

A woman from State A drove to visit her friend in a foreign country. During the visit, the brakes on the woman's car began to squeal, so she took the car to a nearby auto repair shop. The shop is owned by a company incorporated in State B and headquartered in the Eastern District of State C. The shop replaced her brakes with a set made by a brake manufacturer incorporated in State C and headquartered in State D. In State C, articles of incorporation must be filed with the Secretary of State's office located in the Western District of State C.

Two days later, the woman was driving her car in the foreign country when her brakes failed. This caused her to lose control of the car and crash. She suffered over \$500,000 in injuries and property damage.

The woman seeks to file a joint complaint against the auto repair company and the manufacturer in federal court in State C.

In which federal judicial district would venue be proper?

- A. No judicial district.
- B. The Eastern District of State C only.
- C. The Western District of State C only.
- D. The Eastern and Western Districts of State C.

### Explanation:

**Venue** is the geographical location of specific federal districts in which a plaintiff's claim may be heard. A state can have multiple federal districts within its borders. And venue may be **proper in more than one district** because it is proper in any district where:

- any defendant **resides**—so long as all defendants reside in the same state (ie, **residency-based venue**)
- a substantial part of the events that gave rise to the suit occurred (ie, events-based venue) or a substantial part of the property at issue is located (property-based venue) *or*
- any defendant is subject to the court's personal jurisdiction—but only if neither of the above provisions applies (ie, fallback provision).

A **defendant corporation resides** in any district in which it is **subject to personal jurisdiction**. In a state with **multiple judicial districts** (as seen here), each district is treated as a separate state. And the defendant is deemed to reside in any district in which its contacts would create personal jurisdiction—eg, where the defendant filed its **articles of incorporation** or has its **principal place of business**. If no such district exists, then the defendant resides in the district where it has the most significant contacts.

Here, the auto repair company's headquarters (ie, principal place of business) are in the Eastern District of State C, and the manufacturer filed its articles of incorporation in the Western District of State C. As a result, both defendants are subject to personal jurisdiction in, and are therefore residents of, State C. This means that venue would be proper in any district in State C where one of the defendants resides—ie, the Eastern and Western Districts of State C (**Choices A, B & C**).

### Educational objective:

Residency-based venue is proper in any judicial district where a defendant resides—as long as all defendants reside in the same state. And a defendant corporation only resides in judicial districts where it would be subject to personal jurisdiction if each district were a state.

### References

- 28 U.S.C. § 1391(b)–(d) (residency-based venue for corporate defendants).

**Proper venue**  
(28 U.S.C. § 1391)

Proper in *all* of the following districts:

**Residency-based**



**Events-based**



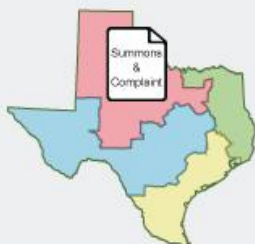
**Property-based**



**OR**

Proper in any district with *personal jurisdiction* over defendant

**Service of process**



**Consent**



**Specific**  
(minimum contacts)



**General**  
(domicile)

