
Court of Appeals Extends Reach of NY Long-Arm Statute

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Under § 302(a)(1) of the New York Civil Practice Law and Rules (“C.P.L.R.”), non-domiciliary defendants are subject to personal jurisdiction in New York if (i) they transact any business within the state, (ii) the cause of action arises from that business transaction, and (iii) the exercise of jurisdiction comports with due process under the United States Constitution. In *State v. Vayu, Inc.*, 2023 WL 1973001 (N.Y. Feb. 14, 2023), the New York Court of Appeals — reversing the decision of a divided Third Department Appellate Division panel — held 5-1 that a contract between a Michigan-headquartered Delaware corporation and the State University of New York at Stony Brook (“SUNY Stony Brook”), to deliver medical supplies in Madagascar via drone, provided the contacts necessary to establish jurisdiction over the corporation in New York state court.

Before this decision, there had been an open question as to whether an out-of-state defendant’s contacts, relating only to a single, already-consummated transaction in New York, would be sufficiently purposeful to confer personal jurisdiction. The Court of Appeals has now answered that important question in the affirmative, at least where such contacts also arguably relate to *future* New York transactions. This broadened application of New York’s long-arm statute could result in significantly more cases moving past motions to dismiss and into discovery, increasing costs and burdens for out-of-state defendants in New York courts.

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