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International Shoe Drops Again: Expanding Personal Jurisdiction in Products Liability Cases

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As commerce has expanded nationally and globally, the Supreme Court of the United States has continuously revisited and tweaked its jurisprudence relating to a court's exercise of personal jurisdiction over non-resident defendants. In 1945, the Supreme Court decided *International Shoe v. Washington* in which it held that a court can exercise personal jurisdiction over a defendant – that is, require them to appear in court – so long as the defendant has "minimum contacts" with the state that "the maintenance of suit" is "reasonable" and "does not offend traditional notions of fair play and substantial justice."

From that unclear beginning, the Supreme Court has plodded along to identify what constitutes "minimum contacts" and what does and does not "offend traditional notions of fair play and substantial justice." The Court developed two strains of personal jurisdiction: general jurisdiction and specific. General jurisdiction is when the defendant is "at home" incorporated in the state, a resident of the state, maintains a principal place of business there. The more difficult analysis is with respect to specific jurisdiction. Specific jurisdiction requires a showing that the defendant conducted activities in the state and the plaintiff's claims "arise out of or relate to the defendant's contacts" there.

Given the ease of interstate commerce and advertising (looking at you, Amazon), it is difficult to imagine a situation in which a nationwide company that sells products hasn't conducted business in another state. The personal jurisdiction analysis, therefore, often centers on whether the plaintiff's claims "arise out of or relate to the defendant's contacts" in the state.

Oftentimes, the plaintiff purchased the product in the same state in which the injury occurs. But again, the ease of national commerce and travel has given way to products being designed and manufactured in Texas, being bought in New York, and being used and causing injury in New Mexico. So, which of those three states can exercise personal jurisdiction over the manufacturer?

In *Ford Motor Co. v. Montana Eighth Judicial District Court*, Ford urged the Supreme Court to adopt a narrow position: that a company with nationwide contacts can be subject to personal jurisdiction in a products liability suit only if there was a proximate causal link between its activities in the state and the plaintiff's injuries. In other words, suit could only be brought where the product was designed, manufactured, or sold. The Supreme Court unanimously rejected this position, noting that such a conclusion would be a significant limitation on jurisdiction over nationwide companies like Ford. The Court held, rather, that Ford's marketing and advertising activities in the state – efforts to sustain ongoing customer relations – were sufficiently "relate[d]" to the plaintiffs' claims to support the exercise of specific jurisdiction over Ford.

The Court's holding is significant as it represents a move toward a more expansive view of specific personal jurisdiction, one that accounts for the fluid nature of today's commerce. The upshot? All companies must be mindful of where they design, manufacture, sell, *and market* their products. Each of these can be the basis of finding that a court can exercise personal jurisdiction.

If you have questions, please contact [Kimberly Chojnacki](#) or your Baker Donelson attorney.