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WLF Tells California High Court to Enforce U.S. Supreme Court's Personal Jurisdiction Limits

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

“. . . [T]he U.S. Supreme Court made clear that a plaintiff may not sue a corporate defendant in a State unless his claims arise in that State or else it is the corporation's principal place of business or its place of incorporation. Apparently some state courts have not yet gotten the message.”—Richard Samp, WLF Chief Counsel

WASHINGTON, DC—Washington Legal Foundation (WLF) today told the California Supreme Court it should enforce limits imposed on state courts to exercise personal jurisdiction over out-of-state defendants. In a brief filed in *Bristol-Myers Squibb Co. v. Superior Court*, WLF argues that the lower courts in this case wrongly refused to abide by a 2014 U.S. Supreme Court decision cutting back on state courts' power to assert jurisdiction over out-of-state corporations.

The case involves 659 unrelated plaintiffs from across the country who filed a products liability suit in California state court, alleging they were injured after taking Plavix, a drug manufactured by defendant Bristol-Myers Squibb (BMS). Only 84 of the plaintiffs are California residents; the other 575 live in 33 other States, and their claims are not connected to any California conduct.

BMS does a substantial amount of business in California, but California is neither its principal place of business nor where it is incorporated. The U.S. Supreme Court held last year in *Daimler v. Bauman* (a case out of California) that, under those circumstances, a corporation may not be sued unless the claim being sued on has a substantial connection with the State. The lower courts here nonetheless ruled that the 575 nonresident plaintiffs could sue BMS in California. They held that the nonresidents' claims should be deemed to have substantial connection with California because BMS sold Plavix both in California and in the nonresident plaintiffs' home States.

In its brief urging reversal, WLF argues that the lower courts' rationale would negate *Daimler* as an effective check on state-court jurisdiction over out-of-state corporate defendants, given that most large companies sell their products in all 50 states.

After filing its brief, WLF issued the following statement by Chief Counsel Richard Samp:
“Plaintiffs' lawyers constantly seek to consolidate national lawsuits 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 made clear that a plaintiff may not sue a corporate defendant in a State unless his claims arise in that State or else it is the corporation's principal place of business or its place of incorporation. Apparently some state courts have not yet gotten the message.”

WLF is a national, 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.