No. 23-1320

In the Supreme Court of the United States

GLAXOSMITHKLINE, LLC, ET AL., Petitioners,

v.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA,

Respondent.

On Petition for a Writ of Certiorari to the Court of Appeal of California, First District

BRIEF OF THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA AS AMICUS CURIAE IN SUPPORT OF PETITIONERS

JENNIFER B. DICKEY ANDREW R. VARCOE KEVIN R. PALMER U.S. Chamber Litigation Center 1615 H Street, NW Washington, DC 20062 NICOLE A. SAHARSKY Counsel of Record DANIEL E. JONES WAJDI C. MALLAT Mayer Brown LLP 1999 K Street, NW Washington, DC 20006 (202) 263-3000 nsaharsky@mayerbrown.com

Counsel for Amicus Curiae

TABLE OF CONTENTS

Page(s)

Interest Of The Amicus Curiae1
Introduction And Summary Of Argument2
Argument4
I. Courts May Not Assert Specific Jurisdiction Over A Brand-Name Manufacturer For Claims Alleging Injury From A Generic Product
A. Specific Jurisdiction Requires That The Claims Arise Out Of Or Relate To The <i>Defendant</i> 's Contacts With The Forum
B. The Defendants Here Lack Sufficient Forum Contacts To Permit The Exercise Of Specific Personal Jurisdiction
C. The Decision Below Extends California's Authority Far Beyond The Bounds Permitted By The Constitution10
D. Review Is Warranted Now12
II. The Rule Applied By The Court Below Harms Courts, Businesses, And The Sovereignty Of Other States
A. Overly Expansive Approaches To Specific Jurisdiction Invite Cause-Of- Action Shopping
B. Overly Expansive Approaches To Specific Jurisdiction Impose Greater Uncertainty On Businesses
C. Overly Expansive Approaches To Specific Jurisdiction Intrude On Other States' Sovereignty17
Conclusion

i

TABLE OF AUTHORITIES

Cases Page(s)
Bell v. Pfizer, Inc., 716 F.3d 1087 (8th Cir. 2013)11
BNSF Ry. v. Tyrrell, 581 U.S. 402 (2017)
Bristol-Myers Squibb Co. v. Superior Court,
582 U.S. 255 (2017)2, 5-7, 9, 11, 14
Daimler AG v. Bauman, 571 U.S. 117 (2014)1, 5, 14
Demahy v. Schwarz Pharma, Inc., 702 F.3d 177 (5th Cir. 2012)11-12
Ford Motor Co. v. Montana Eighth Jud. Dist. Ct.,
592 U.S. 351 (2021) 2, 4, 6-8, 10-11, 16-17
Foster v. Am. Home Prods., 29 F.3d 165 (4th Cir. 1994)12
Guarino v. Wyeth, LLC, 719 F.3d 1245 (11th Cir. 2013)11
Hertz Corp. v. Friend, 559 U.S. 77 (2010)16
Huck v. Wyeth, Inc., 850 N.W.2d 353 (Iowa 2014)11

ii

Cases (continued)	Page(s)
J. McIntyre Machinery, Ltd. v. Nicastro, 564 U.S. 873 (2011)	16
McNair v. Johnson & Johnson, 818 S.E.2d 852 (W. Va. 2018)	11
Rafferty v. Merck & Co., 92 N.E.3d 1205 (Mass. 2018)	8
Salomon S.A. v. LaFond, 971 N.E.2d 1277 (Mass. 2012)	12
Schrock v. Wyeth, Inc., 727 F.3d 1273 (10th Cir. 2013)	11
Smith v. Wyeth, Inc., 657 F.3d 420 (6th Cir. 2011)	12
Stanley v. Wyeth, Inc., 991 So. 2d 31 (La. Ct. App. 1st Cir. 2008)	11
State Farm Gen. Ins. v. JT's Frames,	
<i>Inc</i> ., 104 Cal. Rptr. 3d 573 (Ct. App. 2010)	13
<i>T.H.</i> v. <i>Novartis Pharms. Corp.</i> , 407 P.3d 18 (Cal. 2017)	8
Walden v. Fiore, 571 U.S. 277 (2014)	5, 17
World-Wide Volkswagen Corp. v.	
<i>Woodson</i> , 444 U.S. 286 (1980)	11, 17

iii

Cases (continued)	Page(s)
In re Zantac (Ranitidine) Prods. Liab.	
<i>Litig.</i> , 510 F. Supp. 3d 1175 (S.D. Fla. 2020)	15
In re Zantac (Ranitidine) Prods. Liab. Litig.,	
546 F. Supp. 3d 1192 (S.D. Fla. 2021)	3
In re Zantac (Ranitidine) Prods. Liab.	
<i>Litig.</i> , 644 F. Supp. 3d 1075 (S.D. Fla.	
2022)	15
Constitution, Statutes, and Rule	

Other Authorities

Carol Rice Andrews, <i>The Personal Ju-</i>
risdiction Problem Overlooked in the
National Debate About "Class Action
Fairness," 58 S.M.U. L. Rev. 1313
(2005)

iv

Other Authorities (continued)	Page(s)
Andrew S. Pollis, The Need For Non-	
Discretionary Interlocutory Appellate	
Review in Multidistrict Litigation, 79	
Fordham L. Rev. 1643 (2011)	13
U.S. Chamber Inst. for Legal Reform,	
BMS Battlegrounds: Practical Ad-	
vice for Litigating Personal Jurisdic-	
tion After Bristol-Myers (June 2018)	14
U.S. Chamber Institute for Legal Re-	
form, Trials and Tribulations: Con-	
tending with Bellwether and Multi-	
Plaintiff Trials in MDL Proceedings	
(Oct. 2019)	13

v

INTEREST OF THE AMICUS CURIAE

The Chamber of Commerce of the United States of America is the world's largest business federation. It represents approximately 300,000 members and indirectly represents the interests of more than three million companies and professional organizations of every size, in every industry sector, and from every region of the country. An important function of the Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the Chamber regularly files *amicus curiae* briefs in cases, like this one, that raise issues of concern to the Nation's business community.¹

Many of the Chamber's members conduct business in States other than their place of incorporation and principal place of business (the forums in which they are subject to general personal jurisdiction, see *Daimler AG* v. *Bauman*, 571 U.S. 117, 137 (2014)). They therefore have a substantial interest in the rules governing the extent to which a State can subject nonresident corporations to specific personal jurisdiction.

Amicus files this brief because the decision below is contrary to the due process limits on personal jurisdiction recognized by this Court. The California Court of Appeal allowed an out-of-State manufacturer of products sold in a nationwide market to be subject to

¹ Pursuant to Rule 37.6, *amicus curiae* states that no counsel for any party authored this brief in whole or in part and that no entity or person other than *amicus curiae*, its members, or its counsel, made any monetary contribution intended to fund the preparation or submission of this brief. The parties were notified of *amicus's* intent to file this brief nine days before the due date, and they have indicated that they do not object to the timeliness of the notice.

specific personal jurisdiction based not on any purposeful activities of its own in the forum State, but rather based on the sales and use of its competitors' products in that State. If uncorrected, that approach to specific jurisdiction would impose substantial harm on businesses and the judicial system. The Court should grant the petition to address this important issue.

INTRODUCTION AND SUMMARY OF ARGUMENT

This petition presents a relatively rare opportunity to resolve a clear split of authority on an important issue of specific personal jurisdiction. This Court has stressed that the Fourteenth Amendment places strict limits on the exercise of personal jurisdiction by States to ensure fair notice to defendants about where they may be sued. In particular, in *Bristol-Myers* Squibb Co. v. Superior Court, 582 U.S. 255 (2017), the Court made clear that each plaintiff must show a sufficient connection between his or her own claim and the defendant's contacts with the forum State. More recently, in Ford Motor Co. v. Montana Eighth Judicial District Court, the Court reiterated that specific jurisdiction requires a claim to "arise out of or relate to a defendant's contacts with the forum." 592 U.S. 351, 359 (2021) (quotation marks omitted). While the phrase "relate to" does not require causation, it "incorporates real limits" and requires "a connection between a plaintiff's suit and a defendant's activities" in the forum State. Id. at 361-362 (quotation marks omitted).

Courts are divided about how these limits apply to failure-to-warn claims in the pharmaceutical context. When a company develops and obtains approval for a new drug, it is allowed to exclusively sell the drug under its brand name for a certain period of time. After that time expires, the company's competitors may sell a generic version of the drug using the same warning label as the brand-name product. Two States recognize a cause of action under which users of the *generic* drug can sue a *brand-name* manufacturer for failure to warn based on alleged concerns with a warning label.

The federal district court overseeing a multidistrict litigation involving such claims correctly recognized that brand-name manufacturers' contacts with a State in marketing and selling only their own products "do not relate to the claim" of a plaintiff who asserts injury from generic medications sold by competitors. In re Zantac (Ranitidine) Prods. Liab. Litig., 546 F. Supp. 3d 1192, 1213 (S.D. Fla. 2021). But the California courts – both here and in other cases – have allowed plaintiffs to pursue precisely the same claims on this foreclosed theory of specific personal jurisdiction. Plaintiffs have *never* asserted injuries from the purchase or use of Zantac. There is a complete disconnect between the plaintiffs' claims and petitioners' conduct in the forum. Petitioners designed the warning label elsewhere, and the plaintiffs are not claiming injury from any product that petitioners manufactured, marketed, or sold in California or anywhere else. Yet the California courts have asserted their authority to hear these claims.

If left uncorrected, the California courts' approach would impose enormous costs on courts, businesses, and consumers. It would encourage cause-of-action shopping by plaintiffs' lawyers, who will select jurisdictions specifically because they have adopted plaintiff-friendly standards for liability. Businesses would not be able to predict where they could be sued or to structure their conduct to avoid facing suit in unfavorable jurisdictions, even if only their competitors sell products in those jurisdictions. And States would be empowered to regulate conduct that occurred entirely outside their borders – contrary to the principles of federalism that animate this Court's personal jurisdiction precedents. All of this would drive up the costs of litigation, which would undoubtedly be passed on to consumers and employees. This Court's review is urgently needed.

ARGUMENT

I. Courts May Not Assert Specific Jurisdiction Over A Brand-Name Manufacturer For Claims Alleging Injury From A Generic Product

Here, the California Court of Appeal exercised specific jurisdiction over petitioners for claims by plaintiffs who allege harm from generic-brand ranitidine sold by petitioners' competitors – not petitioners' own products – on the theory that petitioners' brand-name warning label dictates the content of the generic label. That approach is directly contrary to this Court's Due Process precedents. Petitioners did not design the warning label in California, and the plaintiffs are not claiming injury from the purchase or use of petitioners' own brand-name products. The plaintiffs' claims therefore do not "arise out of or relate to" petitioners' forum contacts. *Ford Motor*, 592 U.S. at 359 (quotation marks omitted).

A. Specific Jurisdiction Requires That The Claims Arise Out Of Or Relate To The *Defendant*'s Contacts With The Forum

In recent years, this Court has brought rigor to both general and specific personal jurisdiction. The Court has held that a corporate defendant is subject to general jurisdiction only in the State or States in which it is "fairly regarded as at home," generally the corporation's State of incorporation and the State where it has its principal place of business. *Daimler*, 571 U.S. at 137 (quoting *Goodyear Dunlop Tires Operations, S.A.* v. *Brown*, 564 U.S. 915, 924 (2011)); see *BNSF Ry.* v. *Tyrrell*, 581 U.S. 402, 413-414 (2017).

The Court also has clarified the due-process limits on courts' exercise of specific personal jurisdiction. The linchpin of specific jurisdiction is "the relationship among the defendant, the forum, and the litigation." Daimler, 571 U.S. at 126. "For a State to exercise jurisdiction consistent with due process, the defendant's suit-related conduct must create a substantial connection with the forum State." Walden v. *Fiore*, 571 U.S. 277, 284 (2014) (emphases added; quotation marks omitted). This substantial connection is required to ensure that the forum State has a legitimate interest in regulating the defendant's conduct on which the claim is based. For that reason, this Court has "consistently rejected attempts to satisfy the defendant-focused 'minimum contacts' inquiry by demonstrating contacts between the plaintiff (or third parties) and the forum State." Ibid.

In Bristol-Myers Squibb Co. v. Superior Court, 582 U.S. 255 (2017) (BMS), this Court made unmistakably clear that a court may not exercise specific jurisdiction over a particular plaintiff's claim unless the defendant has itself engaged in the in-state activity on which that plaintiff's claim is based. In that case, 86 California residents and 592 plaintiffs from other States sued Bristol-Myers Squibb in California, alleging injuries from taking the drug Plavix. 582 U.S. at 259. The nonresident plaintiffs did not claim any connections with California. *Id.* at 264. Nonetheless, the California Supreme Court upheld the state court's assertion of specific jurisdiction over the nonresidents' claims on the theory that the nonresidents' claims were "similar in several ways" to the claims of the California residents. *Id.* at 260.

This Court reversed, finding no "adequate link between the State and the nonresidents' claims." *BMS*, 582 U.S. at 264. As the Court explained, under the Fourteenth Amendment's Due Process Clause, a defendant must have a sufficient relationship to the forum with respect to *each* plaintiff's claim; the fact that the defendant has the necessary relationship with respect to *some* plaintiffs' claims is not sufficient. *Id.* at 264-265. That is true even when the claims raised by the resident and nonresident plaintiffs are similar. *Ibid.*

This rule serves an important due process function by providing defendants with "fair warning" of where they are likely to be sued. *Ford Motor*, 592 U.S. at 360 (quoting *Burger King Corp.* v. *Rudzewicz*, 471 U.S. 462, 472 (1985)). The rule also promotes foundational principles of federalism by "ensur[ing] that States with 'little legitimate interest' in a suit do not encroach on States more affected by the controversy." *Ibid.* (quoting *BMS*, 582 U.S. at 263).

In *Ford Motor*, this Court reiterated that the "essential foundation" of specific personal jurisdiction "is a 'strong relationship among the defendant, the forum, and the litigation." 592 U.S. at 365 (quoting

Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 414 (1984)). There, the plaintiffs brought product-liability claims stemming from two separate car accidents involving their Ford vehicles. Although the plaintiffs purchased the vehicles outside of the forum States, the Court held that the exercise of specific jurisdiction was proper because Ford "deliberately," "systematically," and "extensively" targeted the forum states "for the very vehicles that the plaintiffs allege malfunctioned and injured them." *Id.* at 364, 365, 368.

As the Court stressed, "[t]hat does not mean anything goes." Ford Motor, 592 U.S. at 362. Instead, "[t]he plaintiff's claims *** 'must arise out of or relate to the defendant's contacts' with the forum." Id. at 359 (quoting BMS, 582 U.S. at 262). The Court emphasized that "the phrase 'relate to' incorporates real limits, as it must to adequately protect defendants foreign to a forum." Id. at 362. At bottom, the contacts with the forum "must be the defendant's own choice" and must create the required "affiliation between the forum and the underlying controversy." Id. at 359-360 (emphasis added; quotation marks and alterations omitted).

For example, a defendant may be haled into a foreign forum "if *its* allegedly defective merchandise has there been the source of injury to its owner or to others" so long as it has "purposefully avail[ed] itself of the [forum's] market" and thus "has clear notice of its exposure in that State to suits arising from local accidents involving *its* products." *Ford Motor*, 592 U.S. at 363 (emphasis added; quotation marks omitted). Thus, in *Ford Motor*, the exercise of specific jurisdiction turned on the fact that the auto accidents involved Ford-made and Ford-branded vehicles, given Ford's deliberate and extensive targeting of the forum States for those very vehicles. *Id.* at 365.

B. The Defendants Here Lack Sufficient Forum Contacts To Permit The Exercise Of Specific Personal Jurisdiction

The California court's exercise of specific personal jurisdiction in this case runs afoul of these foundational principles.

California and Massachusetts have adopted an idiosyncratic approach to product-liability claims based on pharmaceutical warning labels. While in most jurisdictions, a manufacturer can be held liable only for injuries caused by its own product, California and Massachusetts allow a brand-name manufacturer to be held liable for injuries caused by generic products made by other companies. Under this novel theory of "innovator liability," the brand-name manufacturer is liable because the content of the generic product's warning label is dictated by the brand-name product's warning label. See *Rafferty* v. *Merck & Co.*, 92 N.E.3d 1205, 1220 (Mass. 2018); *T.H.* v. *Novartis Pharms. Corp.*, 407 P.3d 18, 22 (Cal. 2017); see also 21 C.F.R. § 314.94(a)(8).

Whatever the merit of that theory as a matter of state product-liability law, due process does not permit the California court's exercise of specific jurisdiction here. Petitioners all are out-of-state defendants, Pet. App. 4, 25, and they designed and revised the Zantac product label in their home States, not in California, Pet. App. 6. Moreover, the relevant plaintiffs did not purchase brand-name Zantac, but rather generic-brand ranitidine sold by petitioners' competitors. The requisite "strong relationship," *Ford Motor*, 592 U.S. at 365 (quotation marks omitted), between those plaintiffs' claims and petitioners' in-state conduct therefore is absent.

California users of a brand-name product might have similar claims about the warning label as California users of third-party generic products would have. But as BMS makes clear, that similarity alone is not enough to permit generic-user plaintiffs to establish specific jurisdiction over brand-name manufacturers. Rather, each claim brought by each plaintiff must relate to the manufacturer's California conduct. The plaintiffs in BMS included both California and non-California residents bringing "products liability, negligent misrepresentation, and misleading advertising claims" predicated on their use of Plavix. 582 U.S. at 259. But "[t]he nonresident plaintiffs did not allege that they obtained Plavix through California physicians or from any other California source; nor did they claim that they were injured by Plavix or were treated for their injuries in California." Ibid. That doomed their efforts to invoke specific jurisdiction in California, even though the California residents' similar claims could proceed in California court. "The mere fact that other plaintiffs were prescribed, obtained, and ingested Plavix in California and allegedly sustained the same injuries as did the nonresidents – does not allow the State to assert specific jurisdiction over the nonresidents' claims." Id. at 265. Accordingly, the mere fact that plaintiffs here may be able to bring claims against other defendants petitioners' competitors – does not permit specific jurisdiction.

As this Court explained in *BMS*, a contrary rule would contravene the fairness, predictability, and federalism interests that underlie this Court's specific-jurisdiction cases. *BMS*, 582 U.S. at 263-267; see pp.

5-6, *supra*. The same logic applies here, and precludes the exercise of specific jurisdiction over the claims of the generic-user plaintiffs.

C. The Decision Below Extends California's Authority Far Beyond The Bounds Permitted By The Constitution

This Court's rigorous specific jurisdiction standard prevents illegitimate exercises of a State's authority. The facts of this case provide a clear example of that abuse.

The generic-brand ranitidine used by the relevant plaintiffs was manufactured and sold by petitioners' third-party competitors. Although the generic warning label has to match the brand-name label, petitioners did not design the brand-name label in California. And the generic-user plaintiffs' injuries are not premised on using the brand-name manufacturers' drug in California. The generic-user plaintiffs' claims thus are not related to any in-state conduct by petitioners.

This case stands in stark contrast to *Ford Motor*. There, the defendant "urge[d] Montanans and Minnesotans to buy *its vehicles*, including (at all relevant times) Explorers and Crown Victorias" – the two vehicles "at the heart of the suits." 592 U.S. at 356, 365 (emphasis added). And the underlying controversies related to auto accidents involving the defendant's own vehicles, vehicles that it marketed and sold in the forum States.

Here, the plaintiffs used generic products marketed and sold by a *different company*. Under the theory of specific jurisdiction below, because the brandname manufacturer is responsible for the content of the warning label, it can be haled into the courts of any State in which competing generic products are sold – even if the brand-name manufacturer has never marketed or sold any products in that State, or, as petitioner GlaxoSmithKline did here, stops selling the brand-name product altogether.

By reaching out to exercise specific jurisdiction over the claims of generic-user plaintiffs, the California courts have "reach[ed] out beyond the limits imposed on them by their status as coequal sovereigns in a federal system." *World-Wide Volkswagen Corp.* v. *Woodson*, 444 U.S. 286, 292 (1980). That runs afoul of this Court's recognition that the Constitution "seeks to ensure that States with 'little legitimate interest' in a suit do not encroach on States more affected by the controversy." *Ford Motor*, 592 U.S. at 360 (quoting *BMS*, 582 U.S. at 263).

The California courts' overreach is especially problematic given the uncommon and questionable nature of the claim. California and Massachusetts permit a view of warning-label liability that widely expands potential tort liability for drug manufacturers for sales made by their competitors. No other State has adopted this theory, and many courts have rejected it. See, e.g., McNair v. Johnson & Johnson, 818 S.E.2d 852, 866 (W. Va. 2018); Huck v. Wyeth, Inc., 850 N.W.2d 353, 377 (Iowa 2014); Stanley v. Wyeth, Inc., 991 So. 2d 31, 34 (La. Ct. App. 1st Cir. 2008). Further, "every federal circuit court to address this issue – applying the law of numerous states – has consistently" predicted that the relevant State's law would not recognize this cause of action. Schrock v. Wyeth, Inc., 727 F.3d 1273, 1285 (10th Cir. 2013) (Oklahoma law). See, e.g., Guarino v. Wyeth, LLC, 719 F.3d 1245, 1252 (11th Cir. 2013) (Florida law); Bell v. Pfizer, Inc., 716 F.3d 1087, 1093 (8th Cir. 2013) (Arkansas law); Demahy v. Schwarz Pharma, Inc., 702

F.3d 177, 183 (5th Cir. 2012) (per curiam) (Louisiana law); *Smith* v. *Wyeth*, *Inc.*, 657 F.3d 420, 423-424 (6th Cir. 2011) (Kentucky law); *Foster* v. *Am. Home Prods.*, 29 F.3d 165, 170 (4th Cir. 1994) (Maryland law).

California and Massachusetts should not be allowed to expand the reach of their idiosyncratic laws by permitting lawsuits against defendants in their States that are based solely on the defendants' conduct in *other* States.

D. Review Is Warranted Now

The Court's intervention is warranted now because the petition presents a rare opportunity to resolve the conflict over an important personal jurisdiction issue that tends to evade appellate review.

In most courts, including federal courts, the issue often will evade review because orders on personal jurisdiction are not typically appealable until after entry of a final judgment. See 28 U.S.C. § 1291. For example, dismissals of claims against brand-name manufacturers by generic-user plaintiffs rarely will result in an appealable order, given that there almost always will be remaining claims by users of the brandname product. And the remaining claims may ultimately be dismissed on other grounds (as in the federal MDL here), mooting any appeal from an earlier personal-jurisdiction ruling.

In the converse scenario where a court denies a motion to dismiss for lack of personal jurisdiction, there is again no final judgment. Interlocutory review is typically not available. See, *e.g.*, 28 U.S.C. § 1292(b); *Salomon S.A.* v. *LaFond*, 971 N.E.2d 1277, 1277 (Mass. 2012) (rejecting petition for interlocutory appellate review from denial of personal-jurisdiction motion). Moreover, the sheer number of claims in

mass-tort product-liability litigation, and their aggregate stakes, make global settlement a far more likely resolution than an appealable final judgment. See Andrew S. Pollis, *The Need For Non-Discretionary Interlocutory Appellate Review in Multidistrict Litigation*, 79 Fordham L. Rev. 1643, 1667-1670 (2011); U.S. Chamber Institute for Legal Reform, *Trials and Tribulations: Contending with Bellwether and Multi-Plaintiff Trials in MDL Proceedings* 4-5 (Oct. 2019), https://perma.cc/H5ZU-ZT5E.

California state court is different. Unlike the courts in most jurisdictions, it requires defendants to appeal immediately from an adverse personal-jurisdiction ruling. See Cal. Civ. Proc. Code § 418.10(c); State Farm Gen. Ins. v. JT's Frames, Inc., 104 Cal. Rptr. 3d 573, 580 (Ct. App. 2010). That procedural rule has led to an opportunity for this Court to resolve the critically important and purely legal question presented by the petition. California's expansive exercise of specific jurisdiction is squarely at odds with the fairness, predictability, and federalism principles undergirding this Court's limits on specific jurisdiction. If this Court declines to review California's unconstitutional exercise of specific jurisdiction, this critical question will continue to evade appellate review in state and federal courts.

II. The Rule Applied By The Court Below Harms Courts, Businesses, And The Sovereignty Of Other States

The decision below threatens to impose severe burdens on the business community, the courts, and the federal system. This Court's intervention is urgently needed to correct the erroneous standard applied by the court below and eliminate these unjustified burdens.

A. Overly Expansive Approaches To Specific Jurisdiction Invite Cause-Of-Action Shopping

The plaintiffs' bar has long used expansive theories of personal jurisdiction to bring cases in plaintifffriendly "magnet jurisdictions" known to produce massive and unjustified damages awards. See U.S. Chamber Inst. for Legal Reform, BMS *Battlegrounds: Practical Advice for Litigating Personal Jurisdiction After* Bristol-Myers 3-5 (June 2018), perma.cc/8QYZ-C48M. This Court sought to curtail those abuses by limiting general jurisdiction to a defendant's home State(s), see *Daimler*, 571 U.S. at 137, and by requiring plaintiffs in a mass action to establish specific jurisdiction as to each claim, see *BMS*, 582 U.S. at 262. Expansive theories of specific jurisdiction like the one adopted by the California court create an end-run around these limits.

This case presents an even more acute problem. The plaintiffs' lawyers here are not engaged in just forum shopping but cause-of-action shopping. Only California and Massachusetts recognize the novel theory of innovator liability. Under this theory, a brandname manufacturer may be held liable for its competitors' sale of generic-name products simply because the brand-name manufacturer designed the warning labels. Although courts in other States are capable of applying California law, plaintiffs' lawyers likely perceive California as a more hospitable forum for claims based on this unusual theory of liability. The result is that they have brought many cases by purchasers of generic-brand products in California rather than in the brand-name manufacturers' home State.

This case, and the sequence of litigation surrounding ranitidine, illustrates the problem. A private online pharmacy initially filed a citizen petition with the Food and Drug Administration concerning ranitidine, which prompted the filing of lawsuits in state and federal courts across the country. See *In re Zantac (Ranitidine) Prods. Liab. Litig.*, 510 F. Supp. 3d 1175, 1190 (S.D. Fla. 2020). Among the productliability claims brought against petitioners was the so-called innovator-liability claim brought by purchasers of generic ranitidine. *Id.* at 1191-1192. The Judicial Panel on Multidistrict Litigation consolidated the federal suits in the Southern District of Florida. *Id.* at 1191.

In the multidistrict litigation, the district court rejected the expansive theory of specific jurisdiction adopted below. Although the plaintiffs argued that petitioners "are subject to specific personal jurisdiction in all U.S. states and territories," the court held that only the courts in petitioners' home States had personal jurisdiction over the innovator-liability claims brought by users of generic ranitidine. In re Zantac, 510 F. Supp. 3d at 1200-1201. The district court subsequently granted summary judgment to petitioners in nearly all of the remaining cases. In re Zantac (Ranitidine) Prods. Liab. Litig., 644 F. Supp. 3d 1075, 1286 (S.D. Fla. 2022).

But thousands of plaintiffs remained in state court, including in California. The California statecourt plaintiffs got another bite at the specific-jurisdiction apple and ultimately convinced the court below to deviate from the rule adopted by the federal MDL court. The result is that petitioners are now forced to defend against the plaintiffs' novel theory of liability in California even though the claims are completely unconnected to petitioners' activities in California. That result is precisely what this Court's limitations on specific jurisdiction are supposed to prevent.

B. Overly Expansive Approaches To Specific Jurisdiction Impose Greater Uncertainty On Businesses

This Court has long recognized that the rules for specific jurisdiction are intended to create predictability for defendants, particularly corporate defendants, so that they can "structure [their] primary conduct' to lessen or avoid exposure to a given State's courts." Ford Motor, 592 U.S. at 360 (quoting World-Wide Volkswagen, 444 U.S. at 297); see also J. McIntyre Machinery, Ltd. v. Nicastro, 564 U.S. 873, 885 (2011) (plurality op.) (explaining that "[j]urisdictional rules should avoid the[] costs [of litigating disputed jurisdictional issues] whenever possible").

That "[p]redictability is valuable to corporations making business and investment decisions." *Hertz Corp.* v. *Friend*, 559 U.S. 77, 94 (2010). For example, "[i]f a business entity chooses to enter a state on a minimal level, it knows that under the relationship standard, its potential for suit will be limited to suits concerning the activities that it initiates in the state." Carol Rice Andrews, *The Personal Jurisdiction Problem Overlooked in the National Debate About "Class Action Fairness*," 58 S.M.U. L. Rev. 1313, 1346 (2005).

The decision below eviscerates predictability for corporate defendants. Under its approach, a business may be subject to suit anywhere in the country for claims based on the purchase and use of its competitors' products – sales and uses that are entirely outside of petitioners' control. A brand-name manufacturer would be obligated to defend itself in perpetuity in the forum State for purchases of its competitors' products, even if it has long left the State or stopped selling the brand-name product there. Accordingly, there is nothing petitioners or other brand-name manufacturers can do to "lessen or avoid" exposure to litigation in California, or in any other State. *Ford Motor*, 592 U.S. at 360.

C. Overly Expansive Approaches To Specific Jurisdiction Intrude On Other States' Sovereignty

This Court's limits on specific jurisdiction "ensure that the States[,] through their courts, do not reach out beyond the limits imposed on them by their status as coequal sovereigns in a federal system." *World-Wide Volkswagen*, 444 U.S. at 292.

But that is exactly what States would be able to do under the approach to specific jurisdiction employed below. That approach permits a State to adjudicate claims by plaintiffs that lack any real connection to the defendant's in-state activities. In doing so, such a State intrudes on the sovereignty of States that do have a substantial connection to the claim, such as the States where the brand-name manufacturer is at home or designed the allegedly inadequate warning label.

There are no offsetting benefits to permitting this serious erosion of federalism. States have no legitimate interest in asserting specific jurisdiction so expansively and inserting themselves into disputes that are much more closely connected to other States. And a State's ability to adjudicate claims that are actually based on a defendant's in-State activities fully vindicates that State's interest in regulating conduct within its borders. See, *e.g.*, *Walden*, 571 U.S. at 284. The decision below, if uncorrected, would have far-reaching effects and impose serious, unwarranted costs on the courts, businesses, and consumers. The Court should grant the petition.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

JENNIFER B. DICKEY	NICOLE A. SA
ANDREW R. VARCOE	Counsel of R
KEVIN R. PALMER	DANIEL E. JOI
U.S. Chamber	WAJDI C. MAI
Litigation Center	Mayer Brow
1615 H Street, NW	1999 K Stree
Washington, DC 20062	Washington
	(202) 263-30

NICOLE A. SAHARSKY Counsel of Record DANIEL E. JONES WAJDI C. MALLAT Mayer Brown LLP 1999 K Street, NW Washington, DC 20006 (202) 263-3000 nsaharsky@mayerbrown.com

JULY 2024