

# CASEBRIEFS

The Understanding Video  
Lecture Series™  
PERSONAL JURISDICTION

# What is it?

- Does the court have jurisdiction over the defendant? As a person?
- Note that Personal Jurisdiction is *ALWAYS* about the Defendant, *NOT* the Plaintiff.

# Source

- Personal Jurisdiction comes from the US Constitution
- The [Fifth](#) and [Fourteenth Amendment to the United States Constitution](#) preserve the right of the individual to *due process*. Due process requires that notice be given in a manner "reasonably calculated" to inform a party of the action affecting him.

# Fairness

- The basic concept of Personal Jurisdiction is FAIRNESS, or “Fundamental Fairness.”



# In Personam

- jurisdiction over a particular person (or entity, such as a company). *In personam* jurisdiction, if held by a state court, permitted that court to rule upon any case over which it otherwise held jurisdiction.

# In Rem

- jurisdiction over a particular piece of property, most commonly real estate or land. Since an actual tract of land could not literally be brought into a courtroom as a person could, this was effected by giving notice upon the real property itself. *In rem* jurisdiction was thus supported by the assumption that the owner of that property, having a concrete economic interest in the property, had a duty to look after the affairs of their property, and would be notified of the pending case by such seizure. *In rem* jurisdiction was limited to deciding issues regarding the specific property in question.

# Quasi in Rem

- The seizure of property held by the individual against whom the suit was brought, and attachment of that property to the case in question. This form of territorial jurisdiction developed from the rationale of *in rem* jurisdiction, namely that seizure of the property was reasonably calculated to inform an individual of the proceedings against them.

# Specific v General

- General Jurisdiction
  - The court has jurisdiction over the defendant for any and all claims
  - Has to have continuous and systematic contacts, ie, work or live there
- Specific Jurisdiction
  - The court has jurisdiction over the defendant for the specific claim (ie, one specific tort)

# *Pennoyer v Neff (1877)*

D Neff was sued by Mitchell in Oregon, for unpaid legal fees. Neff was not served in Oregon, nor was he a resident of the state. After the default judgement, Mitchell attached land in Oregon owned by D.

The court held that the service was invalid. A state may subject property within its boundaries to cover judgements, even of non-residents; however, the property should have been attached first.

This is the case that distinguishes between in personam and in rem jurisdiction. *In personam* means against a person, and *in rem* is where the jurisdiction pertains to property. Here, the court's reasoning was that property is always within control of the owner; hence, seizure of said property notifies the owner that a suit is being brought against them (which is why it has to be attached PRIOR). Note that this case has HISTORICAL value.

# ***International Shoe Co. v. Washington***

## ***1945***

Int. Shoe is a Delaware Corp, with a principal place of business in St. Louis. They did not maintain an office in the state of Washington, but had between 11-13 sales people in the state. The state of WA sued Int. Shoe for unpaid contributions to the state unemployment fund.

If a defendant is not a resident, or not present in the forum state, he must have significant “minimum contacts with the forum such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice”. Essentially in this case the D’s activities were systematic and continuous, and these activities resulted in a large volume of business for the D. Therefore, the suit is not unreasonable or unfair to the D. (please note that the suit arose out of these contacts, that is VERY important)

The court’s theory was that the salespeople in the state were sufficient. The case is also important because it expanded the scope of a state’s personal jurisdiction. The court broke down the types of contact that a defendant can have with a state into “casual” contact and “systematic and continuous” contact. (note that HERE IS was being sued over the contacts the company had in the jurisdiction, and IS probably couldn’t be sued for ANYTHING, but there is good dicta on this case for what it means to have general jurisdiction)

# ***McGee v International Life Insurance Co. 1957***

Lowell Franklin purchased life insurance (he was a CA resident) from a company bought by International Life Insurance (a TX office). Int. Life mailed an insurance certificate to Franklin in CA, and Franklin paid premiums by mail from CA to TX. International Life had never had an office or agent in CA. Plaintiff was the beneficiary of the policy, and sued over non-payment.

If D has substantial contact with the forum state, that satisfies due process.

The court looked at the fact that the contract was delivered in CA, and the company knew it was doing business with CA. This case is significant because it expands the prior cases. This is because commercial business was expanding, meaning that it was becoming more common to do business with other states despite not being IN that state.

# *Hanson v. Denckla*

Plaintiff had established a trust in Delaware, and later moved to FL. A family fight ensued over which state had jurisdiction over the trust assets.

The court held that FL did not have jurisdiction, because all activity was unilateral.

How is this different from McGee? In McGee, the defendants PURPOSELY availed themselves.

# ***World Wide Volkswagen Corp. v Woodson 1980***

Plaintiffs bought a car in Seaway, NY and on their way to Arizona, got into a car accident in Oklahoma. They sued the manufacturer, distributor and dealership in OK.

The defendant must “purposely avail” himself to the laws of the forum state to have sufficient minimum contacts. In addition, foreseeability that the product might end up there is irrelevant if the D did not purposely avail himself to the laws and protections of that state.

This is important because while foreseeability is important, it alone is not ENOUGH.

Also note that the decision deals with the dealership, NOT the manufacturer and distributor.

# ***Helicopteros Nacionales de Columbia v Hall***

## ***1984***

Defendant was a helicopter company, a Columbia Corp. It was hired by a Peruvian company, who was also doing business with a TX company. D negotiated some contracts in TX, bought 80% of its equipment in TX, and also received tech support from TX. They are being sued by employees (or rather estates of employees) for a crash that occurred in Peru.

For a court to exercise general in personam jurisdiction, the D must engage in systematic and continuous contacts with the forum state unless the D's contacts are related to the cause of action.

While there were probably enough minimum contacts to bring suit against Helicopteros in TX based on the contract or the training, etc – it was not enough for general jurisdiction, that is, not enough to bring them to court based on something that did not ARISE from the contacts with the forum state.

# *Asahi Metal Industry v Superior Court* 1987

Zurcher was injured in a motorcycle accident. He sued Cheng Shin Co in California, alleging parts were defective. Cheng Shin then sued Asahi, a Japanese Corp, as the manufacturer of the parts.

The court held that the mere awareness on the part of the D that their product might enter the forum state through the stream of commerce is not enough to subject them to personal jurisdiction.

The court also reasoned that the burden on the D would greatly outweigh the forum state's interest.



# ***Burger King Corp v Rudzewicz***

## ***1985***

D was Rudzewicz, a MI citizen, and applied jointly with MacShara, for a Burger King franchise. Burger King headquarters was located in FL, but D applied through the district office in MI. Plaintiffs sued D when they fell behind in rent.

Because Defendants purposely directed their activities at the forum state (FL), he had fair warning that litigation might result, thus jurisdiction does not offend fair play.

Here the court reasoned that the D had taken action to direct itself at FL, despite doing most of its business with the regional office in MI.



# What does that Mean?

- Fair play and justice
- Minimum contracts
- Purposeful availment
- foreseeability

# Review

- Ace Truck Bodies builds gasoline tanks in Minnesota for installation on trucks that deliver gas to gas stations. It sells a replacement tank to Deuce Petroleum Company in Kansas, which has it mounted on the bed of its delivery truck and places it in service. As Ace was aware, Deuce delivers petroleum products to customers throughout the Midwest.
- While making a delivery in Illinois, the tank explodes, injuring Jack. Jack sues Ace Truck Bodies in Illinois for his injuries. Ace Truck has no contacts with Illinois other than those described in this question. The Illinois long-arm statute authorizes the exercise of personal jurisdiction over a defendant who “commits a tortious act in Illinois.” The Illinois Supreme Court has held, in *Gray v American Standard Radiator*, that this language is met if the defendant’s product causes injury to a person within the state.

# Answer Choices

Ace is probably

- A. Subject to personal jurisdiction in Illinois because it was aware that the tank it sold to Deuce would be used in Illinois.
- B. Subject to personal jurisdiction in Illinois, because it could foresee that its tank, if it was defective, would cause injury in Illinois.
- C. Subject to personal jurisdiction in Illinois, because it committed a tortious act in Illinois under the long-arm statute.
- D. Not subject to personal jurisdiction in Illinois, because its contacts with Illinois are insufficient to support jurisdiction over it under the minimum contacts test.

# Answer

- C- why?
- While driving on roads in a state, that counts as purposeful availment to that state. At least if the tortious conduct occurs on the roads.
- In addition, ANY tortious conduct committed WHILE in a state will subject a defendant to personal jurisdiction IN that state.

# Hypo

- Dodo is a State X partnership composed of Jim Do and Bob Do. They manufacture and lease large ovens that are used in restaurants. Dodo's only plant and business office is in State X. Three months ago, the president of Dominic's (a fashionable eating spot in State Z) made a trip to State X and leased an oven from Dodo. Dominic's is incorporated in State Z, where its restaurant is located. The stock of Dominic's is held by Carl, Fred and Alice. The Do brothers are domiciled in State X. Two weeks ago, Paul (an employee of Dominic's) was hurt when the "door" of the leased oven suddenly fell open upon him. Paul sued both Dodo and Dominic's in the U.S. District Court in State Z. Jim and Bob Do were personally served in State X. Dominic's was served pursuant to a State Z statute which permits notice of the lawsuit to be (1) left with someone of "suitable discretion" at the defendant's home or main business premises, or (2) if no such person is available, posted on the door which is most often used by the occupants of the defendant's home or main business premises. Paul's process server utilized the latter method. The president of Dominic's saw the notice and delivered the summons and service of process to the corporation's attorneys.
- Is there Personal Jurisdiction over Dodo? Do you need more facts or information? If so, what information?