

A shoe company was incorporated in State A, maintains its headquarters in State B, and stores most of its inventory in State C. At a sales convention in a foreign country, one of the shoe company's corporate officers allegedly assaulted an employee of a shoe distributor. This employee is domiciled in State C.

The employee sued the shoe company in a federal court in State C for the actions of its corporate officer. The shoe company filed a motion to dismiss for lack of personal jurisdiction.

Will the court likely grant the shoe company's motion?

- A. No, because the shoe company has minimum contacts with State C.
- B. No, because the shoe company is domiciled in State C.
- C. Yes, because no state has personal jurisdiction over this claim since it is based on events that occurred in a foreign country.
- D. Yes, because the employee's claim does not arise out of the shoe company's contacts with State C and the shoe company is not domiciled in State C.

Explanation:

A court must have **personal jurisdiction**—ie, authority over the parties (or property) before it—to hear a dispute. Personal jurisdiction can be established through **specific jurisdiction**, which exists when:

- the plaintiff's **claim arises** from or is **closely related** to the defendant's **minimum contacts** with the forum state *and*
- the exercise of jurisdiction complies with notions of **fair play and substantial justice**.

These requirements are met if the defendant's contacts with the forum state were so **purposeful and substantial** that the defendant could have reasonably anticipated being sued in that state (ie, purposeful availment). Here, the State C federal court lacks specific jurisdiction because the employee's claim arises from the corporate officer's actions in the foreign country—not the company's minimum contacts (storing inventory) with State C **(Choice A)**.

However, personal jurisdiction can also be established through **general jurisdiction**. This exists when the defendant has **continuous and systematic contacts** with the forum state that are so substantial that the defendant is **essentially "at home"** in that state. Home is where the defendant is **domiciled**. For a corporation, this is (1) the state where it was incorporated and (2) the state where it maintains its principal place of business.

Here, the shoe company was incorporated in State A and has its principal place of business in State B. And though the company conducts business and stores inventory in State C, this is not where the company is domiciled **(Choice B)**. Therefore, the State C federal court lacks general jurisdiction over the company and will likely grant its motion to dismiss.

(Choice C) No state has *specific* jurisdiction over this claim because it is based on events that occurred in the foreign country. But States A and B would have *general* jurisdiction over this claim since the shoe company is domiciled there.

Educational objective:

Specific jurisdiction exists when the claim arises from or is closely related to the defendant's contacts with the forum state such that the exercise of personal jurisdiction complies with fair play and substantial justice. General jurisdiction exists when the defendant's contacts with the forum state make the defendant "at home" there.

References

- Bristol-Myers Squibb Co. v. Super. Ct. of Cal., 137 S. Ct. 1773, 1780–82 (2017) (explaining the requirements for specific jurisdiction).

- Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 926–29 (2011) (discussing the continuous and systematic contacts required for general jurisdiction).

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Grounds for personal jurisdiction

