp.* v. Mullins, 455 U.S. 72, 85-86 (1982). Similarly, a declaratory judgment plaintiff accused of violating a collectivebargaining agreement may ask a court to declare the agreement invalid. But in these cases, the federal court's power to adjudicate the contract's validity is ancillary to, and not independent of, its power to adjudicate "[s]uits for violation of contracts."

This would seem to be the end of the matter. Here, the Union neither alleges that Textron has violated the contract, nor seeks declaratory relief from its own alleged violation. Indeed, as far as the Union's complaint discloses, both parties are in absolute compliance with the terms of the collective-bargaining agreement. Section 301(a) jurisdiction does not lie over such a case.

The Union, however, asserts that the outcome is altered by the fact that it seeks relief pursuant to the Declaratory Judgment Act, 28 U. S. C. §2201.<sup>2</sup> It argues that in order

<sup>2</sup> The Declaratory Judgment Act provides, in relevant part, that "[i]n a case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought." 28

to determine whether §301(a) jurisdiction lies over the declaratory-judgment aspect of its suit, we must look to the character of the threatened action to which its suit would interpose a defense, which in this case would be Textron's action for breach of the collective-bargaining agreement. It relies on our decision in *Skelly Oil Co.* v. *Phillips Petroleum Co.*, 339 U. S. 667 (1950), which held that a declaratory action asserting a federal defense to a nonfederal claim was not a "civil actio[n] arising under the . . . laws . . . of the United States" within the meaning the federal-question jurisdiction statute, 28 U. S. C. §1331. This argument makes several assumptions that we do not think can be indulged.

First, it assumes that facts which were the converse of Skelly Oil- i.e., a declaratory-judgment complaint raising a nonfederal defense to an anticipated federal claimwould confer §1331 jurisdiction. That is not clear. It can be argued that anticipating a federal claim in a suit asserting a nonfederal defense no more effectively invokes §1331 jurisdiction than anticipating a federal defense in a suit asserting a nonfederal claim. (The latter, of course, is barred by the well-pleaded-complaint rule, see *Rivet* v. Regions Bank of La., 522 U. S. \_\_ (1998) (slip op., at 4–5).) Perhaps it was the purpose of the Declaratory Judgment Act to permit such anticipation, see Franchise Tax Board v. Laborers Vacation Trust, 463 U.S. 1, 19, n. 19 (1983). but Skelly Oil did not present that issue, and some of its language suggests that the declaratory-judgment plaintiff must himself have a federal claim.<sup>3</sup> No decision of this

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U. S. C. §2201(a).

<sup>&</sup>lt;sup>3</sup> "Prior to [the Declaratory Judgment] Act, a federal court would entertain a suit on a contract only if the plaintiff asked for an immediately enforceable remedy like money damages or an injunction . . . . The Declaratory Judgment Act allowed relief to be given by way of recognizing the plaintiff's right even though no immediate enforcement of it was asked." *Skelly Oil Co.* v. *Phillips Petroleum Co.*, 339 U. S. 667,

Court has squarely confronted and explicitly upheld federal-question jurisdiction on the basis of the anticipated claim against which the declaratory-judgment plaintiff presents a nonfederal defense; and neither the Union nor the Government cites such a decision by any other federal court.<sup>4</sup>

Second, the Union's *Skelly Oil* argument assumes that what would suffice to sustain a declaratory-judgment action premised on §1331 federal-question jurisdiction would suffice to sustain a declaratory-judgment action brought under §301(a). But the language of the two provisions is quite different. Whereas §1331 authorizes "civil actions arising under the . . . laws . . . of the United States" (which can arguably embrace a civil action presenting a defense to a federal claim), §301(a) authorizes only "[s]uits for violation of contracts."

But assuming (without deciding) that the converse of *Skelly Oil* confers §1331 jurisdiction, and that what suffices for §1331 suffices for §301(a) as well, the Union's prayer for a declaration that the collective-bargaining

"[I]t has been settled doctrine that where a suit is brought in the federal courts 'upon the sole ground that the determination of the suit depends upon some question of a Federal nature, it must appear, at the outset, from the declaration or the bill of the party suing, that the suit is of that character.' But 'a suggestion of one party, that the other will or may set up a claim under the Constitution or laws of the United States, does not make the suit one arising under that Constitution or those laws.'" *Id.*, at 672, quoting *Tennessee* v. *Union & Planters' Bank*, 152 U. S. 454, 464 (1894).

<sup>4</sup> In *Franchise Tax Board, supra*, we observed, with seeming approval, that "[f]ederal courts have regularly taken original jurisdiction over declaratory judgment suits in which, if the declaratory judgment defendant brought a coercive action to enforce its rights, that suit would necessarily present a federal question." 463 U. S., at 19. The cases brought forward to support that observation, however, were suits by alleged patent infringers to declare a patent invalid, which of course themselves raise a federal question. See *id.*, at 19, n. 19.

<sup>671-672 (1950).</sup> 

agreement was voidable is in our view inadequate to save the present suit, because it does not, and as far as the record shows it never did, present a case or controversy giving the Union access to federal courts. That is obviously so at the present time, because the collectivebargaining agreement, whether voidable or not, has expired; the only question is whether the parties had any concrete dispute over the contract's voidability at the time the suit was filed.

We see no evidence that they did. To be sure, Textron vigorously contested the complaint's allegations of fraud that are the asserted cause of the claimed voidability as well as of the claimed damages; but that is no indication that Textron had any interest in defending the binding nature of the contract. Indeed, there is not even any indication that the Union had a concrete interest in establishing the *non*binding nature of the contract. This was not (as one might have expected in a declaratory-judgment suit of this sort) a situation in which the Union had threatened to strike over the contracting-out, and Textron had asserted that a strike would violate the collectivebargaining agreement. The Union never threatened to strike. As far as appears, the company that had just eliminated the work of half its Williamsport employees would have been perfectly willing to be excused from a contract negotiated when the Union was in a stronger bargaining position, and the Union had no intent or disposition to exercise a theoretical option to avoid a contract that was better than what it could negotiate anew. The fact that the fraud damages claim, if successful, would establish a voidability that (as far as appears) no one cared about, does not make the question of voidability a "case of actual controversy," 28 U.S. C. §2201, over which federal courts have §301(a) jurisdiction. "The Declaratory Judgment Act of 1934, in its limitation to 'cases of actual controversy,' manifestly has regard to the constitutional

provision [Art. III, §2] and is operative only in respect to controversies which are such in the constitutional sense." *Aetna Life Ins. Co.* v. *Haworth*, 300 U. S. 227, 239–240 (1937). See also *Public Serv. Comm'n of Utah* v. *Wycoff Co.*, 344 U. S. 237, 242–243 (1952).

\* \* \*

Because the Union's complaint alleges no violation of the collective-bargaining agreement, neither we nor the federal courts below have subject-matter jurisdiction over this case under §301(a) of the Labor-Management Relations Act. Accordingly, the judgment of the Court of Appeals is reversed.