

# Extraterritorial Reach of US Securities Law: Online Symposium

As reported yesterday by *Trey*, the US Supreme court has delivered a landmark decision on the extra-territorial reach of US securities law and class actions.

This decision was much awaited, not only in the United States, but also in many other jurisdictions. For quite some time, non US corporate entities were complaining about US assertions of jurisdiction over disputes which were strongly connected to foreign jurisdictions (but not necessarily unconnected to the USA).

In France, a great example has been the *Vivendi* litigation. In this case, a major French corporation, Vivendi, was sued before a US federal court by shareholders, many of whom were French nationals who had bought their shares in France. The US Court retained jurisdiction, and eventually found that Vivendi had indeed violated US securities law. The case was presented by many French scholars and practitioners as an unreasonable assertion of jurisdiction by the US Court over a dispute which was essentially French.

Yet, one could barely say that New York had no interest whatsoever in deciding this case. Vivendi had also sold shares on the New York Stock Exchange. Some of the shareholders were therefore also American. Directors of Vivendi had moved to New York where they lived, managed the group and were found to have made financial misrepresentations. Vivendi initiated proceedings in France claiming that French shareholders had abused their right to freely choose the forum where they wished to bring action by suing in the USA. The Paris court of appeal dismissed the action on the ground that New York being connected to the dispute, it was perfectly legitimate for shareholders to initiate proceedings in the USA.

Can non US corporations both benefit from the New York Stock Exchange and avoid the jurisdiction of US courts if they violate US securities law? Can you both have your cake and eat it?

In the days to come, *conflictoflaws.net* will hold an online symposium on the extraterritorial reach of US securities law and class actions. Scholars from both the United States and other jurisdictions will offer their thoughts on the reasonableness of the US practice. All readers are invited to participate to the

symposium by posting comments (contributions are also welcome).

- **Transnational Securities Class Actions - A Private International Law Perspective (Dickinson)**
- **The Importance of Amicus Briefs and Morrison (Schimmel)**
- **Morrison, Securities Liability and Corporate Governance (Ringe & Hellgardt)**
- **Securities Class Actions and Extra-Territoriality: a View from Spain (Carballo)**
- **A “View from Across” (in the Other Direction) (Muir Watt)**
- **Securities Class Actions and Extra-territoriality: A View from Canada (Saumier)**
- **Extraterritorial Reach of US Securities Law? What Extraterritorial Reach? (Buxbaum)**

The *Opinio Juris* blog is also hosting an online symposium on *Morrison*. Here are links to the posts thus far:

- Just Call him Antonin Scalia: Anti-Imperialist (in the Extraterritorial Application of U.S. Laws)
- International Securities Fraud Makes Supreme Court Debut
- Morrison and Extraterritoriality: More Thoughts
- Morrison and the Effects Test