
<i>SPCA of Upstate New York, Inc.</i> v. <i>American Working Collie Association</i>: The New York Court of Appeals Clarifies the Reach of Long-Arm Jurisdiction as to Defamation Claims Where Jurisdiction is to Be Based on Transacting Business in the State

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On February 9, 2012, the New York Court of Appeals held in *SPCA of Upstate New York, Inc. v. American Working Collie Association*, that the New York Supreme Court's Appellate Division properly dismissed plaintiffs' defamation claim against out-of-state defendants for lack of personal jurisdiction under C.P.L.R. § 302(a)(1), a provision of New York's long-arm statute. The main issue was whether defendants had purposefully transacted business within New York, and if so, whether a proper nexus existed between the business transaction and the alleged defamation. In a 4-3 decision, the Court held that defendants' contacts in New York did not constitute "purposeful activities" that were "sufficiently related" to the alleged defamation that would justify extending jurisdiction. In reaching this decision, the Court of Appeals majority confirmed an earlier observation of the Second Circuit that "New York courts construe 'transacts any business within the state' more narrowly in defamation cases than they do in the context of other sorts of litigation."

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