

Injured Workers Cannot Use the Declaratory Judgment Act to Avoid Exclusive Jurisdiction in the Workers' Compensation Commission

Stuart Miller

smiller@mwlaw.com
(479) 464.5670 / (501) 688.8896

Megan Hargraves

mhargraves@mwlaw.com
(501) 688.8871

John Alexander

jalexander@mwlaw.com
(479) 464.5654

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The Arkansas Supreme Court recently handed down an opinion that should reassure employers dealing with an incident involving a workplace injury. The Court affirmed that disputes over such injuries belong in the Workers' Compensation Commission ("Commission") and that an employee may not utilize the Declaratory Judgment Act to avoid the Commission's exclusive jurisdiction. *Esterline Technologies Corporation, et. al v. Aaron Brownlee and Mary Brownlee*, 2021 Ark. 33.

In *Esterline*, the Court issued a writ of prohibition and held that the circuit court lacked jurisdiction to hear an action for declaratory relief filed by an employee against his employer, parent company, and fellow employee. The opinion should help employers avoid expensive litigation in circuit court by reiterating, and expanding on, the existing case law that the exclusive remedy for an employee's injury is under the Workers' Compensation Act.

The Court made clear that "[t]he Workers' Compensation Act places exclusive jurisdiction for employees' claims against their covered employers for workplace injuries in one body—the Workers' Compensation Commission." Despite the exclusive remedy granted to employees under the Workers Compensation Act, in this case, an injured worker filed a petition for declaratory judgment against his employer, its corporate parent, and a fellow employee. The action for declaratory relief sought a declaration of the parties' status, especially of the corporate parent company, in anticipation of a future tort action. The employee argued that the lawsuit was not subject to the exclusive jurisdiction of the Workers Compensation Commission because it was not a tort claim or seeking damages. The employee also argued that the corporate parent may not be an "employer" and it was proper to seek a declaration of their status under the declaratory judgment act. This argument has been made previously by employees to circumvent the Commission's exclusive jurisdiction and to embroil otherwise immune employers in litigation with extensive, and often expensive, discovery.

The Court in *Esterline* expanded on the existing law by holding that "[a] circuit court has no power to grant other remedies, like a declaratory judgment, for claims that otherwise fall under the Commission's primary jurisdiction." The Court noted that a declaratory judgment is a "remedy" and stated that the "Declaratory Judgment Act—which outlines a remedy—does not afford [employees] an avenue to avoid the Commission's primary jurisdiction." The Court's opinion also expanded on the types of questions or declarations that belong to the exclusive jurisdiction of the Commission. The Court noted that the Commission determines whether a party owed a duty to an employee for his or her workplace injury,

whether an employer-employee relationship exists between two parties, and whether a party is entitled to immunity under the Workers' Compensation Act. This opinion has value to parent corporations, sister companies, and third-parties that are sued in circuit court by an employee for a workplace injury. The Arkansas Supreme Court has reiterated that these types of determinations belong to the exclusive jurisdiction of the Workers Compensation Commission and the circuit court lacks jurisdiction to make these determinations in an action for declaratory relief.

The *Esterline* case will likely prove useful to employers in avoiding circuit court for disputes related to a workplace injury.