

APPENDIX A

STATE OF MINNESOTA IN SUPREME COURT

A17-1182

Court of Appeals

McKeig, J. Dissenting, Anderson, J., Gildea, C.J.

ADAM BANDEMER,

Respondent,

vs.

FORD MOTOR COMPANY,

Appellant,

ERIC HANSON, ET AL.,

Defendants.

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Michael R. Carey, Bowman & Brooke LLP, Minneapolis, Minnesota; and

Sean Marotta, Hogan Lovells US LLP, Washington, D.C., for appellant.

Kyle W. Farrar, Mark Bankston, Kaster, Lynch, Farrar & Ball, LLP, Houston, Texas; and

Steven D. Lastovich, Steven Lastovich Ltd., Baxter, Minnesota, for respondent.

Andrew J. Pincus, Archis A. Parasharami, Mayer Brown LLP, Washington, D.C., and William Michael, Jr., Mayer Brown LLP, Chicago, Illinois, for amicus curiae The Chamber of Commerce of the United States of America.

SYLLABUS

The exercise of specific personal jurisdiction by a Minnesota court is proper when: (1) the defendant established minimum contacts in the forum by selling a particular type of vehicle in Minnesota, directing advertising and marketing activities at Minnesota, and collecting data relevant to redesigns and repairs from dealerships in Minnesota; (2) that type of vehicle was in an accident in Minnesota; and (3) the plaintiff and other defendant-driver are Minnesota residents—even though the individual vehicle was designed, manufactured, and first sold by the defendant outside of Minnesota.

Affirmed.

OPINION

McKEIG, Justice.

Appellant Ford Motor Company (Ford) appeals from a court of appeals decision affirming a district court's exercise of specific personal jurisdiction over Ford in a products liability case. Central to the litigation is a Ford vehicle that was involved in a car crash in which the passenger was seriously injured and an airbag in the vehicle allegedly failed to

deploy. Ford argues that its contacts with Minnesota were not sufficiently connected to the current litigation because the car at issue was designed, manufactured, and sold outside of Minnesota. Because the claims here arise out of or relate to Ford's contacts with Minnesota, we affirm the court of appeals.

FACTS

In January of 2015, Respondent Adam Bandemer, a Minnesota resident, was a passenger in a 1994 Ford Crown Victoria driven on a Minnesota road by defendant Eric Hanson, a Minnesota resident. Hanson rear-ended a Minnesota county snow plow, and the car ended up in a ditch. Minnesota county law enforcement responded to the crash, and Bandemer alleges that he suffered a severe brain injury as a result of the passenger-side airbag not He was treated for his injuries by Minnesota doctors in Minnesota. Bandemer alleges that the airbag failed to deploy because of a defect, and that the accident was caused by Hanson's negligence. He filed a complaint in district court alleging products liability, negligence, and breach of warranty claims against Ford and negligence claims against Hanson and his father, who owned the car.

Ford moved to dismiss Bandemer's claims for lack of personal jurisdiction. See Minn. R. Civ. P. 12.02(b). Ford does not dispute the quantity and quality of its contacts with Minnesota, nor does it dispute the reasonableness of personal jurisdiction under the circumstances. But it argues that, because the Ford car involved in the accident was not designed, manufactured, or originally sold in

Minnesota, Ford cannot be subject to personal jurisdiction in Minnesota on this claim.

Ford's contacts include sales of more than 2,000 1994 Crown Victoria cars—and, more recently, about 200,000 vehicles of all kinds in 2013, 2014, and 2015—to dealerships in Minnesota. Ford's advertising contacts include direct mail advertisements Minnesotans and to national advertising campaigns that reach the Minnesota market. Ford's marketing contacts include a 2016 "Ford Experience Tour" in Minnesota, a 1966 Ford Mustang built as a model car for the Minnesota Vikings, a "Ford Driving Skills for Life Free National Teen Driver Training Camp" in Minnesota, and sponsorship of multiple athletic events in Minnesota. Ford also collects data from its dealerships in Minnesota for use in redesigns and repairs. Finally, Ford has employees, certified mechanics, franchises, and real property, as well as an agent for accepting service, in Minnesota.¹

¹ Bandemer also argued below that Ford consented to personal jurisdiction by consenting to receive service of process through an agent in Minnesota. See Minn. Stat. § 303.06 (2018) (requiring that a foreign corporation "irrevocably consent[] to the service of process upon it"); Minn. Stat. § 303.13, subd. 1(1) (2018) ("A foreign corporation shall be subject to service of process . . . by service on its registered agent"). Consent-based jurisdiction exists independently of specific personal jurisdiction, and federal courts have held that "[o]ne of the most solidly established ways of giving such consent is to designate an agent for service of process within the State." Knowlton v. Allied Van Lines, Inc., 900 F.2d 1196, 1199 (8th Cir. 1990). The court of appeals did not reach this question because it held that the exercise of jurisdiction was valid under the doctrine of specific personal jurisdiction. Because it was not decided by the

The district court held that the exercise of iurisdiction over Ford was proper, and Ford The court of appeals, applying our appealed. decision in Rillev v. Money Mutual, LLC, 884 N.W.2d 321 (Minn. 2016), cert. denied, ___ U.S. 137 S. Ct. 1331 (2017), held that the district court did not err in denying Ford's motion to dismiss for lack personal jurisdiction because marketing contacts with Minnesota "established a 'substantial connection between the defendant, the forum, and the litigation, such that [it] purposefully availed [itself] of the forum" and those contacts "sufficiently relate[] to the cause of action " Bandemer v. Ford Motor Co., 913 N.W.2d 710, 715 (Minn. App. 2018) (quoting Rilley, 884 N.W.2d at 332). The court of appeals rejected Ford's arguments that the Supreme Court's decisions in Walden v. Fiore, 571 U.S. 277 (2014), and Bristol-Myers Squibb Co. v. Superior Court of California, ___ U.S. ___, 137 S. Ct. 1773 (2017), require a more direct connection between and among the defendant, the forum, and the litigation than the standard articulated by this court in Rilley. 913 N.W.2d at 715–16. This appeal followed.

ANALYSIS

"Whether personal jurisdiction exists is a question of law, which we review de novo." *Rilley*, 884 N.W.2d at 326 (citation omitted) (internal quotation marks omitted). After a defendant challenges a court's exercise of personal jurisdiction, the plaintiff must make a prima facie showing that personal

court of appeals in the first instance, we similarly decline to address the question of consent-based jurisdiction in this case.

jurisdiction is proper. Juelich v. Yamazaki Mazak Optonics Corp., 682 N.W.2d 565, 569–70 (Minn. 2004). When reviewing a motion to dismiss for lack of personal jurisdiction, we accept all of the factual allegations in the complaint and supporting affidavits as true. Rilley, 884 N.W.2d at 326. In a close case, we resolve any doubt in favor of retaining jurisdiction. Hardrives, Inc. v. City of LaCrosse, 240 N.W.2d 814, 818 (Minn. 1976).

Minnesota's long-arm statute prevents personal jurisdiction over a nonresident defendant if it would "violate fairness and substantial justice." Stat. § 543.19, subd. 1(4)(ii) (2018). We may "simply apply the federal case law" because Minnesota's longarm statute "extend[s] the personal jurisdiction of Minnesota courts as far as the Due Process Clause of the federal constitution allows." Valspar Corp. v. Lukken Color Corp., 495 N.W.2d 408, 410-11 (Minn. The Due Process Clause of the Fourteenth 1992). Amendment limits the ability of a state to exercise its coercive power by asserting jurisdiction over nonresident defendants. Bristol-Myers Squibb Co., ___ U.S. at ____, 137 S. Ct. at 1779. A state may not exercise personal jurisdiction unless the defendant "minimum contacts" with the state maintaining the lawsuit "does not offend traditional notions of fair play and substantial justice." *Int'l* Shoe Co. v. Washington, 326 U.S. 310, 316 (1945) (citation omitted) (internal quotation marks omitted).

We analyze five factors to determine whether the exercise of personal jurisdiction is consistent with federal due process: "(1) the quantity of contacts with the forum state; (2) the nature and quality of

those contacts; (3) the connection of the cause of action with these contacts; (4) the interest of the state providing a forum; and (5) the convenience of the parties." Rilley, 884 N.W.2d at 328 (quoting Juelich, 682 N.W.2d at 570). This five-factor test is a means for evaluating the same key principles of personal jurisdiction established by the Supreme Court—reasonableness in light of traditional notions of fair play and substantial justice. See K-V Pharm. Co. v. J. Uriach & CIA, S.A., 648 F.3d 588, 592 (8th Cir. 2011); Dent-Air, Inc. v. Beech Mountain Air Serv., Inc., 332 N.W.2d 904, 907 (Minn. 1983). The first three factors determine whether Ford has sufficient "minimum contacts" with Minnesota, and the last two factors determine whether jurisdiction is otherwise "reasonable" under concepts of "fair play and substantial justice." Juelich, 682 N.W.2d at 570.

I.

We will first address factors one through three, which determine whether minimum contacts are A defendant has sufficient "minimum present. contacts" to support personal jurisdiction if the defendant "purposefully avails itself" privileges, benefits, and protections of the forum state, such that the defendant "should reasonably anticipate being haled into court there." Burger King Corp. v. Rudzewicz, 471 U.S. 462, 474–75 (1985) (quoting Hanson v. Denckla, 357 U.S. 235, 253 (1958), and World-Wide Volkswagen Corp. Woodson, 444 U.S. 286, 297 (1980)). "In determining whether a defendant has sufficient 'minimum contacts,' we consider the contacts alleged by the plaintiff in the aggregate and not individually, by looking at the totality of the circumstances." Rilley, 884 N.W.2d at 337. The forum State "'does not exceed its powers under the Due Process Clause if it asserts personal jurisdiction over a corporation that delivers its products into the stream of commerce with the expectation that they will be purchased by consumers in the forum State' and those products subsequently injure forum consumers." Burger King Corp., 471 U.S. at 473 (quoting World-Wide Volkswagen Corp., 444 U.S. at 297–98).

The "minimum contacts" inquiry necessary to support specific 2 personal jurisdiction over the defendant focuses on "the relationship among the defendant, the forum, and the litigation." Walden, 571 U.S. at 284 (citation omitted) (internal quotation marks omitted). The "defendant's suit-related conduct must create a substantial connection with the forum State." Id. Physical presence by the defendant in the forum state is not required for specific personal jurisdiction—rather, sufficient minimum contacts may exist when an out-of-state defendant "purposefully direct[s]" activities at the forum state, and the litigation "arise[s] out of or relate[s]" to those activities. Burger King Corp., 471 U.S. at 472 (citation omitted) (internal quotation This minimum-contacts inquiry marks omitted). must "look[] to the defendant's contacts with the forum State itself" and not the defendant's "random, fortuitous, or attenuated" contacts with "persons affiliated with the State" or "persons who reside

² The parties agree that Minnesota may not exercise general personal jurisdiction over Ford. Specific personal jurisdiction exists if the litigation "arise[s] out of or relate[s]" to the defendant's contacts with the forum. *Burger King Corp.*, 471 U.S. at 472, 473 n.15.

there." Walden, 571 U.S. at 285–86. Substantial contacts with the forum do not compensate for a lack of a connection "between the forum and the specific claims at issue." Bristol-Myers Squibb, ____ U.S. at ___, 137 S. Ct. at 1781.

A.

Although Ford does not contest the quality or quantity of its contacts with Minnesota, a description of those contacts is necessary for us to determine "the relationship among the defendant, the forum, and the litigation." Walden, 571 U.S. at 284 (citation omitted) (internal quotation marks omitted). "[I]t 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" Hanson, 357 U.S. at 253. The court of appeals held that Ford's regional advertising and marketing activities in Minnesota were contacts that were not "random, fortuitous, or attenuated" and through those contacts, Ford "purposefully availed [itself] of the forum " Bandemer, 913 N.W.2d at 715 (citation omitted) (internal quotation marks omitted). We agree.

Ford's data collection, marketing, and advertising in Minnesota demonstrate that it delivered its product into the stream of commerce with the intention that Minnesotans purchase such vehicles. Ford collected data on how its vehicles perform through Ford dealerships in Minnesota and used that data to inform improvements to its designs and to train mechanics.³ Ford has sold more than 2,000

³ The dissent disputes this characterization of Ford's data collection. Ford describes its data collection as: "Ford's design

1994 Crown Victoria vehicles in Minnesota. It sold about 200,000 vehicles of all types in Minnesota during a three-year period. It conducted direct-mail advertising in Minnesota and directed marketing at the state. This suit's connection with Minnesota is beyond "the mere 'unilateral activity of those who some relationship with a nonresident defendant," World-Wide Volkswagen Corp., 444 U.S. at 298 (quoting *Hanson*, 357 U.S. at 253); rather, the connection is based on Ford's own actions in targeting Minnesota for sales of passenger vehicles, including the type of vehicle at issue in this case.

Therefore, the court of appeals did not err in holding that the quality and quantity of Ford's contacts with Minnesota were sufficient to support personal jurisdiction.

B.

The first two factors establish that Ford has purposely availed itself of the privileges, benefits, and protections of the state of Minnesota. We turn to

center collects some performance data from dealers nationally and Ford sometimes considers vehicle performance in the field to inform its overall design decisions." Ford further admitted "that it receives information regarding vehicle performance across the United States, including in Minnesota, and that information may be used by Ford as it considers future designs." But, crucially, Ford's use of the word "may" is not a denial that it collects safety-related data in Minnesota, or that its safety-related data is relevant to Bandemer's causes of action. At the motion-to-dismiss stage, we are required to accept Bandemer's allegations as true unless Ford's discovery responses directly contradict Bandemer's claims. See Rilley, 884 N.W.2d at 336.

the third factor in our personal jurisdiction inquiry: the connection of the cause of action to Ford's contacts with the state. A corporation's "single or isolated items of activity in a state... are not enough to subject it to suit on causes of action unconnected with the activities there." Int'l Shoe Co., 326 U.S. at 317 (emphasis added) (citation omitted).

The court of appeals relied in part on our decision in Rilley to determine that there was an adequate connection between Ford's contacts with Minnesota and the cause of action, so as to support personal jurisdiction over Ford. Bandemer, 913 N.W.2d at 714–15. In Rilley, we noted disagreement among courts about how to apply the connectedness factor, distinguishing between a test that looks to whether the plaintiff's claim was "strictly caused by or arose out of the defendant's contacts" on the one hand, and a test that looks to whether "the contacts are substantially connected or related to the litigation" on the other hand. 884 N.W.2d at 336 We observed that although there was no evidence that certain ads "actually caused any of the claims," nevertheless the ads were "sufficiently related to the claims of respondents to survive a motion to dismiss," id. at 337, because they were the "means by which" the defendant, MoneyMutual, solicited Minnesota residents to apply for an allegedly unlawful loan. *Id*. at 336. We concluded that those ads were "a relevant contact with the Minnesota forum for the purpose of the minimum contacts analysis." Id. at 337.

Ford urges us to change course and instead adopt a "causal" standard for this prong, under which "the

defendant's contacts with Minnesota [must] have caused the plaintiff's claims" for personal jurisdiction over the defendant to be proper. It argues that Supreme Court jurisprudence consistently applies a "giving rise to" standard, consistent with requirement of causation, and therefore, "relating to" standard that we applied in Rilley is incorrect. It further argues that a causal standard is clearer and easier to apply. Bandemer disputes Ford's characterization of Supreme Court precedent and argues that eliminating the "relating to" possibility would be a "radical" shift in specific personal jurisdiction law. We agree with Bandemer.

First, Ford argues that our "related to" conclusion in *Rilley* is dicta. It argues that we held that the email contacts that MoneyMutual made with Minnesota residents were sufficient by themselves to satisfy the minimum contacts question. *See Rilley*, 884 N.W.2d at 337. If this assertion is true, Ford reasons, then the ad analysis was not necessary to the holding and is therefore dicta that may be reconsidered without upsetting precedent. Even if our articulation of a "relating to" standard in *Rilley* is dicta, it is a correct application of Supreme Court precedent.

The Supreme Court most recently addressed the minimum contacts test in its *Bristol-Myers Squibb* decision, which concerned whether California could exercise personal jurisdiction over a pharmaceutical company in a suit for injuries from medications sold by the defendant. ___ U.S. at ___, 137 S. Ct. at 1777. The Supreme Court held that California did not have personal jurisdiction over the company regarding claims by out-of-state (that is, out-of-California)

plaintiffs because no connection existed between out-of-state plaintiffs' claims and defendant's contacts with California. Bristol-Myers Squibb, ___ U.S. at ___, 137 S. Ct. at 1781–82. The Court determined that sales to California residents of the drug at issue and research the defendant conducted in California on an unrelated drug were sufficiently connected to the out-of-state plaintiffs' claims because "[t]he relevant plaintiffs are not California residents and do not claim to have suffered harm in that State" and "all the conduct giving rise to the nonresidents' claims occurred elsewhere." *Id.* at ____, 137 S. Ct. at 1781–82.

Ford argues that *Bristol-Myers Squibb* shows that the Supreme Court applies a "giving rise to" standard in place of the "arising out of or related to" standard. Ford's reading of *Bristol-Myers Squibb* is unpersuasive for two reasons. First, the Court in Bristol-Myers Squibb stated that "[o]ur settled principles regarding specific jurisdiction control this case," ___ U.S. at ___, 137 S. Ct. at 1781, which signals that the Court did not intend to depart from the "arising out of or relating to" standard it had previously applied in many cases. See, e.g., Daimler AG v. Bauman, 571 U.S. 117, 127 (2014); Burger King Corp., 471 U.S. at 472–73; Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, Indeed, the Court repeated the 414–16 (1984). "arising out of or related to" standard in its opinion, which is hardly a repudiation of that standard. Bristol-Myers Squibb, U.S. at , 137 S. Ct. at Second, unlike here, the Court determined there were no connections between the alleged injury to the out-of-state plaintiffs and the forum. Id. at _____, 137 S. Ct. at 1781. It is not likely that the Court applied a new, narrower standard in a case where the plaintiffs could not even meet the established, broader standard.

Ford's next argument, that before Bristol-Myers Squibb the Court consistently applied a causal standard, is also unpersuasive. In the seminal case of International Shoe, for example, the Court described the connection standard. 326 U.S. at 319. It stated that "to the extent that a corporation exercises the privilege of conducting activities within a state, it enjoys the benefits and protection of the laws of that state." *Id.* Those privileges come with obligations as well, and "so far as those obligations arise out of or are connected with the activities within the state, a procedure which requires the corporation to respond to a suit brought to enforce them can, in most instances, hardly be said to be undue." Id. (emphasis added). The Court then held that the taxation obligation that the State of Washington sought to enforce was sufficiently connected to International Shoe's presence in the state for personal jurisdiction to exist. *Id.* at 320.

More recently, in World-Wide Volkswagen, as in the current case, the plaintiffs alleged that a defect in an automobile led to severe injuries following an accident. 444 U.S. at 288. The car was sold in New York, and the accident happened in Oklahoma. *Id.* The Court rejected the proposition that the vehicle's mobility made it foreseeable that it might travel to sufficing establish Oklahoma, to personal that state the jurisdiction in over vehicle's distributor and retail dealer. Id. at 295. But before announcing its rejection of that proposition, the Court emphatically described the defendants' complete lack of contacts with Oklahoma:

Petitioners carry on no activity whatsoever in Oklahoma. They close no sales and perform no services there. They avail themselves of none of the privileges and benefits of Oklahoma law. They solicit no business there either through salespersons or through advertising reasonably calculated to reach the State. Nor does the record show that they regularly sell cars at wholesale or retail to Oklahoma customers or residents or that they indirectly, through others, serve or seek to serve the Oklahoma market.

Id. Were we to adopt Ford's position here, we would be reading out of the World-Wide Volkswagen decision everything the majority wrote about the defendant's lack of contacts with Oklahoma. If the particular vehicle was not designed, manufactured, or sold in Oklahoma, on Ford's theory, then it would not have mattered if the defendant sold millions of cars in Oklahoma. We decline to adopt a rule that would render irrelevant so much of the Court's reasoning.

The Court in *Bristol-Myers Squibb* stated it was not departing from settled principles of specific personal jurisdiction. We believe it. Therefore, we decline to adopt Ford's causal standard.

C.

Ford also argues that its contacts with Minnesota do not meet the "relating to" standard. It argues that "[n]o part of Ford's allegedly tortious conductdesigning, manufacturing, warrantying, or warning about the 1994 Crown Victoria—occurred in Minnesota." Those contacts are only those that *cause* the claim, though. As we explained above, the requirements of due process are met so long as Ford's contacts *relate to* the claim. *Rilley*, 884 N.W.2d at 337.

This is not a case where a 1994 Ford Grand Victoria fortuitously ended up in Minnesota. Ford has sold thousands of such Crown Victoria cars and hundreds of thousands of other types of cars to dealerships in Minnesota. ⁴ Because the Crown Victoria is the very type of car that Bandemer alleges was defective, Ford's sales to the Minnesota dealerships are connected to the claims at issue here. Bandemer's claims are about the design of the Crown

⁴ The dissent treats the thousands of cars that Ford has sold into Minnesota as irrelevant, because "[e]ven regularly occurring sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to those sales." (quoting Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 930 n.6 (2011)). In our view, the dissent relies too heavily on Goodyear, a case in which the Court considered general *jurisdiction*. In Goodyear, the issue was whether foreign subsidiaries were subject to general personal jurisdiction in North Carolina. 564 U.S. at 919-20. The quoted footnote was the Court's response to an allegation that the foreign subsidiaries sought to sell their tires in North Carolina, referring back to another section of the opinion in which it rejected "the sprawling view of general jurisdiction urged by respondents . . . [that] any substantial manufacturer or seller of goods would be amenable to suit, on any claim for relief, wherever its products are distributed." Id. at 929 (emphasis added). Regarding specific personal jurisdiction, however, the Court noted that the "[f]low of a manufacturer's products into the forum... may bolster an affiliation germane to specific jurisdiction." Id. at 927.

Victoria and therefore his claims are about more than one specific car. Ford also collected data on how its cars performed through Ford dealerships in Minnesota and used that data to improvements to its designs and to train mechanics. Part of Bandemer's claim is that Ford failed to detect a defect in its vehicle design. Those activities, and the failure to detect, likewise relate to the claims Ford directs marketing and advertisements directly to Minnesotans, with the hope that they will purchase and drive more Ford vehicles. Minnesotan bought a Ford vehicle, and it is alleged that the vehicle did not live up to Ford's safety "In determining whether a defendant has sufficient 'minimum contacts,' we consider the contacts alleged by the plaintiff in the aggregate and not individually, by looking at the totality of the circumstances." Rilley, 884 N.W.2d at 337.

Beyond Ford's sales, marketing, and research contacts with Minnesota, there is an "'affiliation between the forum and the underlying controversy, principally, [an] activity or an occurrence that takes place in the forum State." Bristol-Myers Squibb, __ U.S. at ____, 137 S. Ct. at 1781 (quoting *Goodyear*, 564 U.S. at 919). In Bristol-Myers Squibb, the Court considered the claims of non-forum residents who did not allege that any relevant facts relating to their claim occurred in the forum, and concluded that, absent such allegations, personal jurisdiction was lacking. *Id.* at ____, 137 S. Ct. at 1782. In the current case, by contrast, the car crash and the injury to the plaintiff occurred in Minnesota, the car was registered in Minnesota, the plaintiff and the driving defendant are Minnesota residents, and the plaintiff was treated for the injuries in Minnesota.

For these reasons, this case meets the requirement from Bristol-Myers Squibb that an "activity or an occurrence . . . take[] place in" Minnesota. dissent disputes the relevance of a plaintiff's contacts In fact, our analysis tracks the with the forum. Court's analysis in *Bristol-Myers Squibb*. ___ U.S. at , 137 S. Ct at 1781. After rejecting the Supreme Court of California's "sliding scale" approach as a "loose and spurious form of general jurisdiction," the Court described the nonresident plaintiffs' lack of connection with the forum. Id.It specifically mentioned the lack of injury to these plaintiffs in California, and concluded that "a connection between the forum and the specific claims at issue" was "missing." Id. The Court's discussion of the lack of plaintiffs' contacts with the forum demonstrates that the plaintiff's contacts are relevant to the analysis of "affiliation between the forum underlying controversy " Id. (citation omitted) (internal quotation marks omitted).

Because there is a substantial connection between the defendant Ford, the forum Minnesota, and the claims brought by Bandemer, Ford's contacts with Minnesota suffice to establish specific personal jurisdiction over the company regarding Bandemer's claims.

II.

If sufficient "minimum contacts" are established, we must consider the "reasonableness" of personal jurisdiction according to traditional notions of "fair play and substantial justice," weighing factors such as the convenience of the parties and the interests of the forum state in adjudicating the dispute. *Burger*

King Corp., 471 U.S. at 476–77 (citing World-Wide Volkswagen Corp., 444 U.S. at 292). To establish specific personal jurisdiction, "the facts of each case must [always] be weighed in determining whether personal jurisdiction would comport with fair play and substantial justice." *Id.* at 485–86 (citation omitted) (internal quotation marks omitted). We examine these questions through factors four and five of our test: Minnesota's interest in the litigation, and the convenience of the parties. *Rilley*, 884 N.W.2d at 338.

Ford concedes that these factors are established, and therefore support an exercise of jurisdiction. We Minnesota has a strong interest in adjudicating this dispute regarding an accident involving a Minnesota county vehicle that occurred on a Minnesota road, between a Minnesota resident as plaintiff and both Ford—a corporation that does regularly in Minnesota—and business Minnesota residents as defendants. Minnesota has a vital interest in protecting the safety and rights of its residents, in regulating the safety of its roadways, and in safeguarding Ford's co-defendants' rights. Minnesota's interest is expressed in its state constitution, which provides: "Every person is entitled to a certain remedy in the laws for all injuries or wrongs which he may receive to his person, property or character, and to obtain justice freely and without purchase, completely and without denial, promptly and without delay, conformable to the laws." Minn. Const. art. I, § 8. If complete, prompt, and economical justice are the goals, Minnesota is also the most convenient forum, as the site of the accident and treatment for the injury.

Plainly, Minnesota has an interest in adjudicating this dispute and is the most convenient place to do it.

Here, we hold that Ford's contacts alone are sufficient to support specific personal jurisdiction and the reasonableness factors, which heavily favor jurisdiction, do not detract from the reasonableness of asserting jurisdiction over Ford here. After examining "the relationship among the defendant, the forum, and the litigation," we hold that Minnesota's exercise of specific personal jurisdiction over Ford in this case does not violate due process. *Walden*, 571 U.S. at 287 (citation omitted) (internal quotation marks omitted).

CONCLUSION

For the foregoing reasons, we affirm the decision of the court of appeals.

Affirmed.

DISSENT

ANDERSON, Justice (dissenting).

The Supreme Court of the United States has been emphatic: "In order for a state court to exercise specific jurisdiction, 'the *suit*' must 'aris[e] out of or relat[e] to the defendant's contacts with the *forum*.'" Bristol-Myers Squibb Co. v. Super. Ct. of Cal., ____ U.S. ____, ____, 137 S. Ct. 1773, 1780 (2017) (citation omitted).

Appellant Adam Bandemer brought this litigation against respondent Ford Motor Company after he was injured while riding as a passenger in a Ford Ford neither vehicle. But designed manufactured the car in Minnesota. Nor did it sell or otherwise cause that vehicle to enter into Because all of Ford's Minnesota Minnesota. contacts, such as its data collection and marketing efforts, are unrelated to Bandemer's claims, the reasoning of the court here is inconsistent with controlling Supreme Court jurisprudence, and I respectfully dissent.

T.

Personal jurisdiction refers to "the court's power to exercise control over the parties" to litigation. *Leroy v. Great W. United Corp.*, 443 U.S. 173, 180 (1979); see also In re Melgaard's Will, 274 N.W. 641, 645 (Minn. 1937) ("[W]hom [a court] may bind by order or judgment, depends on . . . its jurisdiction of the parties."). Under the Due Process Clause of the Fourteenth Amendment to the United States Constitution, a state court may not determine the rights and obligations of parties over whom it lacks

personal jurisdiction. See Ins. Corp. of Ir., Ltd. v. Compagnie des Bauxites de Guinee, 456 U.S. 694, 702 (1982) ("The requirement that a court have personal jurisdiction flows . . . from the Due Process Clause.").

Minnesota's long-arm statute, Minn. Stat. § 543.19 (2018), "extend[s] the personal jurisdiction of Minnesota courts as far as the Due Process Clause of the federal constitution allows." Valspar Corp. v. Lukken Color Corp., 495 N.W.2d 408, 410 (Minn. 1992). Accordingly, whether Minn. Stat. § 543.19 confers jurisdiction that is consistent with due process, such that Ford can be required to defend Bandemer's claims in Minnesota, "is a federal question, ruled by federal decisions." Atkinson v. U.S. Operating Co., 152 N.W. 410, 410 (Minn. 1915). We "may simply apply the federal case law." Valspar Corp., 495 N.W.2d at 411.

We must begin with *International Shoe Co. v. Washington*, 326 U.S. 310 (1945), "[t]he polestar of modern personal jurisdiction," *Valspar Corp.*, 495 N.W.2d at 411. "[A]ll assertions of state-court jurisdiction must be evaluated according to the standards set forth in *International Shoe* and its progeny." *Shaffer v. Heitner*, 433 U.S. 186, 212 (1977); see also Goodyear Dunlop Tires Operations v. Brown, 564 U.S. 915, 923 (2011) (acknowledging that "[t]he canonical opinion in this area remains *International Shoe*").

Under *International Shoe*, a state court may constitutionally exercise personal jurisdiction over a defendant, even if the defendant is "not present within the territory of the forum," so long as the

defendant has "minimum contacts with it such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.' "326 U.S. at 316 (citations omitted). Post-International Shoe Supreme Court precedent further distinguishes between two types of "minimum contacts," as well as two resulting categories of personal jurisdiction.

First, if a defendant's contacts with the state in which suit is brought "are so constant and pervasive 'as to render [it] essentially at home in the forum State," then that forum may exercise "general" personal jurisdiction over the defendant. DaimlerAG v. Bauman, 571 U.S. 117, 122 (2014) (citation omitted). Those "constant and pervasive" contacts, id., need not be related to the litigation, Walden v. Fiore, 571 U.S. 277, 283 n.6 (2014); see also Burger King Corp. v. Rudzewicz, 471 U.S. 462, 473 n.15 (1985). General personal jurisdiction is thus "allpurpose," Daimler, 571 U.S. at 122, and "disputeblind," BNSF Ry. Co. v. Tyrrell, ___ U.S. _ 137 S. Ct. 1549, 1559 n.4 (2017). Bandemer stipulated that Ford is not amenable to general personal jurisdiction in Minnesota. See Bandemer v. Ford Motor Co., 913 N.W.2d 710, 713 n.1 (Minn. App. 2018).

The permissible second type of personal jurisdiction is "specific" \mathbf{or} "conduct-linked." Daimler, 571 U.S. at 122. "For specific jurisdiction, a defendant's general connections with the forum are not enough." Bristol-Myers Squibb, ___ U.S. at ___, 137 S. Ct. at 1781. A state may assert specific personal jurisdiction only "[w]hen a controversy is related to or 'arises out of' a defendant's contacts with the forum." Helicopteros Nacionales de Colombia v. Hall, 466 U.S. 408, 414 & n.8 (1984) (explaining that the "essential foundation" personal jurisdiction is "a 'relationship among the defendant, the forum, and the litigation' " (quoting Shaffer, 433 U.S. at 204)); see also Walden, 571 U.S. at 284 ("For a State to exercise jurisdiction consistent with due process, the defendant's suitrelated conduct must create a substantial connection with the forum State."); Goodyear, 564 U.S. at 919 ("In contrast to general, all-purpose jurisdiction, specific jurisdiction is confined to adjudication of 'issues deriving from, or connected with, the very controversy that establishes jurisdiction." (citation omitted)). ¹ As the Supreme Court explained recently, "specific jurisdiction is lacking regardless of the extent of a defendant's unconnected activities in the State" when there is no connection between the forum and the "underlying controversy." Bristol-Myers Squibb, ___ U.S. at ___, 137 S. Ct. at 1781 (quoting Goodyear, 564 U.S. at 919); see also Goodyear, 564 U.S. at 931 n.6 ("[E]ven regularly occurring sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to those sales.").

¹ At oral argument, Bandemer asserted that in-state, cause-of-action-related activity by Ford is not required. This argument lacks merit. Bandemer's two authorities for this proposition, the dissent in *Bristol-Myers Squibb*, ___ U.S. at ___ n.3, 137 S. Ct. at 1788 n.3 (Sotomayor, J., dissenting), and a decision from the West Virginia Supreme Court, *State ex rel. Ford Motor Co. v. McGraw*, 788 S.E.2d 319, 343 (W. Va. 2016), are not controlling.

With this overview of the controlling legal principles in mind, I now turn to the specific allegations of Bandemer's complaint and the facts available in the record from the parties' jurisdiction discovery.²

Bandemer's complaint against Ford asserts product liability, negligence, and breach-of-warranty claims based on a 2015 incident. Bandemer was a passenger in a 1994 Ford Crown Victoria driven by his friend, apparently on their way to go ice fishing, when the driver collided with a snow plow. The airbags of the vehicle did not deploy and, as a result, Bandemer suffered a severe brain injury.

The Crown Victoria was designed in Michigan; assembled in 1993 in Ontario, Canada; and sold in Bismarck, North Dakota in 1994. The vehicle was first registered in Minnesota 17 years later, in 2011, by its fourth owner. The father of Bandemer's friend, the fifth owner of the 1994 Crown Victoria, registered the vehicle in Minnesota in 2013.

Bandemer's strict liability claim alleges that Ford "designed, manufactured, advertised, marketed, tested, inspected, furnished, sold and distributed" the 1994 Crown Victoria and placed it into the stream of commerce in a "defective and unreasonably

² As the court states, at this stage of the proceeding, we must accept Bandemer's allegations as true. *Juelich v. Yamazaki Mazak Optonics Corp.*, 682 N.W.2d 565, 569–70 (Minn. 2004). We must also consider the "supporting evidence" as true. *Hardrives, Inc. v. City of LaCrosse*, 240 N.W.2d 814, 816 (Minn. 1976).

dangerous" condition. He also asserts that the airbag system in the 1994 Crown Victoria was defective and unreasonably dangerous in 2015 because that system was "defectively and/or inadequately designed, tested, manufactured. assembled and installed," and had "inadequate or absent warnings" or notices to users. He alleges that the 1994 Crown Victoria was in "substantially the same condition" in 2015 as when it was "designed manufactured, furnished, sold and/or distributed" and that defective nature was the proximate cause of his injuries. He concludes that Ford knew or should have known of the risks associated with the 1994 Crown Victoria prior to producing and marketing the vet "willfully, wantonly, and recklessly manufactured and sold" the 1994 Crown Victoria.

Bandemer's negligence claim asserts that Ford negligently "designed, developed, manufactured, engineered, tested, marketed, inspected, distributed and/or sold" the 1994 Crown Victoria. His claim for breach of warranty alleges that Ford sold a "defective airbag system" into the stream of commerce, and because of the defects in the design and manufacture and Ford's alleged negligence, the airbag system failed, thus breaching warranties of merchantability, fitness for a particular purpose, and express warranties.

It is undisputed that Ford dealerships in Minnesota are independently owned and operated. Ford asserted, and Bandemer does not dispute, that no warranty repair work was conducted on the Crown Victoria in Minnesota; indeed, we accept as true Bandemer's allegation that the car was in "substantially the same condition" in 2015 as when Ford sold it in 1994.

In discovery, Ford admitted that it engages in "nationally-based" advertising for Ford vehicles, some of "which may reach the Minnesota market," and that it sends direct mail to consumers about various Ford products and services, "which may reach the Minnesota market." Ford also admitted that it provides "some creative content for" use in the regional advertising directed and run independently owned and operated Ford dealerships. Finally, Ford admitted that dealerships, including Minnesota dealerships, "may access" Ford systems that provide dealers with vehicle, technical service, or service and repair information regarding Ford vehicles, and Ford receives information regarding vehicle performance from "across the United States." including in Minnesota," that may be used when considering future designs.³

³ The court's explanation of Ford's discovery answers omits this nationwide context, thus transforming answers regarding future possibilities that have nothing to do with any Crown Victoria, let alone the 1994 model, into Minnesota-specific admissions. Nothing in Ford's discovery answers admitted that Ford "collects safety-related data in Minnesota" or that it used data collected "through Ford dealerships in Minnesota... to inform improvements to its designs and to train mechanics." In fact, Ford "denied" Bandemer's Request for Admission that asked Ford to admit that it "gathers from dealerships, including Ford's dealerships in Minnesota," data that is used to "redesign its products sold into Minnesota and elsewhere." Ford admitted that it "receives information regarding vehicle performance [from] across the United States, including in Minnesota" and that information "may be used by Ford as it considers future (Emphasis added.) Taking the allegations of his

The record is entirely insufficient to permit Minnesota to exercise specific personal jurisdiction Even taking the over Ford in this litigation. allegations of Bandemer's claims as true, all of the wrongful and negligent conduct alleged by Bandemer against Ford, including negligently designing and warning about the Crown Victoria and placing the vehicle into commerce, took place outside of Minnesota. In fact, all of the relevant conduct that frames the basis for Bandemer's claims took place well before the 1994 Crown Victoria was first registered in Minnesota in 2011 by someone other than the parties to this lawsuit. The 1994 Crown Victoria's airbag system was designed in Michigan The vehicle was assembled in (not Minnesota). Canada (not Minnesota), sold in North Dakota (not Minnesota), brought into Minnesota by someone other than Ford, and crashed by a third party into a snow plow operated by another third party. Indeed, all of Ford's conduct that, according to Bandemer, relates to his claims took place more than 20 years before the accident, in states other than Minnesota. There is simply no relationship between Ford's activities in Minnesota and Bandemer's claims.

The court presents a broad and generalized view of Ford's nationwide activities, some of which naturally occurred in or reached Minnesota, to conclude that Ford's Minnesota contacts relate to Bandemer's litigation. But this is a question of *specific*

complaint as true, Bandemer's claims focus on Ford's conduct with respect to the 1994 Crown Victoria, not possible considerations regarding future designs.

jurisdiction that we are deciding, and "general connections with the forum are not enough." Bristol-Myers Squibb, ___ U.S. at ___, 137 S. Ct. at 1781 (emphasis added). With discovery now in hand, the abstractions Bandemer's in allegations arguments must give way to facts. See Rilley v. MoneyMutual, LLC, 884 N.W.2d 321, 334–35 (Minn. 2016) (" '[I]f [the defendant's] motion to dismiss is supported by affidavits, the nonmoving party cannot rely on general statements in his pleading." (citation omitted)), cert. denied, 137 S. Ct. 1331 (2017).

Although Ford collected data from its independent dealerships across the nation, including, possibly, dealerships in Minnesota, and used that data to inform future design work, this generality is legally and factually irrelevant. See Bristol-Myers Squibb, ___ U.S. at ___, 137 S. Ct. at 1781 (explaining that it was both insufficient and irrelevant that the company "conducted research in California on matters unrelated to" the drug at issue in deciding whether Bristol-Myers Squibb was subject to specific jurisdiction in California on nonresidents' claims regarding the drug).

The record fails to establish the relevance of Ford's data collection to Bandemer's claims. Specifically, a Ford design engineer testified, and his testimony was uncontradicted, that the 1994 Crown Victoria's front passenger restraint system was designed in Michigan. The engineer in no way indicated that Minnesota data influenced the design, Bandemer offered no allegations, discovery responses, or other evidence to establish a link between any of Ford's generally national activities and the conduct related to the design, manufacturing, advertising, and sales of the Crown Victoria that is the focus of his strict liability, negligence, and tort claims.

At best, possibilities can be stated. Ford's data collection efforts *may* have captured information in Minnesota that was incorporated into the design of the 1994 Crown Victoria and its component parts, which Bandemer claims were defective. But with nothing more, "[i]t may have been" amounts to speculation. *McCool v. Davis*, 197 N.W. 93, 96 (Minn. 1924). Conjecture and guess are not enough to satisfy due process.

Nor do Ford's *current* advertising activities relate to Bandemer's claims, which plainly focus on the design, manufacturing, and sale of the 1994 Crown Victoria and its restraint system. Bandemer did not allege, nor is there reason to think, that his friend's father would have seen Crown Victoria advertising at or around the time he purchased that vehicle from a third party almost 20 years after Ford first sold it. The court's focus on Ford's national advertisements fails to address Ford's fact-specific reply that no Minnesota advertisements mentioned the Crown Victoria. Cf. Rilley, 884 N.W.2d at 334 (stating that a "purely national advertising campaign that does not target Minnesota specifically cannot support a finding of personal jurisdiction"). The same is true of Ford's Minnesota-specific marketing: the 2016 "Ford Experience Tour" in Minnesota, the 1966 Ford Mustang built for the Minnesota Vikings, the "Ford Driving Skills for Life Free National Teen Driver Training Camp" in Minnesota, sponsorship of multiple athletic events in Minnesota

are equally irrelevant to Bandemer's strict liability, negligence, and breach of warranty claims, which are based on a car assembled in Canada, a restraint system designed in Michigan, and Ford's sale of that car in North Dakota.

In this regard, Ford's advertising is categorically different from the internet advertising ultimately supported the exercise of personal jurisdiction in *Rilley*. In that case, a payday lender nationwide television advertising. communications with Minnesota residents, and internet advertisements to solicit applications from Minnesota residents for allegedly illegal loans. 884 N.W.2d at 325–26. The plaintiffs asserted, among other claims, that the lender's advertisements violated Minnesota's consumer protection laws. *Id*. at 325. The lender argued that the internet advertisements were irrelevant to the personal jurisdiction analysis because there was no evidence that any of the plaintiffs had actually seen any of the advertisements or that the advertisements caused any of the plaintiffs to apply for a payday loan. Id. at 336.

We held that the advertisements were "sufficiently 'related to' the [plaintiffs'] cause of action because they were a means by which [the lender] solicited Minnesotans to apply for the allegedly illegal loans." Id. at 337 (emphasis added) (citation omitted). Further, there was no question in Rilley that the defendant's advertisements related to the plaintiffs' challenge to the defendant's lending activities; indeed, one of the claims asserted that the lender's "website advertising and contained misrepresentations that violated Minnesota's

consumer protection statutes." *Id.* at 325. Here, in contrast, the relationship between Ford's Minnesota advertisements or marketing activities, generally, and Bandemer's claims is not only attenuated, at best. Ford's advertising is different *in character* from the advertising at issue in *Rilley*. Put more bluntly and directly, the court does not identify even a single advertisement that references the Crown Victoria, let alone anything about the design and manufacture of that car or its airbag system.

The fact that Ford sold the Crown Victoria and thousands of other cars to dealerships in Minnesota cannot sustain the exercise of specific personal jurisdiction. "[E]ven regularly occurring sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to those sales." Goodyear, 564 U.S. at 930 n.6. There is good reason for looking askance at sales numbers. connection between a defendant's forum contacts and a plaintiff's claims, not the mere quantity of a defendant's forum contacts, that establishes specific personal jurisdiction. As the Supreme Court has stated, "[w]hat is needed—and what is missing here—is a connection between the forum and the specific claims at issue." Bristol-Myers Squibb, U.S. at ____, 137 S. Ct. at 1781. Accordingly, the fact that Ford has "regularly occurring sales" of other vehicles in Minnesota, years after it manufactured and sold the 1994 Crown Victoria, cannot justify the exercise of personal jurisdiction over Ford, requiring it to defend against claims that are unrelated to those sales.

The number of other vehicles that Ford sold in Minnesota is irrelevant for another reason: the Supreme Court squarely rejected a similar quantityover-quality argument in Bristol-Myers Squibb, ____ U.S. at ____, 137 S. Ct. at 1781. The *Bristol-Myers* Squibb Court described the California Supreme "sliding scale" approach Court's to personal jurisdiction. *Id.* Under that approach, "the strength of the requisite connection between the forum and the specific claims at issue is relaxed if the defendant has extensive forum contacts that are unrelated to those claims." Id. The Court rejected this approach as a "loose and spurious form of general jurisdiction." Id.; see also Goodyear, 564 U.S. at 927, 931 (reversing the North Carolina Court of Appeals, which had conducted a "stream-of-commerce analysis [that] elided the essential difference between casespecific and all-purpose (general) jurisdiction").4

Because all of Ford's Minnesota contacts are unrelated to Bandemer's claims, the court here

⁴ I agree with the court that *Goodyear* is a general jurisdiction case. I disagree that my reliance on *Goodyear* is therefore unwarranted. The court fails to explain why "elid[ing] the essential difference" between general jurisdiction and specific jurisdiction is somehow less erroneous in a case that raises a claim of specific jurisdiction than in a case that raises a claim of general jurisdiction.

Nor is note six of *Goodyear* the only place where the Court has rejected the approach that our court doubles-down on today: that a defendant's extensive, though suit-irrelevant, forum contacts are sufficient to sustain specific jurisdiction. *See Bristol-Myers Squibb*, ___ U.S. at ___, 137 S. Ct. at 1781 (rejecting an approach under which "the strength of the requisite connection between the forum and the specific claims at issue is relaxed if the defendant has extensive forum contacts that are unrelated to those claims" as a "loose and spurious form of general jurisdiction").

upholds a form of general jurisdiction over Ford no less "loose and spurious." The court essentially performs a "dispute-blind" analysis of Ford's contacts with Minnesota, *Tyrrell*, ___ U.S. at ___, 137 S. Ct. at 1559 n.4, without requiring that those contacts—Ford's sales, data collection, and marketing—be linked to Bandemer's claims in any meaningful way. The court's analysis is thus neither "conduct-linked," *Daimler*, 571 U.S. at 122, nor "case-specific," *Goodyear*, 564 U.S. at 927. The court commits the error of the North Carolina Court of Appeals: "elid[ing] the essential difference" between specific and general jurisdiction. Of course, the Supreme Court reversed that decision. *Id.* at 931.

The court focuses on a different statement from *Bristol-Myers Squibb*, that "there must be 'an affiliation between the forum and the underlying controversy, principally, [an] activity or an occurrence that takes place in the forum State'" ____ U.S. at ____, 137 S. Ct. at 1780. According to the court, four facts show that this "occurrence . . . in the forum" requirement is met: "[T]he car crash and the injury to the plaintiff occurred in Minnesota, the car was registered in Minnesota, the plaintiff and the driving defendant are Minnesota residents, and the plaintiff was treated for the injuries in Minnesota."

Whatever other requirement these facts meet, they do not establish that Ford's Minnesota contacts relate to Bandemer's litigation. Ford cannot be haled into a Minnesota court simply because an accident involving a vehicle manufactured by Ford (in another location) occurred here. See Walden, 571 U.S. at 290 (stating that "mere injury to a forum resident is not a sufficient connection to the forum"); cf. World-Wide

Volkswagen Corp. v. Woodson, 444 U.S. 286, 296 (1980) (stating that a "seller of chattels" does not "appoint the chattel his agent for service of process"). The "driving defendant" to which the court refers is not Ford, and the fact that the fifth owner of the car ended up registering it in Minnesota is equally irrelevant. See Walden, 571 U.S. at 291 ("[I]t is the defendant, not the plaintiff or third parties, who must create contacts with the forum State.").

The court's reliance on the activities of persons other than Ford—the injured plaintiff, the codefendant who was driving, and the third party who brought the car into Minnesota—is fundamentally flawed. The court ignores the principle that "[t]he personal jurisdiction requirement recognizes and protects an individual liberty interest" and that "[i]t represents a restriction on judicial power... as a matter of individual liberty." *Ins. Corp. of Ir.*, 456 U.S. at 702. If the actions of someone other than the individual with the protected liberty interest may expose that individual to a forum's judicial power, then "individual liberty interest," *id.*, is at most a misnomer.

In sum, because the due process right belongs to the defendant, it is the defendant's forum contacts that matter—not the plaintiff's contacts, not a codefendant's contacts, not a third party's contacts. And when specific personal jurisdiction is asserted, the contacts that the defendant makes with the forum must relate to the plaintiff's claims. Here, even accepting the allegations and supporting evidence as true, the court's analysis does not establish that Ford's Minnesota contacts relate to Bandemer's claims. The reasoning of the court is

therefore, at a minimum, inconsistent with controlling Supreme Court jurisprudence and will likely lead other litigants and courts astray. For these reasons, I would reverse the court of appeals and remand this case to the district court with directions to dismiss Bandemer's claims against Ford for lack of specific personal jurisdiction.

GILDEA, Chief Justice (dissenting).

I join in the dissent of Justice Anderson.

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APPENDIX B

STATE OF MINNESOTA IN COURT OF APPEALS

A17-1182

ADAM BANDEMER,

Respondent,

v.

FORD MOTOR COMPANY,

Appellant,

ERIC HANSON, ET AL.,

Defendants.

Filed April 23, 2018 Affirmed Reyes, Judge

Todd County District Court File No. 77-CV-16-1025

Kyle W. Farrar, Kaster, Lynch, Farrar & Ball, L.L.P., Houston, Texas; and

Steven D. Lastovich, Steven D. Lastovich, Ltd., Baxter, Minnesota (for respondent)

Michael R. Carey, Scholastica N.S. Baker, Bowman and Brooke, L.L.P., Minneapolis, Minnesota; and

Sean Marotta (pro hac vice), Hogan Lovells US L.L.P., Washington, D.C. (for appellant)

Considered and decided by Cleary, Chief Judge; Reyes, Judge; and Jesson, Judge.

SYLLABUS

Minnesota's five-factor test to determine whether Minnesota has specific personal jurisdiction over a nonresident is consistent with the principle reiterated by the United States Supreme Court in *Bristol-Myers Squibb Co. v. Super. Ct.*, 137 S. Ct. 1773 (2017), that there must be a connection between the forum and the specific claim at issue.

OPINION

REYES, Judge

In this appeal from the district court's denial of appellant Ford Motor Company's (Ford) motion to dismiss for lack of jurisdiction, Ford argues that Minnesota does not have specific personal jurisdiction over it because respondent Adam Bandemer's injury did not arise from Ford's contacts with Minnesota. We affirm.

FACTS

Bandemer, a Minnesota resident, sustained a brain injury in Minnesota while riding in the front passenger seat of a 1994 Ford Crown Victoria (the Crown Victoria) in January 2015. The Crown Victoria was registered in Minnesota. Co-defendant Eric Hanson, who was driving the Crown Victoria at the time of the accident, rear-ended a snow plow. The Crown Victoria went into a ditch, and the front

passenger airbag failed to deploy. Bandemer's injury was treated in Minnesota. Bandemer sued Ford in Todd County, claiming the Crown Victoria was defectively designed, manufactured, and marketed.

Ford moved to dismiss for lack of personal jurisdiction. Ford argued that Minnesota lacks specific personal jurisdiction over Ford and also does not have consent-based jurisdiction in light of the United States Supreme Court decision in *Daimler AG v. Bauman*, 571 U.S. 117, 134 S. Ct. 746 (2014).

In its discovery responses, Ford admitted that it engaged in substantial marketing activities in Minnesota. After conducting a hearing on Ford's motion to dismiss, the district court denied Ford's motion, finding that Ford consented to jurisdiction by registering to do business in Minnesota under Minn. Stat. § 303.13 (2016), and designating an agent in Minnesota for service. This appeal follows.

ISSUES

Did the district court err in denying Ford's motion to dismiss for lack of personal jurisdiction?

ANALYSIS

Ford argues that the district court did not have specific personal jurisdiction over it because the Crown Victoria was not assembled, designed, serviced, or originally sold by Ford in Minnesota. We are not persuaded.

¹ The parties stipulated that Minnesota did not have general personal jurisdiction over Ford.

"Jurisdiction is a question of law that [appellate courts] review de novo." In re Comm'r of Pub. Safety, 735 N.W.2d 706, 710 (Minn. 2007) (quotation When a defendant challenges personal jurisdiction, the plaintiff has the burden of proof to make a prima facie showing that jurisdiction exists. Juelichυ. Yamazaki Mazak**Optonics** Corp., 682 N.W.2d 565, 569-70 (Minn. 2004). At the pretrial stage, plaintiff's allegations and supporting evidence will be taken as true for the purposes of determining whether personal jurisdiction exists. *Id.* at 570; Hardrives, Inc. v. City of LaCrosse, 307 Minn. 290, 293, 240 N.W.2d 814, 816 (1976). Any doubts about jurisdiction should be "resolved in favor of retention of jurisdiction." Hardrives, Inc., 307 Minn. at 296, 250 N.W.2d at 818.

Minnesota courts can exercise personal jurisdiction over a foreign corporation when Minnesota's longarm statute authorizes it and the exercise of such iurisdiction does not violate the due-process requirement of the United States Constitution. Domtar, Inc. v. Niagara Fire Ins. Co., 533 N.W.2d 25, 29 (Minn. 1995). "Because Minnesota's long-arm statute is coextensive with the constitutional limits of due process, the inquiry necessarily focuses on the personal-jurisdiction requirements of the [U.S.] Constitution." Lorix v. Crompton Corp., 680 N.W.2d 574, 577 (Minn. App. 2004). To satisfy this dueprocess requirement, a plaintiff must show that a defendant purposefully established "minimum contacts" with a forum state such that maintaining jurisdiction there does not offend "traditional notions of fair play and substantial justice." *Int'l Shoe Co. v.* Washington, 326 U.S. 310, 316, 66 S. Ct. 154, 158

(1945); Marshall v. Inn of Madeline Island, 610 N.W.2d 670, 673-74 (Minn. App. 2000). The minimum-contacts requirement may be satisfied through general personal jurisdiction or specific personal jurisdiction. Domtar, 533 N.W.2d at 30. personal jurisdiction exists nonresident defendant's contacts with the forum state are "continuous and systematic." contrast, specific personal jurisdiction exists "when the defendant's contacts with the forum state are limited, yet connected with the plaintiff's claim such that the claim arises out of or relates to the defendant's contacts with the forum." Id. (emphasis added).

Minnesota courts use a five-factor test to determine whether the exercise of personal jurisdiction over a foreign defendant satisfies federal due-process requirements. Juelich, 682 N.W.2d at 570. The test requires the assessment of: (1) the quantity of contacts with the forum state; (2) the nature and quality of the contacts; (3) the connection of the cause of action with the contacts; (4) the interest of the state in providing a forum; and (5) the convenience of the parties. *Id.* "The first three factors determine whether minimum contacts exist and the last two factors determine whether the exercise of jurisdiction is reasonable according to traditional notions of fair play and substantial justice." Id.

Here, Ford concedes four of the factors and challenges only the third factor, arguing that Bandemer's injury has no connection with Ford's contacts with Minnesota because the Crown Victoria was not assembled, designed, serviced, or originally

sold in Minnesota. Bandemer alleges that Ford's defectively designed, manufactured, and marketed car caused his injury. In Minnesota, marketing that specifically targets Minnesota residents and is related to the cause of action can satisfy the third factor. See Rilley v. MoneyMutual, LLC, 884 N.W.2d 321, 337-38 (Minn. 2016). Therefore, the key issue here is whether Ford's marketing activities specifically targeted Minnesota residents and whether they were related to Bandemer's injury.

In *Rilley*, the Minnesota Supreme Court held that a defendant's email solicitation and Google AdWords advertising campaign, both specifically targeting Minnesota residents, were sufficient to establish minimum contacts. Id. Indeed, the supreme court stated that even solicitation emails "alone are finding sufficient to support a of personal jurisdiction." Id. at 337; see also Marquette Nat'l Bank of Minneapolis v. Norris, 270 N.W.2d 290, 292 (Minn. 1978) (lack of physical presence in state by nonresident appellants was of no consequence when transaction accomplished by mail and telephone). The supreme court further noted that, because geographic destination is more readily discernible in direct mail than in email, a connection between the sender of the mail and the forum would not be merely "random, fortuitous, or attenuated." Rilley, 884 N.W.2d at 330-31.

Here, Ford sent direct mail to consumers in Minnesota.² Ford admitted that it also provided

² Ford also sponsors many athletic, racing, and educational teams and events in Minnesota. For example, Ford licensed its 1966 Ford Mustang to be built as a model car for the Minnesota

regional advertising in Minnesota directed by its Ford Dealer Advertising Funds (FADFs), and provided the FADFs with "creative content." These contacts were not "random, fortuitous, or attenuated" but rather constituted "intertwined" contacts with both Minnesota residents and the state of Minnesota. See id. at 329. Through these marketing activities, Ford has established a "substantial connection between the defendant, the forum, and the litigation, such that [it] purposefully availed [itself] of the forum and reasonably anticipated being haled into court" in Minnesota. See id. at 332 (quotation omitted).

Ford also argues that its marketing activities in Minnesota were not related to Bandemer's injury because the advertisement in Minnesota did not specifically promote the Crown Victoria. This argument lacks merit.

In *Rilley*, the appellant raised a similar argument that respondents provided no evidence that respondents saw the Google Ads that caused them to apply for a loan from defendant. *Id.* at 336. The Minnesota Supreme Court rejected this argument, stating that "[a]lthough at this early stage of the litigation there is no evidence that the Google Ads actually *caused* any of the claims, the Google Ads are sufficiently *related* to the claims of respondents to survive a motion to dismiss." *Id.* at 337.

Vikings. And Ford sponsored events such as the 2016 "Ford Experience Tour" and the "Ford Driving Skills for Life Free National Teen Driver Training Camp" in Minnesota.

marketing activities were designed to promote sales of Ford's vehicles to Minnesota consumers. The Crown Victoria is one of Ford's vehicles and was one of many products that Ford tried to promote through its marketing campaign in Minnesota. Bandemer's injury was caused by a Crown Victoria sold to a Minnesota resident. Moreover, Bandemer alleged that Ford's marketing included safety assurances and that Ford collected vehicle data from Minnesota drivers in its Minnesota service centers, which housed its design-development process. As in Rilley, Bandemer has made a prima facie showing that Ford's marketing activities are sufficiently related to the cause of action to survive Ford's motion to dismiss.

Finally, Ford argues that, under the United States Supreme Court's recent decisions in *Bristol-Myers Squibb Co. v. Super. Ct.*, 137 S. Ct. 1773 (2017), and *Walden v. Fiore*, 134 S. Ct. 1115 (2014), Minnesota does not have specific personal jurisdiction over Ford because Ford's relevant conduct occurred entirely out-of-state. We are not persuaded.

Both *Bristol-Myers* and *Walden* held that there must be "a connection between the forum and the specific claims at issue." *Bristol-Myers*, 137 S. Ct. at 1776 (citing *Walden*, 134 S. Ct. at 1115). The Supreme Court noted that courts must consider a variety of interests to determine whether specific personal jurisdiction exists, including an "activity or occurrence that takes place in the forum [s]tate[,]" a connection between the underlying controversy and the forum, the interests of the forum state, and convenience of the plaintiff. *Bristol-Myers*, 137 S. Ct. at 1780-81. These factors reflect long-established

Supreme Court precedent and mirror Minnesota's five-factor test. *See Rilley*, 884 N.W.2d at 328 ("This five-factor test is simply a means for evaluating the same key principles of personal jurisdiction established by the United States Supreme Court....").

Minnesota's five-factor test to determine whether it has specific personal jurisdiction over Ford is consistent with Bristol-Myers and Walden and their application. In Bristol-Myers, the Supreme Court held that the plaintiff's cause of action was not connected to the defendant's contacts with California when the nonresident plaintiffs sued the defendant for the harm they sustained outside of California. 137 S. Ct. at 1782. The nonresident plaintiffs obtained the prescription medication, sustained injuries, and received treatment for their injuries outside of California. Id. Notably, the defendant did not contest that California had specific personal jurisdiction over California residents based on the defendant's "assertedly misleading marketing and promotion of that product." *Id.* at 1779.

In *Walden*, a Nevada resident sued a police officer in the United States District Court for the District of Nevada after the officer committed allegedly tortious conduct in a Georgia airport. 134 S. Ct. at 1119. The Supreme Court held that Nevada lacked specific personal jurisdiction over the officer because no part of his alleged tortious conduct occurred in Nevada and he "formed no jurisdictionally relevant contacts with Nevada." *Id.* at 1124.

This case involves a Minnesota resident who was injured in Minnesota while riding in a vehicle registered in Minnesota, and whose injuries were treated in Minnesota. In addition, as previously noted, Ford had substantial contacts with Minnesota through its marketing activities. Ford's contacts with Minnesota were sufficiently related to the cause of action and satisfy the third factor.

Accordingly, the third factor favors Minnesota's exercise of specific personal jurisdiction over Ford. Because Bandemer's allegations and supporting evidence are taken as true during the pretrial stage, he has successfully made a prima facie showing that the district court had personal jurisdiction over Ford. Therefore, the district court did not err in denying Ford's motion to dismiss.³

DECISION

The district court did not err in denying Ford's motion to dismiss for lack of personal jurisdiction. Bandemer is a Minnesota resident who sustained an injury in Minnesota while riding in the passenger seat of a Minnesota-registered Ford vehicle and who subsequently received medical treatment for his injury in Minnesota. Ford purposefully availed itself of the benefits and protections of Minnesota law because it initiated contacts with Minnesota and actively sought out business through marketing in the state. As such, it should have reasonably anticipated being haled into court in Minnesota, and we therefore affirm.

³ Because we affirm on the ground of specific personal jurisdiction, we need not decide whether Minnesota has consent-based jurisdiction over Ford.

Affirmed.

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APPENDIX C

STATE OF MINNESOTA IN DISTRICT COURT, COUNTY OF TODD SEVENTH JUDICIAL DISTRICT

Court File No. 77-CV-16-1025

ADAM BANDEMER,

Plaintiff,

V

FORD MOTOR COMPANY, ERIC HANSON, GREG HANSON, Defendants.

ORDER

This matter came on for hearing before District Court Judge Douglas P. Anderson on February 3, 2017 pursuant to the Plaintiff's City motion for remand and Defendant Ford Motor Company's motion to dismiss. Plaintiff Adam Bandemer appeared with his attorneys, Kyle Farrar and Steven Lastovich. Attorney Michael Carey appeared on behalf of Ford Motor Company. Attorneys R.J. Newcome and Michael Kiedrowski appeared on behalf of Defendants Eric Hanson and Greg Hanson.

Based on all the files, records and proceedings herein,

IT IS HEREBY ORDERED:

1. Defendant Ford Motor Company's motion to dismiss due to improper service is DENIED.

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- 2. Defendant Ford Motor Company's motion to dismiss for lack of jurisdiction is DENIED.
- 3. Plaintiff Adam Bandemer's motion to remand is DENIED.
- 4. The attached Memorandum is made a part of this Order.

Dated May 25, 2017 **BY THE COURT:**

/s/ Douglas P. Anderson
Douglas P. Anderson
Judge of District Court

JUDGMENT

I hereby certify that the foregoing constitutes the Judgment of this Court.

TODD COUNTY Court Administrator

Dated: <u>5-26-17</u> By: <u>/s/ Patti Johnson</u>

Deputy

MEMORADUM

Service of Process and Venue

Plaintiff commenced his lawsuit against Ford Motor Company by service upon C.T. Corporation Systems Inc., the registered agent for service of process, by certified mail. This is improper service and the rules of procedure require personal service. (See Minn. R. Civ. P. 4.03(c)). In its answer, Ford Motor Company alleged defective service. Then, on January 10, 2017, Plaintiff served the summons and complaint on Ford Motor Company by process server delivering a copy of the summons and complaint to its registered agent for service, C.T. Corporation Systems Inc.

However, in September of 2016, after it had been served inadequately, Ford Motor Company made a motion under Minnesota Statute Section 542.01, for voluntary transfer of venue, to Todd County, Minnesota, the location where Defendants Hanson reside. This motion was granted by Hennepin County District Court by order dated October 17, 2016.

The summons and complaint that was served upon Ford Motor Company in January 2017 was the same summons and complaint that had been served by certified mail in September 2016, and both were dated September 2, 2016. Of course, when proper service was achieved in January 2017, venue of the case had already been transferred from Hennepin County to Todd County by Hennepin County District Court Order.

In Todd County District Court on February 2, 2017, Plaintiff made a motion to remand the matter to Hennepin County District Court and Ford Motor Company made a motion to dismiss the complaint for inadequate service of process. The commencement of the lawsuit by certified mail in September of 2016 was ineffective as to Ford Motor Company. It was effective, however, when personal service was achieved on C.T. Corporation Systems Inc. on January 10, 2017.

Defendant Ford Motor Company's motion to dismiss the action commencing in September of 2016 is granted. However, the action was properly commenced against Ford Motor Company in January of 2017. The Court intends to adopt the reasoning the Hennepin County District Court in its order of October 17, 2016 in regards to venue. Additionally, at the hearing in Long Prairie, attorneys for the Hansons stated that they wanted the matter venued in Todd County, not Hennepin County. Plaintiff had asserted that the Hanson's wanted the matter tried in Hennepin County, but the attorney denied this as of the date of the hearing in Todd County.

Plaintiff sustained significant medical injuries and most of the treating physicians reside in the metropolitan area. This is the principle reason that Plaintiff seeks to have the matter tried in Hennepin County, for the convenience of the expert witnesses. However, no part of the cause of action arose in Hennepin County. A case where there are significant injuries may require treatment at a specialized medical facility such as Mayo Clinic or a metropolitan hospital. Plaintiff's argument would be that venue for those actions should be in the place

where the medical treatment was received, not where the accident occurred. The Court rejects this position. The venue statute provides that the lawsuit should be commenced where the cause of action arose or where some or all of the defendants reside. None of the parties, including Plaintiff, reside in Hennepin County.

This analysis by the court is made to encourage the parties to stipulate to a change of venue of the action which was properly commenced in January 2017 as to Ford Motor Company. If not, the court will expect a motion, pursuant to statute, seeking to transfer venue from Hennepin County to Todd County. Since the lawsuit was commenced, there have been no change in circumstances that favor Plaintiff's position. In fact, the attorneys for Defendants Hanson asserted that they oppose venue in Hennepin County. In its reply memorandum on the venue issue, Plaintiff asserted that the Hansons did not support a transfer to Todd County and preferred that the case be returned to Hennepin County. (Pl.'s Reply in Supp. of Mot. to Remand Venue at 4).

Jurisdiction

Ford moved to dismiss for lack of personal jurisdiction claiming that under controlling Supreme Court precedent, exercise of personal jurisdiction over it would violate Due Process. First, Ford claims that this court lacks general personal jurisdiction. Second, Ford claims that this court lacks specific personal jurisdiction.

Bandemer responded claiming that Ford consented to general personal jurisdiction by registering to do business in Minnesota. Next, Bandemer argues that regardless of consent, this court has specific personal jurisdiction.

First, the parties stipulated that Minnesota is not a general jurisdiction state. Ford argues that the Todd County District Court does not have specific jurisdiction over Ford either. For reasons stated hereafter, the court finds that Todd County District Court does have jurisdiction by virtue of consent to jurisdiction.

Consent isthe other traditional basis jurisdiction, existing independently of long-arm Personal jurisdiction, unlike subjectmatter jurisdiction, is primarily concerned with fairness to individual parties. A defendant may voluntarily consent or submit to the jurisdiction of a court which otherwise would not have jurisdiction over it. See Insurance Corp. of Ireland, Ltd. v. Compagnie des Bauxites de Guinee, 456 U.S. 694, 102 S. Ct. 2099, 72 L.Ed.2d 492 (1982). One of the most solidly established ways of giving such consent is to designate an agent for service of process within the State. Knowlton v. Allied Van Lines, Inc., 900 F.2d 1196, 1199 (8th Cir. 1990)

Although the jurisprudence of personal jurisdiction has centered for the past few decades on the constitutional minimum contacts test of "fair play and substantial justice," consent remains a viable method of obtaining personal jurisdiction over a nonresident defendant. With consent, resort to the constitutional test for personal jurisdiction is not required because the defendant obviously can "reasonably anticipate being haled into court" after

consenting to jurisdiction. See World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297, 100 S. Ct. 559, 567, 62 L.Ed.2d 490 (1980). Similarly, resort to analysis under Minnesota's long arm statute is unnecessary because the long-arm addresses extraterritorial service provision process. See Hunt v. Nevada State Bank, 285 Minn. 77, 96, 172 N.W.2d 292, 304 (1969), cert. denied sub nom., Burke v. Hunt, 397 U.S. 1010, 90 S. Ct. 1239, 25 L.Ed.2d 423 (1970). Once the defendant has appointed an agent for service of process located in the state, resort to extraterritorial service is Accordingly, personal jurisdiction unnecessary. pursuant to the consent of the defendant does not invoke constitutional or long arm statutory analysis. Rykoff-Sexton, Inc. v. Am. Appraisal Assocs., Inc., 469 N.W.2d 88, 90 (Minn. 1991)

Minnesota courts have long construed valid service of process as a means of acquiring personal iurisdiction over the individual defendant. Jasperson v. Jacobson, 27 N.W.2d 788, 793, 224 Minn. 76, 82 (Minn.1947); see also Restatement (Second) of Conflicts § 44 comments a, b (1971). The same is true for nonresident corporate defendants. Knowlton, 900 F.2d at 1200, (noting appointment of agent for service of process is a "traditionally recognized and well-accepted species of general consent" to personal jurisdiction). Because Ford Motor Company consented to service of process by registering an agent, it has consented to personal jurisdiction. See Rykoff-Sexton, Inc., 469 N.W.2d at 90.

Other states have limited personal jurisdiction based on transacting business in the state to claims arising out of contacts with the forum. See, e.g., Ill.Ann.Stat. ch. 110, ¶ 2-209 (Smith-Hurd 1983). In contrast, Minnesota's statutory scheme for express consent to service extends to all causes of action, not just those arising out of contacts with Minnesota. Minnesota Statutes § 303.13 (1990); see also Minnesota Statutes § 543.19, subd. 4 (1990) (longarm statute requiring claim to arise out of forum contacts does not limit or affect right to serve process in any other manner provided by law). *Knowlton* court observed, the legislature knows how to limit consensual service of process to claims arising out of forum contacts, and apparently chose not to do so for claims against registered corporations in Minnesota. 900 F.2d at 1199. It is the legislature's province to assess the burden on the business climate of $ext{the}$ assertion jurisdiction by Minnesota courts. The Minnesota supreme court has found no constitutional defect in the assertion of jurisdiction based on consent to service of process. Rykoff-Sexton, Inc., 469 N.W.2d at 90-91.

According to the 8th Circuit in *Knowlton*,

The whole purpose of requiring designation of an agent for service is to make a nonresident suable in the local courts. The effect of such a designation can be limited to claims arising out of in-state activities, and some statutes are so limited, but the Minnesota law contains no such limitation. Section 303.13, Subdivision 1(1), provides simply that "[a] foreign corporation shall be subject to service of process...[b]y service on its registered agent..." There are no words of limitation to

indicate that this type of service is limited to claims arising out of activities within the state.

We conclude that appointment of an agent for service of process under § 303.10 gives consent to the jurisdiction of Minnesota courts for any cause of action, whether or not arising out of activities within the state. Such consent is a valid basis of personal jurisdiction, and resort to minimum-contacts or due-process analysis to justify the jurisdiction is unnecessary. See Bauxites, 456 U.S. at 703, 102 S. Ct. at 2104. Appointment of a registered agent for service is not one of the specific types of consent listed by the Supreme Court in the cited case, but it is nevertheless a traditionally recognized and well-accepted species of general consent, possibly omitted from the Supreme Court's list because it is of such long standing as to be taken for granted. We hold, in short, that the United States District Court for the District of Minnesota did, by virtue of consent, have jurisdiction over the person of the defendant Allied Van Lines, Inc.

900 F.2d at 1199-1200.

In conclusion, Ford has consented by registering to do business in Minnesota under Minnesota Statutes § 303 and designating an agent in Minnesota for service.

Miscellaneous

The court now comments on Daimler AG v. Bauman, 134 S. Ct. 746 (2014) and Goodyear Dunlop

Tires Operations, S.A. v. Brown, 131 S. Ct. 2846 (2011), the cases cited by Ford in support of its motion.

Daimler is not on point. That case involved Argentinian plaintiffs suing a German Corporation for acts that occurred in Argentina. None of the events or contacts occurred in California. Daimler, 134 S. Ct. at 746. In Bandemer's case the allegedly defective automobile was garaged, operated, and insured in Minnesota at the time of the accident. Jurisdiction in Minnesota is consistent with Minnesota Statutes § 542.059.

The Goodyear case is also distinguishable. There, two North Carolina residents were killed in a bus accident that occurred in France. The suit was brought in North Carolina alleging that the tires on the bus were defective. The tires were manufactured in Europe and Goodyear was not registered to do business in North Carolina. Again, North Carolina had no factual basis for the claims giving rise to the suit except that the decedents lived in North Carolina. See Goodyear, 131 S. Ct. at 2846.

As cited in *Goodyear*, Bandemer presents a more typical commerce situation where a non-resident (Ford), acting outside the forum, places a product into commerce that ultimately causes harm inside the forum. *Id.* at 2855.

Conclusion

Plaintiff Bandemer cannot bifurcate his cause of action. He has sued the owner/driver for negligence and Ford Motor Company under a products liability theory for injuries sustained while a passenger in the

Hanson car. If Ford's position is sustained, anytime a plaintiff has a dual claim of negligence against a third party and products liability against Ford, that suit would have to be brought in either Michigan or Delaware. This disregards the rights of the codefendants set forth in Minnesota Statutes § 542.095.

As law schools teach, Delaware has favorable and thousands of corporate laws, businesses incorporate under Delaware law. If extended to its logical conclusion, Delaware would be overwhelmed with lawsuits that have no factual basis for a suit in Delaware court except that the corporation was legally incorporated in Delaware. To force Hansons to defend suit in Michigan or Delaware would be unreasonable. It creates a "Sophie's choice" for plaintiff. Under Ford's position, Bandemer would either have to commence his action in either Michigan or Delaware, or waive his product liability claim against Ford so that the matter could be venued in Minnesota. This is an unreasonable result and contrary to the interests of justice.

D.P.A.

/s/D.P.A.