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U.S. Supreme Court Clarifies Personal Jurisdiction (Again)

On March 25, the United States Supreme Court issued a decision in *Ford Motor Co. v. Montana Eighth Judicial District Court et al.*, affirming the holdings of the Supreme Courts of Minnesota and Montana. The Court found that the state courts had properly exercised personal jurisdiction over Ford in two separate but similar products-liability suits involving allegedly defective Ford vehicles. The Court's holding generally states that when a large corporation like Ford serves a market for a product in a state and that product causes injury in the state to one of its residents, the state's courts may entertain the resulting suit, even if the product was not originally sold, designed, or manufactured in that state. Importantly, the Court noted that its holding does not extend to what it characterized as impermissible "forum-shopping" wherein a non-resident seeks to commence litigation in a state other than where the incident giving rise to the suit occurred.

The two separate lawsuits involved plaintiffs who were severely injured (or killed) in car accidents that occurred while the plaintiffs were driving or riding in Ford vehicles. In both suits the accident occurred in the state where the suit was brought, and the plaintiff was a resident of such state. However, in both claims Ford moved to dismiss for lack of jurisdiction, contending that it was not subject to personal jurisdiction because in each suit the car involved in the subject accident had not been sold in the forum state, nor designed or manufactured there.

While Ford conceded that it purposefully availed itself of the privilege of conducting business activities in both Minnesota and Montana, it contended that the plaintiffs' claims in their respective lawsuits did not arise out of Ford's contacts with the forum states, as the subject vehicles were originally sold, designed, and manufactured elsewhere. In rejecting this argument, the Court clarified that for a state to exercise personal jurisdiction over a defendant in a products liability suit, the plaintiff's claim need not arise out of defendant's contacts with that state, so long as the

claim relates to such contacts.

The Court found that because Ford had advertised, sold, and serviced vehicles of the same model as those involved in the underlying accidents in the respective states, it had effectively encouraged the residents of those states to become Ford owners – to the point that the owners of the vehicles involved in the underlying accidents may never have bought them except for Ford's contacts with their home states. This meant that there was a strong enough relationship amongst the defendant (Ford), the forums (Minnesota and Montana), and the litigation (injuries resulting from accidents in those states involving allegedly defective Ford vehicles) to support the exercise of personal jurisdiction over Ford in the underlying claims, despite the subject vehicles not being originally sold in states where the accidents occurred.

The Court's decision in this case stands for the proposition that a product manufacturer regularly marketing its product in a state has clear notice that it will be subject to jurisdiction in that state's courts when the product malfunctions there, regardless of where the product was sold, designed, or manufactured. The Court's ruling marks an important development in products liability law and we will continue to monitor the effects of this decision on personal jurisdiction for manufacturers and distributors.

For more information, please contact [Ben Morrical](#), [Nick Pappas](#), [Jeremiah Byrne](#), [Kevin Schiferl](#), or any attorney in Frost Brown Todd's [Product Liability & Tort Litigation](#) practice group.

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