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In WLF Victory, High Court to Consider Limits on State Courts' Personal Jurisdiction over Defendants

(Bristol-Myers Squibb Co. v. Superior Court)

“In its seminal 2014 *Daimler v. Bauman* decision, the U.S. Supreme Court clarified that a plaintiff may not sue a corporate defendant in a State unless his claim arises there, the company is incorporated there, or the State serves as the corporation’s principal place of business. This case should re-send that message to some states’ courts—including California’s—that have not yet heeded it.”

—Richard Samp, WLF Chief Counsel

WASHINGTON, DC—The U.S. Supreme Court today agreed to review a California Supreme Court decision that ignores constitutional limits on the authority of state courts to exercise personal jurisdiction over out-of-state corporate defendants. The decision marked a victory for Washington Legal Foundation, which filed an *amicus curiae* brief urging the Court to grant review. WLF’s brief in *Bristol-Myers Squibb Co. v. Superior Court* argues that the California courts in this case have refused to abide by recent precedent that cut back their jurisdiction over out-of-state defendants. WLF’s *amicus* brief was joined by the Allied Educational Foundation.

This case involves a group of 661 unrelated plaintiffs from across the country who filed several products-liability suits in California state court, alleging they were injured after taking Plavix, a drug manufactured by defendant Bristol-Myers Squibb (BMS). Only 86 of the plaintiffs are California residents; the rest live in other States, and their claims have no California connection.

In 2014, the Supreme Court held in *Daimler AG v. Bauman* that an out-of-state corporation like BMS may not be sued unless the claim being sued on has a substantial connection with the State. Disregarding that edict, the California Supreme Court ruled that the 575 nonresident plaintiffs could sue BMS in California. It deemed the nonresidents’ claims to have a substantial connection with California because they were similar to the California plaintiffs’ claims. WLF’s brief argued that the lower court’s rationale would negate *Daimler* as a check on state-court jurisdiction.

Upon learning of the cert. grant, WLF issued the following statement by Chief Counsel Richard Samp: “Plaintiffs’ lawyers constantly seek to consolidate lawsuits from across the country as a means of increasing settlement pressure on defendants, but the Due Process Clause significantly limits the power of a State to hale nonresidents into its courts. In its seminal 2014 *Daimler v. Bauman* decision, the U.S. Supreme Court clarified that a plaintiff may not sue a corporate defendant in a State unless his claim arises there, the company is incorporated there, or the State serves as the corporation’s principal place of business. This case should re-send that message to some states’ courts—including California’s—that have not yet heeded it.”

WLF is a public-interest law firm and policy center that regularly litigates in support of civil justice reform, to ensure that unwarranted lawsuits do not drive up costs for all consumers.