# CL670: Civil Procedure I

## Personal Jurisdiction – Minimum Contacts

*Video Transcript*

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1. Welcome to the presentation on minimum contacts for personal jurisdiction.

2. In this presentation, we will discuss the minimum contacts analysis for personal jurisdiction in federal courts. We will go through some examples and cases to help you understand this area of personal jurisdiction.

3. Last time, we began our discussions about personal jurisdiction, which is the court's jurisdiction over the defendant. We discussed the traditional bases for personal jurisdiction: domicile, service in the forum state, consent, an agent, and owning property in the forum state.

   In this presentation, we will discuss other ways that courts can assert personal jurisdiction over the defendant when those traditional bases are not met. This approach is called minimum contacts. It focuses on the contacts that the defendant has with the forum state. It generally comes up when you have an out of state defendant, meaning a defendant who is not domiciled in the state. We will see there is one caveat to this domicile issue when we talk about a concept called general jurisdiction.

4. The concept of minimum contacts comes from the advancements that were made with being able to travel more easily and quickly in the 1900s in cars and planes, and being able to sell products from one state to another with greater ease and efficiency. Because of these advancements, the traditional bases for jurisdiction did not always work because they were territorial in nature. If the defendant was not in the forum state, it was difficult to establish jurisdiction.

   For example, Dan lives in Massachusetts and he travels to Oklahoma and gets into a car accident with Paul in Oklahoma. There is not a traditional basis of personal jurisdiction over Dan, unless Paul was able to serve Dan while he was still in Oklahoma on vacation, because Dan was no longer located in the territory of Oklahoma.

   Minimum contacts fills that void and extends jurisdiction beyond the territorial approach in some situations. It gives Paul a way to establish

personal jurisdiction over Dan because of Dan's contact with Oklahoma, and how that contact caused harm to Paul.

5. There are three different parts of a minimum contacts analysis. All of them need to be considered and discussed in the minimum contacts analysis. The first is the contacts themselves. Courts assess the nature and quality of the contacts to determine if they are sufficient.

   There are two prongs or categories here: specific jurisdiction and general jurisdiction. Specific jurisdiction applies when the claim against the defendant arises out of, or relates to, their contact with the forum state, so it applies to our Paul and Dan example. With specific jurisdiction, the courts just have jurisdiction over the defendant for that one act that led to the lawsuit.

   General jurisdiction applies when the claim does not arise out of their contacts with the forum state, but the defendant has so many contacts with the forum state that due process permits jurisdiction even over unrelated claims. The United States Supreme Court has rarely found general jurisdiction to exist. When it has, it has been when the contacts were so 'continuous and systematic' as to render the defendant "essentially at home in the forum State." This essentially means domiciled in the forum state, which overlaps with the traditional basis of domicile. So, this is the caveat about domicile I mentioned a minute ago.

   The second part of the analysis is a separate analysis of reasonableness or fairness. In addition to the having requisite contacts, asserting jurisdiction must not offend notions of fair play and substantial justice.

   The third is that there must be a state long arm statute that allows the plaintiff to assert personal jurisdiction over the out-of-state defendant. These statutes are the mechanism that allows jurisdiction to be asserted.

   Let's talk about each of these, starting with the requirements for the contacts.

6. The starting point for understanding the requirements for the contacts in the minimum contacts analysis is the *International Shoe* case. In that case, International Shoe was incorporated in Delaware, had a principal place of business in Missouri, and employed a salesman in Washington. The State of Washington assessed unemployment taxes. International

Shoe refused to pay. Washington sued and International Shoe said there was no personal jurisdiction in Washington courts.

The United States Supreme Court ruled that there was personal jurisdiction. It said that a state can assert jurisdiction over a non-resident if the non-resident has minimum contacts with the forum so that maintaining the suit does not offend "traditional notions of fair play and substantial justice."

The Court also went on to address some of the specifics about the nature and quality of the contacts and the relationship of those contacts to the plaintiff's claims.

The Court said that sporadic or casual activities would likely not be enough for an unrelated cause of action, but continuous and systematic may be enough for an unrelated cause of action. It went on to say that sporadic activity, even single act, may be enough if the cause of action arises from that activity.

From these statements, we get the specific and general jurisdiction prongs of the minimum contacts analysis.

7. Subsequent decisions refined these two prongs a bit. With specific jurisdiction in particular, the Court has issued a number of decisions that make clear that the key to being able to assert specific jurisdiction is that the defendant must purposely direct their activities towards the forum state, and that the contacts must make it foreseeable that they should "reasonably anticipate being haled into court there."

   Because the United States Supreme Court has addressed specific jurisdiction in a number of cases, only some of them are in your assigned reading. You are free to read the cases that are mentioned and are not in your assigned reading if you would like to do so, but you are not required to do so. The overview here gives you the key information from many of the cases, and the cases that are assigned discuss many of the other cases as well.

8. *Hanson v. Denckla* is a good starting point after *International Shoe.* It establishes that the unilateral act of someone other than the defendant does not meet the minimum contacts requirement because there is no purposeful availment by the defendant.

The case involved Dora Donner, who established a Trust with a Delaware bank. She later moved to Florida and would send money to the Trust in Delaware from Florida. Before she died, she changed the beneficiaries of the trust, and she did that while she was in Florida. After she died, her two daughters, who were the prior beneficiaries, sued the new beneficiaries claiming that the change was ineffective, and that the two daughters should receive the trust funds. The new beneficiaries tried to join the Delaware bank as a party, so the Supreme Court case is about personal jurisdiction over the Delaware bank in Florida.

The Court ruled that the contacts were not sufficient. It noted that the defendant trust company had no office in Florida, and transacts no business there. None of the trust assets has ever been held or administered in Florida, and the record discloses no solicitation of business in that State either in person or by mail.

The Court contrasted this situation with another case called *McGee v. International Life Insurance Co*., 355 U.S. 220 (1957), where the Court found there was jurisdiction over an out-of-state insurance company that had solicited the business of an insured by mail. The insured paid premiums by sending them from the forum state to the out-of-state insurance company by mail. When a dispute arose over the payment of a claim under the policy, the Court found personal jurisdiction existed in the insured's state because the solicitation and policy created a "substantial connection" to the state.

By contrast, in *Hanson,* there were no such actions by the defendant. The Court acknowledged that the change of beneficiaries occurred in Florida, and money was sent to the Trust from Florida, but that was not enough because it was not anything that the bank initiated or caused. Rather, it was Dora Donner who moved to Florida and decided to change beneficiaries while in Florida. The Court noted that the "unilateral activity of those who claim some relationship with a nonresident defendant cannot satisfy the requirement of contact with the forum State… it is essential in each case that there be some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its laws. The settlor's execution in Florida of her power of appointment cannot remedy the absence of such an act in this case."

That purposeful availment and the "benefits and protection of the forum state" language is a key part of the legal standard for specific jurisdiction, so be sure to note it.

9. Next is the *World-Wide Volkswagen* case. Here, the court found that while foreseeability is a factor in the minimum contacts analysis, it by itself is not enough to establish personal jurisdiction.

   The case involved plaintiffs who bought a car in New York from the defendant car dealership. Then, they moved to Arizona. On the way to Arizona, the car was hit and exploded in the state of Oklahoma, and there were injuries. In addition to the dealer, the plaintiffs sued the regional distributor and a few other parties, including the manufacturer and importer of the car.

   The dealer and distributor had no contacts with Oklahoma, and moved to dismiss for lack of personal jurisdiction. The plaintiffs' argued that since a car was mobile product, it was foreseeable that it could go to any state, including Oklahoma.

   The Court said that the mere probability that a car might end up in Oklahoma is not sufficient to show that the defendant's conduct and connection with forum state are such that D should "reasonably anticipate being haled into court there."

   Rather, the defendant's actions must "purposefully" bring the defendant into contact with the forum state.

   Here, the defendants could not reasonably apprehend that they would be brought into court in Oklahoma because they did not do anything towards Oklahoma. They did not sell or direct cars in Oklahoma, nor do any business in Oklahoma, nor have any other contacts with Oklahoma.

   So, again here you see the Court emphasize the purposeful availment requirement. The dealer and distributor did not do anything to purposefully avail themselves of the benefits of Oklahoma, so it is not foreseeable that they would be sued there.

10. Then there is *Burger King v Rudzewicz.* In this case, plaintiffs are in Michigan and they enter into a franchise agreement with Burger King in Florida, which is where its headquarters is located. A dispute arises over

the agreement, and the defendants refuse to make certain payments under the contract. Burger King sues in Florida court.

In this case, the Court found that there was jurisdiction because, much like the *McGee* case, there was a substantial connection to the State of Florida with the contract, plus related activities that included the defendant reaching out to the plaintiff in Florida to negotiate the contract (much like McGee solicited the plaintiff by mail), and when the defendant did not make payments under the contract, that harmed the plaintiff in Florida.

There was also a provision in the contract that said disputes would be resolved under Florida law. While that is not consent because it did not say in Florida courts, the Supreme Court found it was evidence that the defendant purposely availed themselves of the protections of the laws of the forum state.

The Court said that when a defendant creates a "substantial connection" with the forum state by "deliberately" engaging in significant activities within a state, or creating a "continuing obligation" between himself and residents of the forum state, he or she has manifestly availed himself of the privilege of conducting business there. "Because his activities are shielded by the benefits and protections of the forum's laws it is presumptively not unreasonable to require him to submit to the burdens of litigation in that forum as well."

This connection and deliberate activities are all ways of emphasizing the purposeful availment requirements.

11. Finally, in its most recent case, *Bristol-Myers Squibb Co. v. Superior Court of California,* the Court seemed to narrow some of the boundaries of specific jurisdiction in terms of what is required for the plaintiff's claim to arise out of the defendant's contact with the forum state.

    In that case, the plaintiffs at issue were not residents of the forum state, and they were not harmed in the forum state. As a result, the Court ruled that specific jurisdiction did not exist over the defendant because the defendant's activities were not directed at the forum state.

12. From these cases, we get a legal rule for specific jurisdiction that is something like:

Specific jurisdiction requires the defendant to have a substantial connection with the forum state, and the plaintiff's claims must arise out of or relate to the contacts that create that connection. A substantial connection exists when the defendant purposefully avails itself of the benefits and protections of the forum state, or purposefully directs activity towards the forum state, so that it is foreseeable that the defendant might be haled into court in that state.

It is the quality and nature of the contacts that counts, not necessarily the quantity. A single act can create a substantial connection and support jurisdiction, as long as the plaintiff's claims arise out of or relate to that act.

Our Paul and Dan accident in Oklahoma is a single act example. Because Dan caused the accident while driving in that state, he availed himself of the benefits and protections of the state while driving there, so it is foreseeable that he might be subjected to a lawsuit from harm he created while there.

*International Shoe* spoke of isolated and casual contacts being sufficient in some circumstances. In the *McGee* case, the defendant only made one contact with the plaintiff when they solicited him by mail, and the Court found jurisdiction existed because the defendant had purposefully directed activity at the state and harm resulted to the plaintiff from that contact.

13. Generally speaking, the contacts being directed at the forum state will mean that the defendant has some kind of actual contact with the state, but it does not require that the defendant physically be in the state. A defendant may just send a product into a state for example, or may have a website that is accessed from a state (which we will talk about in a minute). Also, sometimes the defendant's activities outside of a state can harm the defendant inside the state, and that can suffice if the purposeful availment and foreseeability requirements are met.

    A good illustration here is *Calder v. Jones*. That case involved a defamatory article about Shirley Jones. The defendants were the author and editor who lived in Florida, and the National Enquirer, which was also based in Florida, but it has its largest circulation in California.

    Jones lived and worked in California. She sued all three of them in California. The Supreme Court found that personal jurisdiction requirements were met for California because California was the focal

point of the story, sources of information were from California, and Jones suffered harm in California.

The Court said that the writer and editor intentionally produced an article that they knew would be disseminated in California, and that would harm the plaintiff in California. As a result, California courts had personal jurisdiction over defendants because of the effects of their Florida conduct in California.

In other words, this knowledge created the requisite purposeful availment of contacts directed at the forum state, and made it foreseeable that they might be "haled into court" there.

Therefore, under the "effects test" in *Calder,* actions that occur outside of the forum state can create specific jurisdiction when the effect is to cause harm inside the forum state.

14. We have talked about situations where a defendant's in-state activities harms plaintiff, and when their out of state actions harm the plaintiff in the forum state. We have also talked about how foreseeability alone is not enough for personal jurisdiction even with mobile products like cars.

    All of those issues come together in our next topic which is referred to as a "stream of commerce" analysis. This issue arises when a product that is sold in one state ends up in another state and harms someone.

    For example, Paul buys a phone in Illinois just before he goes on vacation in Florida. While in Florida, he is charging the phone, and it overheats and Paul is harmed by it. Does personal jurisdiction exist over the phone manufacturer in Florida? Does it exist over the retailer that sold Paul the phone? What if Paul told the retailer that he was taking the phone to Florida, does that make a difference?

    All of these questions are answered using the same standards we have talked about, but the Supreme Court has not been able to clearly decide the outcome of two cases that came before the Court on this issue.

15. The first case is *Asahi Metal Industry Co. v. Superior Court*. In that case, the Court addressed the issue of whether placing a product in the stream of commerce that will likely end up in the forum state is enough for jurisdiction. Much like the *World-Wide Volkswagen* case, a plurality of

justices said it was not, but the Court did not have a majority of justices agree.

Here, the product made by Asahi was a tube valve assembly for a tube for a motorcycle tire. It was made in Japan and was sold to a company in Taiwan that put the assembly into a tire tube, and then that company sold the tube and tires to various companies in the U.S. including in California where the plaintiff was hurt. Asahi was aware that some of its valves were used in tubes shipped to the United States and California.

The plurality opinion said mere awareness that a product would reach the forum state was not enough because there defendant had not cultivated the forum state market, so there was not a substantial connection between the defendant and the forum state necessary for a finding of purposeful availment. The placement of a product in the stream of commerce, without more, is not an act by the defendant purposefully directed toward the forum state.

Other members of the Court stated that the defendant's actions were enough, but they could not garner a majority either, so there was not a majority opinion on the issue.

A majority of justices agreed that the fair play and substantial justice requirements were not met, so the Court decided the case on that issue, which we will discuss in a minute.

16. The Court had another chance to address this issue in *J.McIntyre Machinery, Ltd. V. Nicastro*, but again they were not able to come to a majority opinion. The plurality opinion said that there was no jurisdiction here either. The case involved a machine made in England. An independent distributor sold the machine to a business in New Jersey where the accident occurred. The defendant did attend conferences in the U.S. to help advertise its products, but not in New Jersey. It also held United States patents on the machine, and provided guidance to the distributor on how to market the machine.

    The plurality said this was not enough as it was not targeted towards the forum state. The defendant did not purposely avail itself of the privilege of conducting activities within the forum state thus invoking the benefits and protections of its laws.

While we don't have a majority opinion in either case, we do know that since there was not a majority agreeing that merely placing a product in the stream of commerce is sufficient, by default it is not.

So, going back to our questions about Paul and the phone and whether personal jurisdiction exists over the manufacturer, or retailer in Florida, and if it matters if Paul told the retailer that he was taking the phone to Florida. The answer is that the mere act of making and selling the phone to Paul is not enough to establish jurisdiction in a different state. The fact that the retailer knows Paul is taking the phone to Florida is also likely not enough under *World-Wide Volkswagen*. While the specific knowledge is a little different than what the defendants' had in *World-Wide Volkswagen*, it still does not really show that the defendants purposefully availed themselves of the benefits and protections of Florida. It just goes to the foreseeability of the product going to Florida, which the Court said was not enough.

Like *Hanson,* it is the plaintiff's unilateral act that resulted in the phone going to Florida, and a unilateral act is not enough to create jurisdiction.

It would be different if the retailer that was in a different state sold the phone to Paul in Florida, because then the retailer is directing its activity to the forum state, and taking advantage of the protections and benefits of the forum state's laws by selling there.

The other potential argument here would be a *Calder* effects analysis, since the retailer knew the phone was going to Florida, perhaps their out of state activity that harmed plaintiff in state would suffice. But, here too there are some differences. In *Calder,* the defendant knew the plaintiff would be harmed in the forum state and intentionally harmed the plaintiff in that state. The same is not true in our hypotheticals.

17. One other related area is the specific jurisdiction analysis applied to the internet and technology. If a company has a website that advertises their products or services, it would be viewable in every state. Does that mean a person who is harmed by a product or service has personal jurisdiction in every state because of the website?

    Most courts follow what is known as the *Zippo* sliding scale approach from a case called *Zippo Mfg. Co. v. Zippo Dot Com, Inc.* On one end of the scale are interactive websites that conduct business over the Internet. For

example, a site that you can order products from and have them shipped to you. Those generally meet the purposeful availment requirement and jurisdiction exists.

On the other end are passive websites that just provide information. Those generally do not meet purposeful availment. In the middle are sites that collect some information. Purpose availment for those depends on the "level of interactivity and commercial nature of the exchange of information." Here, courts will also work in the effects test from *Calder v. Jones.*

Under these standards, the answer is no, the mere presence of a website that can be seen in every state does not create jurisdiction in every state. Rather, it depends on the level of interactivity which goes to the defendant's level of purposefully directing activities towards the forum state. You have an example of a court applying these standards in *Cybersell v. Cybersell.*

18. Ok, these cases and discussions have all been about specific jurisdiction. Now, let's talk about general jurisdiction.

    Remember general jurisdiction means that the defendant's contacts in the forum state are so substantial that they can be sued in that state even for claims that do not arise out of their contacts.

    The legal standard here is the defendant's contacts with the forum state must be "so 'continuous and systematic' as to render [the defendant] essentially at home in the forum State." The contacts must be sufficiently substantial to make the exercise of jurisdiction reasonable.

    As noted earlier, this category has been fairly limited in its interpretation by the Supreme Court. The only areas where the Court has found general jurisdiction to exist overlap with the traditional basis of domicile. For an individual that would be their state of citizenship as we learned about with traditional bases. For a corporation, that would be their place of incorporation and their principal place of business.

    While the court said in *Daimler AG v. Bauman*, that general jurisdiction is not expressly limited to domicile, it has not given much guidance on what situations short of domicile might suffice. It rejected the idea that a corporation should be subject to general jurisdiction in every state where it

engages in a substantial, continuous, and systematic course of business, even when it has sizeable sales in that state. In a footnote, the Court said that in "an exceptional case" a corporation's operations in a forum other than the place of incorporation or principal place of business might be so substantial to render the corporation at home in that state, but did not give any further guidance except to cite to *Perkins v. Benguet Consol. Mining Co*.

In that case, where the court found that a company incorporated under the laws of the Philippines that ceased its mining operations during the Japanese occupation of the Philippines in World War II, and started operating out of Ohio, was subject to general jurisdiction in Ohio. The Court noted that "Ohio was the corporation's principal, if temporary, place of business."

However, in *Perkins*, Ohio was the only place of business for the company at that time, so it would seem to be the same as the principal place of business criterion, which really takes us back to a domicile type of analysis.

19. Given the Court's statements in various cases, it does not appear that a company or corporation would be subject to general jurisdiction in a state due to its sales of unrelated products, or due to the nature of its presence in the state.

    Back to our example of Paul buying the phone in Illinois before going to Florida. Let's assume that he bought it from a retail store that has numerous locations in every state, including Florida. Paul is harmed in Florida by the phone in bought in a different state. The retail stores in Florida sell that same phone, but they did not sell the phone that harmed Paul to Paul.

    Even if the store has substantial sales, activity, and presence in Florida, it appears that general jurisdiction would not apply. However, if the company's headquarters and principal place of business is there, they are likely subject to general jurisdiction in Florida for the harm to Paul. They would also be subject to jurisdiction under the traditional basis of domicile, and they likely also have an agent that would receive service of process. The agent likely exists even if it is not the principal place of business, so Paul may be able to assert jurisdiction under that basis, but that is not based on general jurisdiction concepts.

*Goodyear Dunlop Tires Operations, S.A. v. Brown*, is an example. It involved a foreign subsidiary of a United States corporation. The subsidiary made tires in Europe. Two North Carolina citizens were injured by the tires in France. The parent corporation Goodyear USA had a large presence in North Carolina, but the foreign subsidiary did not. Only a small portion of its tires were sold in North Carolina through other Goodyear affiliates. The subsidiary itself did not do any other business in North Carolina.

The Court said that the contacts through the tire sales that did exist were not enough. The subsidiaries contacts were not continuous and systematic contacts. This was the same as in *Daimler AG v. Bauman,* where it also found general jurisdiction requirements were not met.

20. We have discussed the contacts part, now let's talk about the fair play and substantial justice requirement, also known as the reasonableness requirement or component.

    Remember, there are 3 parts to the minimum contacts analysis. One is the contacts themselves, and that is where the specific or general jurisdiction analysis comes into play. The second is the fair play and substantial justice part, which is referred to in some court opinions as the reasonableness component. The third is the long arm statute.

    The fair play and substantial justice component comes into play if the contacts are sufficient to meet the requirements we have been discussing. Even if purposeful and foreseeable contacts exist, the court must also find that the suit does not offend "traditional notions of fair play and substantial justice."

    Courts consider a number of factors here, including the burden on the defendant in light of a number of other interests like the forum state's interest in adjudicating the dispute, the plaintiff's interest in obtaining convenient and effective relief in the forum state, the interstate judicial system's interest in obtaining most efficient resolution, and the shared interest of the several States in furthering fundamental substantive social policies. As part of considering these factors, issues like the presence of witnesses, applicability of the forum state's laws, and proximity to the home states of plaintiffs and defendants are considered.

You have a couple of cases that we have already discussed that go through these factors. In *Asahi*, the Court ruled that these factors weighed against personal jurisdiction. Remember this is the case where the defendant manufactured a part that ended up in a product that ended up in California. The defendant was located in Japan and would be required to submit to a foreign legal system by litigating the dispute in California courts.

By contrast, in *Burger King*, the Court ruled that asserting jurisdiction was reasonable under these factors. The Court noted that the defendant has the burden of establishing that jurisdiction would be unreasonable under these factors even though the defendant's contacts are sufficient, and the defendant did not meet his burden in that case.

21. Next is the third and final requirement, the long arm statutes. As we discussed earlier, long arm statutes are a mechanism that allows plaintiffs to bring claims against out-of-state defendants. They give plaintiffs authorization and a process to follow to serve and notify Defendants of the lawsuit. These are state statutes and they apply to both state and federal courts. As we discussed in the last module, the personal jurisdiction analysis is about the forum state, so the standards are generally the same for state and federal court. Here, Federal Rule of Civil Procedure (FRCP) 4(e)(1), requires federal courts attempting to exercise jurisdiction over a defendant to apply the law of the state in which the district court is located unless "otherwise provided by federal law."

    There are two types of long arm statutes. One is an enumerated act statute that authorizes personal jurisdiction over certain acts in the state, like committing torts or engaging in business transactions, or owning property. The other type is broader and allows jurisdiction up to the limits of the limits set by due process, which would mean up to the limits that we have discussed as set by the courts when they interpret personal jurisdiction requirements. The statute could not go beyond what due process permits as that would be unconstitutional. For example, a state long arm statute that allowed plaintiffs to bring claims against out of state defendants that had no contacts with the state would be unconstitutional.

    The California long arm statute is an example of the type that allows the full range of claims up to the limits of the due process clause. It states "A court of this state may exercise jurisdiction on any basis not inconsistent with the Constitution of this state or of the United States."

Cal.Code.Civ.Pro. § 410.10.

22. One last topic to discuss is the impact of minimum contacts requirements on property based personal jurisdiction that we discussed last time. Remember, in rem and quasi in rem jurisdiction can be used as a basis for personal jurisdiction. In rem is when the property at issue is the issue in the lawsuit. Quasi-in-rem can be either related or unrelated to the lawsuit, but the judgment is limited to the value of the property.

    In *Shaffer v. Heitner,* the United States Supreme Court ruled that minimum contacts due process principles apply to these types of jurisdiction as well. In that case, the result was there was not jurisdiction over the defendant when there would have ordinarily been jurisdiction under quasi-in-rem under the traditional approach we discussed last time.

    In the case, the plaintiff owned one share of Greyhound Bus Lines stock. He filed a shareholder derivative suit against the officers and directors of Greyhound in Delaware alleging misconduct by the defendants. The plaintiff claimed the individual defendants, who were not domiciled in Delaware, violated their duties to the corporation by allowing the corporation to commit acts that led to substantial damages in an antitrust suit and a large fine in a criminal case. The acts occurred in Oregon.

    Greyhound was incorporated in Delaware and the corporate stock was issued and located in Delaware. The plaintiff attached all the stock and options the defendants had in Greyhound in Delaware. The plaintiff did not allege any other contacts by the defendants in Delaware. He relied on the stock being located in the state and quasi-in rem jurisdiction.

    The Court ruled that the stock alone did not provide a basis for personal jurisdiction under a minimum contacts analysis. The stock was not the subject matter of the lawsuit, the allegations of corporate misconduct occurred in Oregon, and there were no other allegations of contacts with Delaware. As a result, asserting personal jurisdiction was unconstitutional.

    So, the lesson from the case is that the minimum contacts analysis applies to in rem and quasi-in-rem jurisdiction as well, and because of that, when property is unrelated to the lawsuit it may not be sufficient to assert jurisdiction. More contacts may be necessary to meet the minimum contact requirements we have discussed.

23. Let's review. We discussed minimum contacts as a basis for personal jurisdiction. The minimum contacts analysis has three components: the contacts, fair play and substantial justice, and a long arm statute.

    With the contacts, if the plaintiff's claim arises out of the defendant's contacts with, or related to, the forum state specific jurisdiction applies. If they do not, general jurisdiction applies.

    |Specific jurisdiction requires purposeful availment and foreseeability.

    If the contacts are sufficient, then the fair play and substantial justice component, also referred to as the reasonableness component, must be considered. Here, the burden is on the defendant to prove that the exercise of jurisdiction over them would be unreasonable even though they have sufficient contacts with the forum state.

    In making this decision, courts consider a number of factors including the burden on the defendant in light of a number of other interests like the forum state's interest in adjudicating the dispute, the plaintiff's interest in obtaining convenient and effect relief in the forum state, the interstate judicial system's interest in obtaining the most efficient resolution, and the shared interests of the several states involved.

    Finally, don't forget the long arm statute. This is something that should always be a part of your analysis when considering personal jurisdiction scenarios, even if it is not mentioned in the fact pattern. Long arm statutes are a mechanism that allow plaintiffs to bring claims against out-of-state defendants. They give plaintiffs authorization and a process to follow to serve and notify defendants of the lawsuit.

    There are two types of long arm statutes: enumerated acts that specify the acts that courts have personal jurisdiction over, and the other type allows the full range of claims up to the limits of the due process clause.

24. In this presentation, we discussed minimum contacts analysis for personal jurisdiction. We used some examples and some cases to illustrate the requirements.

    Please email your professor with any questions.