No. 24-867

IN THE
Supreme Court of the United States

IQVIA INC.,

Petitioner,

v.

SUPERIOR COURT OF CALIFORNIA, ALAMEDA COUNTY, ET AL.,

Respondents.

On Petition for a Writ of Certiorari to the Court of Appeal of California, First Appellate District

BRIEF OF THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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INTEREST OF *AMICUS CURIAE*[1]

The Chamber of Commerce of the United States of America is the world's largest business federation. It represents approximately 300,000 direct members and indirectly represents the interests of more than 3 million companies and professional organizations of every size, in every industry sector, and from every region of the country. An important function of the Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the Chamber regularly files *amicus curiae* briefs in cases, like this one, that raise issues of concern to the Nation's business community.

This appeal tests the limits of a State's power to interpose its courts and its regulatory regime in disputes between nonresidents involving foreign transactions. For employers—particularly small businesses—it is vitally important that there be limits on state extraterritorial regulation, and that state courts abide by them. But the lower court's decision rejects that premise, and the Court of Appeal's and California Supreme Court's failure to intervene makes clear that no California court will enforce the limits this Court has articulated. Left unreviewed, the decision below will contribute to the further erosion of a critical safeguard for businesses and individuals alike: the

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[1] No counsel for any party authored this brief in whole or in part, and no entity or person other than *amicus* and its counsel made any monetary contribution toward the preparation or submission of this brief. *Amicus* timely notified all parties of its intent to file this brief.

Fourteenth Amendment's guarantee that nonresidents will not be haled into a foreign state court unless and until the plaintiff can establish the nonresident defendant's "minimum contacts" with that jurisdiction. The Chamber submits this brief to urge the Court to grant the petition and correct the lower court's radical departure from settled personal jurisdiction principles.

INTRODUCTION AND SUMMARY OF ARGUMENT

Chalfant, the Respondent, is a New Jersey resident who was employed by IQVIA, the petitioner, a corporation headquartered in New Jersey and incorporated in Delaware. Chalfant entered into numerous noncompete agreements with IQVIA during his employment, each of which was formed in either New Jersey or New York and each of which contained a Delaware choice-of-law provision. The day Chalfant resigned his position with IQVIA, he joined a competitor California company in clear violation of his noncompete agreements. And he also joined this California state-court lawsuit, which seeks to invalidate his and similar out-of-state noncompete agreements under California law.

The question in this case is whether a California court may exercise specific personal jurisdiction over a foreign company in a suit brought by a foreign plaintiff concerning the validity of an out-of-state contract. That question should answer itself—obviously, California courts cannot exercise jurisdiction over nonresident defendants in cases entirely unrelated to California. And if the answer to this question were somehow not obvious, this Court has answered it

many times over and specifically rejected the lower court's theory here, i.e., that the California courts can exercise jurisdiction over IQVIA because (i) *Chalfant* went to work for a California company after resigning from IQVIA, and (ii) IQVIA brought suit against Chalfant and his California employer in Delaware. *See Walden v. Fiore*, 571 U.S. 277, 284-85 (2014) (minimum contacts to establish jurisdiction must be based on *defendant's* (not plaintiff's) contacts with the *forum state* (not a person who resides in the forum state)).

Yet California courts continue to make that error, particularly in cases where the California legislature has sought to export its law extraterritorially to regulate transactions without any connection to that State—this time, a statute that purports to outlaw noncompete agreements nationwide. Beyond being irreconcilable with basic principles of due process and federalism, California's gambit threatens out-of-state businesses, which will have no practical way of structuring their operations to avoid unfavorable California laws, even when they have no California connections. And while the opinion below reflects the judgment of a single trial court, the fact that both the Court of Appeal and the California Supreme Court let that decision stand without any analysis sends a clear signal that the California courts won't check California's attempt to impose its own law nationwide.

Only this Court's review can reimpose the Due Process Clause's limits on the exercise of personal jurisdiction that the lower courts ignored, and thus reestablish "territorial limitations on the power of the respective States." *Bristol-Myers Squibb Co. v. Supe-*

rior Court, 582 U.S. 255, 263 (2017) (quotations omitted). The petition should be granted and the decision below reversed.

ARGUMENT

A. The Lower Court's Decision Contravenes *Walden*.

Walden decides this case, and the superior court's inexcusable failure to apply it is cause enough for this Court to grant the petition and reverse the decision below. In *Walden*, this Court considered whether a law enforcement officer's execution of an allegedly false affidavit in Georgia would support a Nevada court's exercise of specific personal jurisdiction over him, where the officer "submitt[ed] the affidavit with knowledge that it would affect persons with a 'significant connection' to Nevada." 571 U.S. at 282. The answer was no, for two principal reasons. First, even "when intentional torts are involved," courts cannot rely on a defendant's "'random, fortuitous, or attenuated' contacts he makes by interacting with other persons affiliated with the [forum] State." *Id.* at 286. And second, "it is likewise insufficient to rely on … the unilateral activity of a plaintiff" in establishing the requisite minimum contacts with a forum state. *Id.* (quotations omitted).

The Court emphasized that "no part of [the officer's] course of conduct occurred in Nevada," and that the Ninth Circuit erred in "shifting the analytical focus" to the officer's "knowledge of respondents' strong forum connections" and respondents' "foreseeable harm in Nevada[.]" *Id.* at 288-89 (quotations omitted). Respondents suffered that harm in Nevada

"not because anything independently occurred there, but because Nevada [wa]s where respondents chose to be." *Id.* at 290. They would have experienced the same harm "in California, Mississippi, or wherever else they might have traveled." *Id.* The officer's tangential contacts with third parties—including the respondents' Nevada attorney, who contacted him on the respondents' behalf—did not remedy the problem either. *Id.* at 291 (characterizing attorney contact as "precisely the sort of 'unilateral activity' of a third party that 'cannot satisfy the requirement of contact with the forum State'" (quotations omitted)).

The lower court here committed the very same error that caused the Court to reverse in *Walden*. It grounded its exercise of specific personal jurisdiction on the allegedly foreseeable effects in California of the noncompete agreements that were formed elsewhere; Chalfant's unilateral attempt to secure employment with a California company; and IQVIA's subsequent lawsuit *in Delaware* to enforce the agreements. App. 15a-16a. In so doing, it impermissibly "shift[ed] the analytical focus" to IQVIA's "knowledge of [Chalfant's] strong forum connections" and his "foreseeable harm in [California]." *See Walden*, 571 U.S. at 289 (quotations omitted).

First, no "part of [IQVIA]'s course of conduct occurred in" California. *See id.* at 288. IQVIA and Chalfant—residents of New Jersey and Delaware, respectively—entered into noncompete agreements governed by Delaware law and a Delaware forum-selection clause. App. 6a, 14a, 51a. Here, as in *Walden*, the "reality" is that "none of [IQVIA]'s challenged conduct

had anything to do with [California] itself." *See* 571 U.S. at 289.

Second, IQVIA invoked the noncompete agreements to prevent Chalfant's employment with a California-based competitor, "not because anything independently occurred" in California, but because Chalfant *himself* unilaterally decided to seek employment with a California company. *See id.* at 290. Presumably, IQVIA would have invoked the noncompete agreements if Chalfant had taken a job with a New York-, Illinois-, or Alaska-based competitor, and the effect would have been the same. *See id.* ("Respondents would have experienced this same lack of access in California, Mississippi, or wherever else they might have traveled and found themselves wanting more money than they had."). Here, as in *Walden*, "the effects of petitioner's conduct on respondent[] are not connected to the forum State in a way that makes those effects a proper basis for jurisdiction." *See id.*

Finally, the lower court's attempt to invoke the noncompete agreements' tendency "to prevent or penalize employment with a[ny] company that has substantial California ties with the industry," App. 16a, is just a rehash of the rationale that the *Walden* Court already rejected. *See* 571 U.S. at 289 (rejecting Ninth Circuit's holding that combination of petitioner's "knowledge of respondents' strong forum connections" and conduct causing "respondents [to] suffer[] foreseeable harm" in forum state gave rise to specific personal jurisdiction (quotations omitted)). Under the lower court's approach, any plaintiff who sought employment with a California firm in breach of a noncompete agreement could unilaterally create specific

personal jurisdiction in California state courts, even where—as here—the agreement had nothing to do with California.

Walden already addressed and rejected that outcome as inconsistent with due process. *See id.* at 291 ("Petitioner's relevant conduct occurred entirely in Georgia, and the mere fact that his conduct affected plaintiffs with connections to the forum State does not suffice to authorize jurisdiction."). The lower court's decision ignoring the clear limits this Court has established—and the California appellate courts' decision not to even review that decision, *see infra* Section D—suffice to warrant this Court's review.

B. The Decision Below Repeats Longstanding Errors and Exacerbates California's Improper Mission to Export Its Law.

The lower court's end-run around *Walden* is reason enough to grant the petition and reverse, but the decision also facilitates an ongoing and illegitimate effort by the California legislature to regulate commerce throughout the entire Nation.

1. Personal jurisdiction has long preserved the federal balance among the separate States and imposed territorial limits on the assertion of state power. *Hanson v. Denckla,* 357 U.S. 235, 251 (1958) (explaining that "restrictions on the personal jurisdiction of state courts … are more than a guarantee of immunity from inconvenient or distant litigation," but "are a consequence of territorial limitations on the power of the respective States"); *J. McIntyre Mach., Ltd. v. Nicastro*, 564 U.S. 873, 884 (2011) (plurality opinion) ("[I]f

another State were to assert jurisdiction in an inappropriate case, it would upset the federal balance, which posits that each State has a sovereignty that is not subject to unlawful intrusion by other States."). Indeed, such federalism considerations play a decisive role in the personal jurisdiction analysis; they can and often do predominate over other factors. *See World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 294 (1980) ("Even if the defendant would suffer minimal or no inconvenience from being forced to litigate before the tribunals of another State; even if the forum State has a strong interest in applying its law to the controversy; even if the forum State is the most convenient location for litigation, the Due Process Clause, acting as an instrument of interstate federalism, may sometimes act to divest the State of its power to render a valid judgment."). And on more than one occasion, this Court has had to remind and redirect California courts when they overstep the territorial limits of their power.

Take *Bristol-Myers Squibb*. In that case, the California Supreme Court had applied a "sliding scale approach" to specific personal jurisdiction, relaxing "the strength of the requisite connection between the forum and the specific claims at issue" when "the defendant ha[d] extensive forum contacts that [we]re unrelated to those claims." 582 U.S. 264. This Court repudiated the "California approach"—it labeled it "a loose and spurious form of general jurisdiction" that would substitute evidence of "a defendant's unconnected activities in the State" for the necessary "connection between the forum and the specific claims at issue." *Id.*

And long before this Court handed down *Bristol-Myers Squibb*, it decided *Asahi Metal Industries Co. v. Superior Court*, 480 U.S. 102, 114-15 (1987), another example of California state-court overreach in the context of specific personal jurisdiction. In that case, the California Supreme Court invoked the State's generalized "interest in protecting its consumers by ensuring that foreign manufacturers compl[ied] with the state's safety standards" as a basis for exercising specific personal jurisdiction over a Japanese corporation. *Id.* at 114 (quotations omitted). Characterizing that "definition of California's interest" as "overly broad," this Court reversed. *Id.* at 116. It pointed out that the case was "primarily about indemnification rather than safety standards," and questioned why "California law should govern the question whether a Japanese corporation should indemnify a Taiwanese corporation on the basis of a sale made in Taiwan and a shipment of goods from Japan to Taiwan." *Id.* at 114-15.

The superior court's decision here sounds the same false notes. It invoked evidence of IQVIA's "unconnected activities in the State" as a basis for exercising personal jurisdiction over this dispute, *see Bristol Myers Squibb*, 582 U.S. at 264—Chalfant's ad hoc business trips to California while serving as an IQVIA employee, Chalfant's asserted efforts to compete with California-based companies while working at IQVIA, and IQVIA's recruitment and employment of other California residents, including from its California-based competitor, Veeva. App. 5a-6a, 12a-13a. This is simply the "California approach" in practice, if not in name. *See Bristol Myers Squibb*, 582 U.S. at 264.

But the portion of the lower court's order most offensive to federalism was its assertion of specific personal jurisdiction over out-of-state conduct with *any* tendency to impact "[t]he ability of a California corporation to employ individuals." App. 16a. "[W]here the defendant seeks to prevent or penalize employment with a company that has substantial California ties with the industry," it held, "there is a sufficient affiliation between the controversy and California as the forum state." *Id.* Not only is that "definition of California's interest … overly broad," *see Asahi*, 480 U.S. 116, it would position California as a national referee of employment disputes, even where—as here—the parties previously agreed to litigate in another State's courts. App. 52a.[2]

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[2] Resuscitating the "California approach" to specific personal jurisdiction is hardly the only component of California's broader effort to apply its law beyond its territorial borders. In two appeals now pending before the California Supreme Court, lower courts have refused to enforce mandatory forum-selection clauses on the grounds that a sister State might apply its law in a way that is less protective of the plaintiff's rights than California law. *EPICENTRx, Inc. v. Superior Court*, Case No. S282521; *Lockton Cos., LLC v. Superior Court*, Case No. S282136. And just last week, the Office of the California Attorney General asked the Ninth Circuit to review and reverse an order holding that the dormant Commerce Clause prohibits California from enforcing Assembly Bill 824—a law that restricts "reverse payment" settlements between brand-name and generic drugmakers—*outside* California's borders. *Ass'n for Accessible Medicines v. Bonta*, --- F. Supp. 3d ---, 2025 WL 489713, at *12 (E.D. Cal. Feb. 13, 2025) ("[T]he Court finds AB 824 violates the dormant Commerce Clause, except for settlement agreements negotiated, completed, or entered into within California's borders."), *appeal docketed*, No. 25-1694 (9th Cir. Mar. 14, 2025).

2. The California legislature's attempt to regulate far beyond its borders exacerbates the California courts' longstanding attempts to adjudicate cases having nothing to do with California. These two tendencies combined in this case, because the California legislature recently enacted a statute purportedly making every noncompete agreement "unenforceable *regardless of where and when the contract was signed*." Cal. Bus. & Prof. Code §§ 16600.1, 16600.5(a) (emphasis added).

There is a vibrant, ongoing national debate on competition in labor markets. Many States allow employers and employees to enter into reasonable noncompete agreements, and view them as a means of protecting sensitive and confidential information; affording employers more flexibility in compensating employees; and enabling employers and employees alike to make long-term investments in training. *See* John M. McAdams*, Non-Compete Agreements: A Review of the Literature*, FTC Bureau of Economics Research Paper 6 (2019). California has taken a different view. But rather than claiming the right to enforce California's public policy in California, the California legislature has claimed the right to shut down debate and outlaw noncompete agreements in every State.

The superior court's decision to adjudicate Chalfant's claim thus aids and abets the California legislature's facially improper attempt to micromanage the details of every employment relationship in the United States. Indeed, the lower court expressly cited § 16600.5 as an additional reason why Califor-

nia courts have an interest in adjudicating this entirely foreign matter. App. 24a. But due process "acts to ensure that the States, through their courts, do not reach out beyond the limits imposed on them by their status as coequal sovereigns in a federal system." *World-Wide Volkswagen*, 444 U.S. at 292. This Court should grant review to enforce these due process limits and prevent the California courts from exacerbating California policymakers' attempts at improper extraterritorial regulation.

C. The Superior Court's Decision Upends the Personal Jurisdiction Framework That Businesses Rely Upon in Structuring Their Operations and Mitigating Risk.

The decision below is legally indefensible for the reasons explained, but that is not the only reason it requires this Court's intervention. The decision, if left uncorrected, will also impose substantial negative consequences on businesses that should be able to—but, in light of the decision below, cannot—avoid California's onerous regulations.

Businesses rely upon settled and predictable personal jurisdiction rules to structure their operations and mitigate risk. But the lower court's ruling—that California courts may exercise specific personal jurisdiction over disputes about *any* contract that has the effect of "prevent[ing] or penaliz[ing] employment with a company that has substantial California ties," App. 16a—would force businesses into a resource-intensive guessing game. While "[l]arge companies may be able to manage the patchwork of liability regimes, damages caps, and local rules in each State, … the

impact on small companies, which constitute the majority of all U.S. corporations, could be devastating." *See Mallory v. Norfolk S. Ry. Co.*, 600 U.S. 122, 161-62 (2023) (Alito, J., concurring in part and concurring in judgment).

That even large and sophisticated companies like IQVIA cannot avoid California's regulatory sweep is the surest sign of a problem. IQVIA is a Delaware corporation headquartered in New Jersey. App. 38a. It requires most of its senior employees (including Chalfant) to sign noncompete agreements. But IQVIA's agreements carve out California employees and do not subject them to otherwise applicable Delaware choice-of-law and forum-selection provisions. App. 51a. And those carveouts serve a twofold purpose: complying with California law prohibiting noncompete obligations and short-circuiting related disputes in California courts. *Id.*

So much for that plan. The lower court sidestepped the absence of any meaningful connection between California and this dispute, and read *Ford Motor Co. v. Montana Eighth Judicial District Court*, 592 U.S. 351 (2021), to authorize specific personal jurisdiction if the court could hypothesize any local ripple effect from a contractual dispute between out-of-state employers and employees. App. 16a. In so doing, the superior court aligned itself with the Ninth Circuit, alone among the federal courts of appeals to apply an effects-based theory of personal jurisdiction outside the intentional-torts context. Pet. 22-24, 27-30.

That breathtaking assertion of personal jurisdiction threatens the utility of *all* employment contracts, not only those that contain noncompete provisions. If

employees can void their obligations simply by seeking employment in a State with a regulatory regime that is hostile to those commitments, those contracts will be worthless.[3] *Any* employment contract of a certain duration will—at some level—prevent employment with an out-of-state employer. That condition "stacks the deck, for it will always yield a pro-jurisdiction answer." *See Daimler AG v. Bauman*, 571 U.S. 117, 136 (2014).

The practical upshot for employers across the country, large and small, is that they will simply have to assume the risk that California's regulatory jurisdiction will reach them no matter how they structure their relationships, conduct, and transactions. *See Bristol-Myers Squibb*, 582 U.S. at 256 (explaining that "the primary concern" of the personal jurisdiction analysis is the "burden on the defendant," and "assessing th[at] burden obviously requires a court to consider the practical problems resulting from litigating in the forum" (quotations omitted)). Even with the benefit of its resources and sophistication, IQVIA could not predict and plan for that result; it found itself haled into California courts despite its best efforts to avoid them. Small- and medium-sized businesses stand little to no chance of succeeding where IQVIA failed. And forcing them to try will upend settled expectations, impose significant obligations, and strand them in courts that have little to no connection with the underlying controversy.

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[3] This type of opportunism is already common in California state courts. Pet. i, 31.

D. The California Appellate Courts' Decision to Let the Superior Court's Ruling Stand Without Offering Any Analysis of the Merits Renders This Court's Review All the More Critical.

The unique procedural posture of IQVIA's personal jurisdiction challenge enhances the need for this Court's review. A challenge to personal jurisdiction must be made at the outset of the case, and the only procedural mechanism in California to challenge a denial of a personal jurisdictional challenge is a writ of mandate to quash service—a personal jurisdiction challenge cannot be raised on an appeal after final judgment. *See Aghaian v. Minassian*, 279 Cal. Rptr. 3d 191, 199 (Cal. Ct. App. 2021). In reviewing an order on a writ of mandate, the Court of Appeal need not provide any substantive analysis of the trial court's decision—the court may simply deny the writ summarily, as it did in this case but could not do in a final-judgment appeal.

If California appellate courts were serious about policing due process limits, the Court of Appeal would not have simply denied the writ without comment. It at least would have substantively reviewed (and reversed) this extreme exercise of personal jurisdiction on the merits. So too with the California Supreme Court—if this case were not enough to raise that Court's interest in testing personal jurisdiction limits, then it is difficult to imagine a case that would be. The California appellate courts' decision to leave the lower court's analysis untouched is an unmistakable signal

of their unwillingness to place any limits on the California legislature's effort to export California law to the rest of the country.

That makes this Court's review all the more crucial. It is the only Court remaining with the power to enforce the Due Process Clause in cases like this one. It should grant the petition, reverse the decision below, and prevent California from arrogating to itself the prerogative to apply its laws extraterritorially to disputes beyond its borders.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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