

September 15, 2016

Unanimous Colorado Supreme Court Issues Precedential Ruling on General, Tag Jurisdiction

In a closely watched case, Monday's Colorado Supreme Court decision in *Magill v. Ford Motor Co.* established two precedents that will make it harder to sue foreign corporations in Colorado going forward.

The underlying action involved a car accident the Magill family suffered in Douglas County—their residence county—with an individual from El Paso County. The Magills sued both the driver (on negligence theories) and Ford (for strict product liability). The lawsuit was filed in Denver based on the traditional rules of general jurisdiction that dictated that Ford could be sued in Colorado on any subject because it had a permanent agent—or permanent office—in Colorado and as such could be found to reside in Colorado for purposes of being sued here. Because its registered agent was in Denver, the old rules allowed Ford to be sued in Denver County.

The court remanded to the trial court level in a ruling that will have lasting impact on litigation in Colorado.

First, the Colorado Supreme Court rejected the doctrine known as “tag jurisdiction” that service of process on a defendant in Colorado gives a court jurisdiction over the defendant even if the defendant has no other connections to Colorado.

Importantly, this means that registration of an agent for service of process in Colorado, which is required of corporations doing business in the Colorado, and often conferred jurisdiction, is no longer sufficient to confer general jurisdiction over the corporation.

Second, the court followed the law delineated by the United States Supreme Court in *Daimler A.G. v. Bauman* and applied the doctrine that general jurisdiction over a corporation is limited to jurisdictions where the corporate defendant is “at home.” This essentially means general jurisdiction in Colorado can only be asserted against if that corporation is incorporated in Colorado or has its headquarters in Colorado. Previously, suits were permitted on any subject brought against a corporation in Colorado if it just had a regular office or agent for the conduct of business.

Finally, the court further opined on the venue rules finding that the address of the agent for service of process was not sufficient to establish venue in addition to being insufficient grounds to establish general personal jurisdiction. This means that the remanded case cannot be heard in Denver County.

Thus, in remanding the case, the Colorado Supreme Court directed the lower court to transfer the case to a new venue—presumably Douglas County where the accident occurred—so that the lower court could determine if Colorado has specific personal jurisdiction over Ford based upon the connections of the facts of the particular case to Ford. The Colorado Supreme Court did not opine directly on specific jurisdiction as that issue was not before it.

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The take-away from this decision is that litigants should look beyond general jurisdiction when considering filing a lawsuit against a corporation in Colorado unless that corporation makes Colorado its “Home.” Instead, litigants should more strongly review their particular facts as they relate to specific jurisdictions.

The full text of the opinion can be found [here](#).

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