

Enforcing Consent-to-Jurisdiction Clauses in U.S. Courts

Guest Post by John Coyle, the Reef C. Ivey II Distinguished Professor of Law at the University of North Carolina School of Law

One tried-and-true way of obtaining personal jurisdiction over a foreign person that otherwise lacks minimum contacts with a particular U.S. state is to require the person to agree *ex ante* to a forum selection clause. This strategy only works, however, if the forum selection clause will be enforced by the courts in the chosen state. To date, scholars have written extensively about the enforceability of “outbound” forum selection clauses that redirect litigation from one court to another. They have devoted comparatively less attention to the enforceability of “inbound” forum selection clauses that purport to provide a basis for the chosen court’s assertion of personal jurisdiction over a foreign defendant.

In a recent paper, Katherine Richardson and I seek to remedy this deficit. We reviewed 371 published and unpublished cases from the United States where a state court was asked to assert personal jurisdiction over an out-of-state defendant on the basis of an “inbound” consent-to-jurisdiction clause. In conducting this review, we documented the existence of several different enforcement frameworks across states. The state courts in New York, for example, take a very different approach to determining whether such a clause is enforceable than the state courts in Florida, which in turn take a very different approach to this question than the state courts in Utah.

These differences in enforcement frameworks notwithstanding, we found that consent-to-jurisdiction clauses are routinely given effect. Indeed, our data suggest that such clauses are enforced by state courts approximately 85% of the time. When the courts refuse to enforce these clauses, moreover, they tend to cite just a handful of predictable reasons. First, the courts may refuse to enforce when the clause fails to provide proper *notice* to the defendant of the chosen forum. Second, the courts may conclude that the clause should not be given

effect because the parties *lack a connection* to the chosen forum or that litigating in that forum would be *seriously inconvenient*. Third, a clause may go unenforced because it is contrary to the *public policy* of a state with a close connection to the parties and the dispute.

After mapping the relevant terrain, we then proceed to make several proposals for reform. We argue that the courts should generally decline to enforce consent-to-jurisdiction clauses when they are written into contracts of adhesion and deployed against unsophisticated counterparties. We further argue that the courts should decline to enforce such clauses in cases where the defendant was never given notice as to where, exactly, he was consenting to jurisdiction. Finally, we argue that the courts should retain the flexibility to decide whether to dismiss on the basis of *forum non conveniens* even when a forum selection clause specifically names the jurisdiction where the litigation is brought. Each of these reforms would, in our view, produce fairer and more equitable results across a wide range of cases.

Although our research focused primarily on state courts, our reform proposals are relevant to federal practice as well. Federal courts sitting in diversity are required by Federal Rule of Civil Procedure 4(k)(1)(a) to follow the law of the state in which they sit when they are called upon to determine whether to enforce a consent-to-jurisdiction clause. If a given state were to revise or reform its rules on this topic along the lines set forth above, the federal courts sitting in that state would be obliged to follow suit.