

## ***Kelley Kronenberg Client Alert: Ford v. Montana***

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The United States Supreme Court, in an 8-0 decision, has issued an important decision that may subject businesses to a court's jurisdiction where it otherwise may not have previously been subject. In the case of *Ford Motor Company v. Montana Eighth Judicial District Court, et. al.* (19-368) and *Ford Motor Company v. Adam Bandemer* (19-369), the Court decided on March 25, 2021 that just because Ford Motor Company was incorporated in Delaware and headquartered in Michigan, its vehicles are sold and resold all over the country (and the globe) and that is good enough to haul Ford into court in Montana or Minnesota, or any jurisdiction where someone may be injured in a car accident involving a Ford. In an opinion delivered by Justice Kagan, the Court held that because Ford did substantial business in the State by advertising, selling, and servicing the vehicle claimed to be defective and because the accident happened in the State where suit was brought and the victim was a resident of the same State, jurisdiction was proper there. In other words, the fact the car was sold in another State and designed and manufactured in still another State did not prevent jurisdiction. This ruling asserts the role of State courts to hear matters involving injuries in their State. In the past, the rule had always been that the corporation must have taken some deliberate action "by which [it] purposefully avails itself of the privilege of conducting activities within the forum State." Even then, the plaintiff must also have made the connection between his or her injuries and the State which they are seeking to bring the lawsuit. The Court ultimately held that this decision is about a State's authority to decide a lawsuit where the injury happened. While Ford's actions did not "give rise" to the plaintiff's claims, Ford's connection to each state, Montana and Minnesota, created a sufficient relationship there even without that connection being the cause of the injury. Thus, a company "purposefully avail[ing] itself" of a market "has clear notice" of its exposure in that State to lawsuits arising from local accidents involving its product. Importantly, and candidly, the Court does actually say that the only real protection for a company where its product is sold interstate or internationally is to buy the appropriate insurance. This is a major ruling not just with regards to Ford, but for all businesses that transmit goods through interstate commerce. The country just got a bit smaller as the bar for jurisdiction just got a bit lower. **For more information, please contact Kelley Kronenberg Partner, [Louis Reinstein](#).**