Second Circuit Confirms Registration To Do Business Under New York's Business Registration Statute Does Not Constitute Consent To General Jurisdiction

Date: 05/07/20

For the better part of the last century, companies that registered to do business under state business registration statutes were deemed to have consented to general personal jurisdiction — i.e., jurisdiction over all disputes — in that state, regardless of any link between the alleged misconduct and the forum. That was thrown into doubt in 2014, when the Supreme Court of the United States held in *Daimler AG* v. *Bauman* that, in all but the most extraordinary cases, a defendant is only subject to general jurisdiction where it is "at home," which generally means where a company is incorporated or has its principal place of business.

Since *Daimler,* companies being sued in forums for conduct that occurred elsewhere have argued that various state business registration statutes cannot provide a basis for consent to general jurisdiction. The courts that have considered the question have, with few exceptions, agreed.

On March 31, 2020, in *Chen* v. *Dunkin' Brands, Inc.,* the Court of Appeals for the Second Circuit continued this trend holding that a company does not subject itself to the general jurisdiction of New York state and federal courts simply by registering to do business under New York's business registration statute. Previously, in its 2016 decision in *Brown* v. *Lockheed Martin Corp.,* the Second Circuit had suggested in *dicta* that the New York business registration statute likely requires companies to consent to general jurisdiction. In *Chen,* however, the Court definitively held that the statute does not so require and, therefore, companies from across the country and around the globe that do business in New York can do so without broadly exposing themselves to litigation for conduct that lacks a connection to New York.

Attorneys

- Joel Kurtzberg
- Adam S. Mintz
- G. Kevin Judy II