

Supreme Court Reins In the Jurisdictional Reach of U.S. Courts Over Foreign and Out-of-State Corporations

14 January 2014

Litigation Alert

On 14 January 2014 the Supreme Court issued a decision that will sharply curtail the ability of plaintiffs to sue foreign defendants. In *Daimler AG v. Bauman*, the Court clarified when it is appropriate for a U.S. court to assert "general" personal jurisdiction over a defendant. That is an issue of great importance for foreign corporations because general personal jurisdiction is the most expansive form of jurisdiction; it allows a court to hear any claim against the corporation, no matter if the claim has any relationship to the corporation's activities in the jurisdiction where that court sits. In recent years, a number of courts had invoked general personal jurisdiction whenever a corporation tended to do a lot of business in a particular jurisdiction. But the Supreme Court's decision in *Daimler* has now rejected that elastic standard. Instead, the Court held that general personal jurisdiction is appropriate only when the "corporation's affiliations with the State in which suit is brought are so constant and pervasive" that the corporation is "essentially at home in the forum State." As a practical matter, that means that a corporation will be amenable to general personal jurisdiction in the state where it incorporated and the state where it principally conducts its business. Although the Supreme Court did not rule out that other extraordinary circumstances might render a corporation "at home in the forum State," the Court left little doubt that, going forward, plaintiffs will have great difficulty in making that showing. Further, the Court held that plaintiffs cannot make that showing as to a foreign corporation based on the activities of the corporation's U.S. subsidiary.

Read More: [Supreme Court Reins In the Jurisdictional Reach of U.S. Courts Over Foreign and Out-of-State Corporations](#)

Contacts



David
Newmann
Partner

> [Read the full article online](#)