

Just released: Opinion of the US Supreme Court regarding the consolidated Ford Motor cases - A victory for consumers in two defective-product cases

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On 25 March 2021, the US Supreme Court rendered its opinion on the consolidated Ford Motor cases, which deals with personal jurisdiction (in particular, specific jurisdiction) over Ford Motor Company. These cases deal with a malfunctioning 1996 Ford Explorer and a defective 1994 Crown Victoria vehicles, which caused the death of a passenger in Montana and the injury of another passenger in Minnesota, respectively. The consolidated cases are: Ford Motor Co. v. Montana Eighth Judicial District Court et al. and Ford Motor Co. v. Bandemer.

The opinion is available [here](#). We have previously reported on this case [here](#).

The question presented was:

The Due Process Clause permits a state court to exercise specific personal jurisdiction over a nonresident defendant only when the plaintiff's claims "arise out of or relate to" the defendant's forum activities. Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472 (1985) (internal quotation marks omitted). The question presented is: Whether the "arise out of or relate to" requirement is met when none of the defendant's forum contacts caused the plaintiff's claims, such that the plaintiff's claims would be the same even if the defendant had no forum contacts.

As noted in our previous post, it can be argued that besides jurisdictional matters relating to the defendant, these cases deal with fundamental notions of access to justice for consumers. Fortunately, the US Supreme Court sided with the victims of the car accidents. As a result, buyers of Ford vehicles are able to sue in their

home State / the place of injury (instead of chasing up the defendant). Undoubtedly, this promotes access to justice as it decreases the litigation costs of suing a giant company elsewhere, as well as it avoids the hardship of suing in a remote place.

For a summary of the facts, see the syllabus of the opinion. We also include the facts here:

*“Ford Motor Company is a global auto company, incorporated in Delaware and headquartered in Michigan. Ford markets, sells, and services its products across the United States and overseas. The company also encourages a resale market for its vehicles. In each of these two cases, a state court exercised jurisdiction over Ford in a products-liability suit stemming from a car accident that injured a resident in the State. The first suit alleged that a 1996 Ford Explorer had malfunctioned, killing Markkaya Gullett near her home in Montana. In the second suit, Adam Bandemer claimed that he was injured in a collision on a Minnesota road involving a defective 1994 Crown Victoria. **Ford moved to dismiss both suits for lack of personal jurisdiction.** It argued that each state court had jurisdiction only if the company’s conduct in the State had given rise to the plaintiff’s claims. **And that causal link existed, according to Ford, only if the company had designed, manufactured, or sold in the State the particular vehicle involved in the accident.** In neither suit could the plaintiff make that showing. The vehicles were designed and manufactured elsewhere, and the company had originally sold the cars at issue outside the forum States. **Only later resales and relocations by consumers had brought the vehicles to Montana and Minnesota.** Both States’ supreme courts rejected Ford’s argument. Each held that the company’s activities in the State had the needed connection to the plaintiff’s allegations that a defective Ford caused in-state injury” (Our emphasis).*

Ford alleged that the Court should follow a causation-only approach. That means that as stated in the syllabus of the opinion that “In Ford’s view, due process requires a causal link locating jurisdiction only in the State where Ford sold the car in question, or the States where Ford designed and manufactured the vehicle. And because none of these things occurred in Montana or Minnesota, those States’ courts have no power over these cases.”

Fortunately, the Court did not follow that interpretation and stated that:

*“To see why Ford is subject to jurisdiction in these cases (as Audi, Volkswagen, and Daimler were in their analogues), consider first the business that the company regularly conducts in Montana and Minnesota. See generally 395 Mont., at 488, 443 P. 3d, at 414; 931 N. W. 2d, at 748; supra, at 3?4. Small wonder that Ford has here conceded “purposeful availment” of the two States’ markets. See supra, at 7-8. **By every means imaginable—among them, billboards, TV and radio spots, print ads, and direct mail— Ford urges Montanans and Minnesotans to buy its vehicles, including (at all relevant times) Explorers and Crown Victorias.** Ford cars—again including those two models—are available for sale, whether new or used, throughout the States, at 36 dealerships in Montana and 84 in Minnesota. And apart from sales, Ford works hard to foster ongoing connections to its cars’ owners. The company’s dealers in Montana and Minnesota (as elsewhere) regularly maintain and repair Ford cars, including those whose warranties have long since expired. And the company distributes replacement parts both to its own dealers and to independent auto shops in the two States. Those activities, too, make Ford money. **And by making it easier to own a Ford, they encourage Montanans and Minnesotans to become lifelong Ford drivers**” (our emphasis).*

[...]

“Here, resident-plaintiffs allege that they suffered in-state injury because of defective products that Ford extensively promoted, sold, and serviced in Montana and Minnesota. For all the reasons we have given, the connection between the plaintiffs’ claims and Ford’s activities in those States— or otherwise said, the “relationship among the defendant, the forum[s], and the litigation”—is close enough to support specific jurisdiction. Walden, 571 U. S., at 284 (internal quotation marks omitted). The judgments of the Montana and Minnesota Supreme Courts are therefore affirmed.”

In sum, in this David and Goliath scenario, the US Supreme Court sided with the consumers and promoted access to justice.