

IN THE SUPREME COURT OF GEORGIA

Case No. S20G1368

Court of Appeals No. A20A0933

COOPER TIRE & RUBBER COMPANY,

Appellant,

v.

TYRANCE MCCALL,

Appellee.

**BRIEF OF THE CHAMBER OF COMMERCE OF
THE UNITED STATES OF AMERICA AS *AMICUS CURIAE*
IN SUPPORT OF APPELLANT
COOPER TIRE & RUBBER COMPANY**

Prepared by:

Brandon R. Keel
Georgia Bar No. 300303
KING & SPALDING LLP
1180 Peachtree Street NE
Atlanta, GA 30309
(404) 572-4600
bkeel@kslaw.com

*Counsel for Amicus Curiae
The Chamber of Commerce of the
United States of America*

TABLE OF CONTENTS

TABLE OF AUTHORITIES.....	ii
INTEREST OF <i>AMICUS CURIAE</i>	1
SUMMARY OF ARGUMENT.....	3
STATEMENT OF ISSUES.....	4
ARGUMENT.....	5
I. The Due Process Clause of The Fourteenth Amendment to the U.S. Constitution Limits the Scope of Georgia’s Personal Jurisdiction Over Foreign Corporations.....	5
II. This Court’s Decision in <i>Klein</i> Conflicts with Binding U.S. Supreme Court Precedent.....	7
A. General Jurisdiction Requires that a Corporation’s Contacts Be So Continuous and Systematic that the Corporation Is Essentially at Home in the Forum State.....	8
B. Registering to Do Business in a Forum State Is Not Enough to Render a Corporation Essentially at Home There.....	13
C. Registering to Do Business in Georgia Does Not Establish a Corporation’s Consent to General Jurisdiction Within the State.....	17
III. Strong Policy Reasons Weigh in Favor of Overturning <i>Allstate v. Klein</i>	19
CONCLUSION	24
CERTIFICATE OF SERVICE	

TABLE OF AUTHORITIES

Cases

<i>Allstate Insurance Co. v. Klein</i> , 262 Ga. 599, 422 S.E.2d 863 (1992)	1, 3, 4, 7, 13, 16
<i>AM Tr. v. UBS AG</i> , 681 F. App'x 587 (9th Cir. 2017)	11
<i>BNSF Ry. Co. v. Tyrrell</i> , 137 S. Ct. 1549 (2017).....	5, 16, 17
<i>Bristol-Myers Squibb Co. v. Super. Ct.</i> , 137 S. Ct. 1773 (2017).....	3, 5, 6, 12, 13, 16, 20
<i>Brown v. Lockheed Martin Corp.</i> , 814 F.3d 619 (2d Cir. 2016)	2, 17, 18
<i>Burger King Corp. v. Rudzewicz</i> , 471 U.S. 462 (1985)	21
<i>Carpenter v. McMann</i> , 304 Ga. 209, 817 S.E.2d 686 (2018)	6
<i>Chen v. Dunkin' Brands, Inc.</i> , 954 F.3d 492 (2d Cir. 2020)	11, 17
<i>Coley v. State</i> , 231 Ga. 829, 204 S.E.2d 612 (1974)	6, 19
<i>Collier v. State</i> , 307 Ga. 363, 834 S.E.2d 769 (2019)	6, 7, 19
<i>Daimler AG v. Bauman</i> , 571 U.S. 117 (2014).....	2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
<i>Fidrych v. Marriott Int'l, Inc.</i> , 952 F.3d 124 (4th Cir. 2020).....	11, 16
<i>Goodyear Dunlop Tires Operations, S.A. v. Brown</i> , 564 U.S. 915 (2011).....	2, 3, 4, 5, 6, 7, 9, 10, 14, 16

Helicopteros Nacionales de Colombia, S.A. v. Hall
 466 U.S. 408 (1984)8, 15

Hertz Corp. v. Friend,
 559 U.S. 77 (2010)9

Int’l Shoe Co. v. Washington,
 326 U.S. 310 (1945) 2, 5, 8, 9, 14, 20, 21

Koontz v. St. Johns River Water Mgmt. Dist.,
 570 U.S. 595 (2013) 19

O’Neal Steel, Inc. v. Smith,
 120 Ga. App. 106, 169 S.E.2d 827 (1969) 6

Perkins v. Benguet Consol. Mining Co.,
 342 U.S. 437 (1952) 12, 14

Pulson v. Am. Rolling Mill Co.,
 170 F.2d 193 (1st Cir. 1948) 6

United States v. Am. Library Ass’n,
 539 U.S. 194 (2003) 19

Waite v. All Acquisition Corp.,
 901 F.3d 1307 (11th Cir. 2018) 11

World-Wide Volkswagen Corp. v. Woodson,
 444 U.S. 286 (1980) 20, 21, 22

Constitutional Provision

Ga. Const. art. 1, § 2, ¶ V6

Statutes

O.C.G.A § 14-2-1502 21

O.C.G.A. § 10-1-490 20

O.C.G.A. § 14-2-122 21

O.C.G.A. § 14-2-140 21

O.C.G.A. § 9-10-90 15
O.C.G.A. § 9-10-90–91 21

INTEREST OF *AMICUS CURIAE*

The Chamber of Commerce of the United States of America (“Chamber”) is the world’s largest business federation. It represents approximately 300,000 direct members and indirectly represents the interests of more than three million companies and professional organizations of every size, in every industry sector, 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 that raise issues of concern to the nation’s business community, including class actions.

The personal jurisdiction issue raised here—whether business registration in Georgia suffices to establish general jurisdiction over an out-of-state corporation—is important to the business interests of the Chamber’s members. Reaffirming *Allstate Insurance Co. v. Klein*, 262 Ga. 599, 422 S.E.2d 863 (1992), would lead Georgia’s courts to exercise general jurisdiction over virtually every corporation doing business in Georgia, thereby preventing businesses from “structur[ing] their primary conduct with some minimum assurance as to where that conduct will and

will not render them liable to suit.” *Daimler AG v. Bauman*, 571 U.S. 117, 139 (2014) (internal quotation marks omitted). That is especially problematic because every state, along with the District of Columbia, has a business registration requirement that is comparable to the one at issue here. *Brown v. Lockheed Martin Corp.*, 814 F.3d 619, 640 (2d Cir. 2016). If the *Klein* rule were adopted in other states, it would subject many businesses to general jurisdiction in every state regardless of the strength of each business’s ties to any particular forum. That would vitiate the U.S. Supreme Court’s determination that, under the federal Constitution, a corporation is subject to general jurisdiction only in a state where its “affiliations with the state are so ‘continuous and systematic’ as to render [the corporation] essentially at home in the forum State.” *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919 (2011) (quoting *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 317 (1945)).

SUMMARY OF ARGUMENT

This Court's decision in *Allstate Insurance Co. v. Klein*, 262 Ga. 599, 422 S.E.2d 863 (1992), conflicts with more recent binding precedent from the U.S. Supreme Court and should therefore be overruled. *Klein* held that a corporation's business registration in Georgia is in and of itself sufficient to warrant the exercise of general, all-purpose jurisdiction over that corporation within the state. *Id.* at 601, 865. That rule violates the U.S. Supreme Court's determination that a corporate entity is subject to general jurisdiction only in a limited number of forum states "in which the corporation is fairly regarded as at home." *Bristol-Myers Squibb Co. v. Super. Ct.*, 137 S. Ct. 1773, 1780 (2017) (quoting *Goodyear*, 564 U.S. at 924); *see also Daimler*, 571 U.S. at 137.

In addition to running afoul of binding U.S. Supreme Court precedent, failing to recognize the abrogation of *Klein* would negatively affect Georgia's economy and the interests of its citizens. It could discourage business activity in Georgia. It could also divert scarce judicial resources away from cases in which Georgia's interests are substantial to those in which Georgia lacks any meaningful interest,

while undermining the sovereign power of Georgia's sister states to hear cases implicating their own sovereign interests.

STATEMENT OF ISSUES

Whether the Georgia Supreme Court's decision in *Allstate v. Klein*, 262 Ga. 599, 422 S.E.2d 863 (1992), should be overruled as inconsistent with binding U.S. Supreme Court precedent providing that an out-of-state corporation is subject to general jurisdiction in a forum state only when its affiliations with that state are "so continuous and systematic as to render [the foreign corporation] essentially at home in the forum State." *Daimler*, 571 U.S. at 133 (quoting *Goodyear*, 564 U.S. at 919).

ARGUMENT

I. The Due Process Clause of The Fourteenth Amendment to the U.S. Constitution Limits the Scope of Georgia’s Personal Jurisdiction Over Foreign Corporations.

“It has long been established that the Fourteenth Amendment limits the personal jurisdiction of state courts.” *Bristol-Myers Squibb*, 137 S. Ct. at 1779 (citing cases). Because the exercise of personal jurisdiction “exposes defendants to the State’s coercive power,” it is “subject to review for compatibility with the Fourteenth Amendment’s Due Process Clause.” *Goodyear*, 564 U.S. at 918–19. To comport with due process requirements, “a state court may exercise personal jurisdiction over an out-of-state defendant [that] has ‘certain minimum contacts with [the State] such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice.’” *BNSF Ry. Co. v. Tyrrell*, 137 S. Ct. 1549, 1558 (2017) (quoting *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)). Specific jurisdiction—sometimes called case-linked jurisdiction—is available where “the *suit* . . . aris[es] out of or relat[es] to the defendant’s contacts with the *forum*” state. *Bristol-Myers Squibb*, 137 S. Ct. at 1780 (internal quotation marks omitted). General jurisdiction—sometimes called all-purpose jurisdiction—is typically available only in the state of an individual’s

domicile or, for a corporation, “an equivalent place, one in which the corporation is fairly regarded as at home.” *Id.* (quoting *Goodyear*, 564 U.S. at 924).

Whether a state’s exercise of personal jurisdiction over an out-of-state defendant satisfies federal due process requirements is a question of federal constitutional law. “[S]tate authorities are not controlling.” *O’Neal Steel, Inc. v. Smith*, 120 Ga. App. 106, 111, 169 S.E.2d 827, 830 (1969) (quoting *Pulson v. Am. Rolling Mill Co.*, 170 F.2d 193, 194 (1st Cir. 1948)). Instead, Georgia’s legislature and courts are both “bound by the Constitution of the United States and its provisions are construed and applied by the Supreme Court of the United States.” *Coley v. State*, 231 Ga. 829, 832, 204 S.E.2d 612, 614 (1974) (per curiam); *see also Carpenter v. McMann*, 304 Ga. 209, 211, 817 S.E.2d 686, 689 (2018); Ga. Const. art. 1, § 2, ¶ V.

For these reasons, if a Georgia judicial decision conflicts with binding U.S. Supreme Court precedent on a question of federal law, the Georgia court’s decision should be overruled. *See Collier v. State*, 307 Ga. 363, 366–67, 834 S.E.2d 769, 774 (2019). That is true regardless of how well-established the precedent might be. As this Court has recognized,

“even the venerable doctrine of stare decisis does not permit [the Court] to persist in an error of *federal* constitutional law.” *Collier*, 307 Ga. at 367 n.2, 834 S.E.2d at 774 n.2 (quoting *Lejeune v. McLaughlin*, 296 Ga. 291, 298, 766 S.E.2d 803, 808 (2014)).

II. This Court’s Decision in *Klein* Conflicts with Binding U.S. Supreme Court Precedent.

Allstate Insurance Co. v. Klein determined that Georgia state courts may exercise general jurisdiction over any business that is registered in the state. 262 Ga. 599, 601, 422 S.E.2d 863, 865 (1992). That ruling conflicts with more recent decisions from the U.S. Supreme Court concluding that general, all-purpose jurisdiction is available over an out-of-state corporation only when its connections to the forum state are “so continuous and systematic as to render [it] essentially at home in the forum State.” *Daimler*, 571 U.S. at 133 n.11 (quoting *Goodyear*, 564 U.S. at 919). This Court has overruled previous state court decisions that “conflict[] with controlling United States Supreme Court precedent.” *Collier*, 307 Ga. at 366–67, 834 S.E.2d at 774. It should do the same here.

A. General Jurisdiction Requires that a Corporation's Contacts Be So Continuous and Systematic that the Corporation Is Essentially at Home in the Forum State.

Personal jurisdiction over a defendant is satisfied through the exercise of either specific or general jurisdiction within the forum state. As noted above, specific jurisdiction authorizes lawsuits that “aris[e] out of or relate[] to the defendant’s contacts with the forum.” *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414 n.8 (1984). In contrast, general jurisdiction, which is at issue here, applies only when a defendant’s “affiliations with the State are so ‘continuous and systematic’ as to render [it] essentially at home in the forum State.” *Daimler*, 571 U.S. at 139 (internal quotation marks omitted). If a defendant is subject to general jurisdiction within a forum, it may be sued there on “any and all claims”—regardless of whether its forum-related activities are related to the lawsuit’s specific allegations. *Daimler*, 571 U.S. at 137.

Due to the all-encompassing nature of general jurisdiction, the U.S. Supreme Court has recognized strict limits on when such jurisdiction may be exercised consistent with constitutional requirements. A corporation’s mere “casual presence” in a state is insufficient to render the entity “essentially at home” there. *Int’l Shoe Co.*, 326 U.S. at 317;

Goodyear, 564 U.S. at 919. Nor is a defendant's engagement in "a substantial, continuous, and systematic course of business" enough: to be subject to general jurisdiction, a defendant's course of business must be "so 'continuous and systematic' as to render [the defendant] essentially at home in the forum state." *Goodyear*, 564 U.S. at 919 (quoting *Int'l Shoe Co.*, 326 U.S. at 317); *Daimler*, 571 U.S. at 138 (citation omitted). For these reasons, corporate defendants are typically subject to general jurisdiction only in their state of incorporation or principal place of business, "the place where the corporation maintains its headquarters." *Hertz Corp. v. Friend*, 559 U.S. 77, 92–93 (2010).

Recent decisions from the U.S. Supreme Court have reinforced the stringency of this rule. In *Goodyear Dunlop Tires Operations, S.A. v. Brown*, for example, the Court rejected an attempt to impose general jurisdiction in North Carolina on foreign subsidiaries of a U.S.-based company because of their placement of products into North Carolina's marketplace. 564 U.S. at 921. The Court concluded that such a theory of personal jurisdiction would "elide[] the essential difference between case-specific and all-purpose (general) jurisdiction." *Id.* at 927. While in-state business activity may strengthen the case for specific jurisdiction

over an out-of-state defendant, the placement of a product into a forum state's stream of commerce is not enough to warrant the exercise of general jurisdiction in that forum. *Id.*

The U.S. Supreme Court reached a similar conclusion in *Daimler AG v. Bauman*, 571 U.S. 117 (2014). That decision involved allegations against a German company with an Argentine subsidiary that allegedly participated in the kidnapping, detainment, torture, and murder of Argentinian workers during the country's "Dirty War." *Id.* at 120. The plaintiffs argued that California could exercise general jurisdiction over the German company, Daimler AG, based on the in-state contacts of Daimler's indirect subsidiary, a Delaware limited liability corporation, which had multiple California-based facilities and distributed luxury vehicles into California's market. *Id.* at 123.

Even assuming that the indirect subsidiary's California contacts could be attributed to Daimler, the U.S. Supreme Court determined that the contacts were insufficient to permit the exercise of general jurisdiction. *Id.* at 136. "[N]either Daimler nor [the indirect subsidiary] is incorporated in California, nor does either entity have a principal place of business there." *Id.* at 139. Exercising general jurisdiction under such

circumstances would mean that Daimler would be subject to general jurisdiction “in every other State in which [the subsidiary’s] sales are sizable”—resulting in an “exorbitant” litigation risk that would unfairly undermine the company’s ability to foresee where it could be haled into court. *Id.*

In the wake of these cases, courts have recognized that corporate defendants are subject to general jurisdiction only in the “paradigm” cases of the corporation’s place of incorporation or principal place of business, with exceptions applying only in “truly exceptional” circumstances. *Chen v. Dunkin’ Brands, Inc.*, 954 F.3d 492, 498 (2d Cir. 2020) (internal quotation marks omitted); *Fidrych v. Marriott Int’l, Inc.*, 952 F.3d 124, 133 (4th Cir. 2020); *Waite v. All Acquisition Corp.*, 901 F.3d 1307, 1317 (11th Cir. 2018); *AM Tr. v. UBS AG*, 681 F. App’x 587, 588 (9th Cir. 2017). Indeed, the U.S. Supreme Court has on only one occasion approved the exercise of general jurisdiction over a corporate defendant in a forum state that was not the corporation’s official place of incorporation or principal place of business. That decision involved the exercise of general jurisdiction in Ohio over a mining company based in the Philippines. *Perkins v. Benguet Consol. Mining Co.*, 342 U.S. 437,

438–39 (1952). The company’s operations in the Philippines were “completely halted during the [wartime] occupation of the Islands by the Japanese,” and the company’s president relocated to Ohio to oversee operations from an in-state office—including by maintaining two active bank accounts with the company’s funds in Ohio, holding directors’ meetings in Ohio, and planning the eventual resumption of operations in the Philippines from Ohio. *Id.* at 447–48. Under those circumstances, the mining company had effectively set up a temporary principal place of business in Ohio, warranting the exercise of general jurisdiction. *Id.* at 448.

U.S. Supreme Court precedent thus makes clear that general jurisdiction exists only when a corporation’s affiliations with a forum state are so continuous and systematic as to render the corporation essentially at home in the forum state, which is almost always limited to a company’s principal place of business or place of incorporation. *Daimler*, 571 U.S. at 137; *Bristol-Myers Squibb*, 137 S. Ct. at 1780. Enforcing this constitutional rule is important both to ensuring the appropriate relationship among the states and to allowing corporate defendants to structure their affairs with some minimal assurance of

where their conduct will and will not render them liable to suit. *Daimler*, 571 U.S. at 137.

B. Registering to Do Business in a Forum State Is Not Enough to Render a Corporation Essentially at Home There.

This Court's decision in *Allstate v. Klein* conflicts with these binding precedents. *Allstate* held that a foreign corporation may be treated as a Georgia "resident" for personal jurisdiction purposes as long as the corporation is "authorized to do or transact business in this state at the time a claim" arises. 262 Ga. 599, 601, 422 S.E.2d 863, 865 (1992) (quoting O.C.G.A. § 9-10-90). Such a resident "may sue or be sued to the same extent as a domestic corporation," regardless of whether the litigation arises out of the resident defendant's connections with Georgia. *Id.* *Allstate* effectively authorizes the exercise of general jurisdiction over any corporate defendant that is registered to do business within the state.

That holding is inconsistent with constitutional requirements. As the U.S. Supreme Court has recently reinforced, "only a limited set of affiliations with a forum will render a defendant amenable to general jurisdiction in that State." *Bristol-Myers Squibb*, 137 S. Ct. at 1780 (internal quotation marks omitted). Those affiliations must be "so

continuous and systematic as to render [the foreign corporation] essentially at home in the forum State.” *Daimler*, 571 U.S. at 133 n.11 (quoting *Goodyear*, 564 U.S. at 919). Business registration falls far short of the “essentially at home” standard. And it is in no way comparable to the exceptional circumstances that warranted the exercise of general jurisdiction in *Perkins*, which involved the temporary transfer of a mining company’s operations from the Philippines to Ohio due to a wartime occupation. 342 U.S. at 448–49.

The U.S. Supreme Court has repeatedly rejected minimal contacts comparable to business registration as sufficient bases for exercising general jurisdiction. In an early personal jurisdiction case, the Court noted that “the casual presence” of a corporate entity or its “single or isolated items of activities in a state” are not enough to warrant exercising general jurisdiction. *Int’l Shoe Co.*, 326 U.S. at 317. Similarly, in another case the Court held that the exercise of general jurisdiction over a foreign corporation in Texas violated due process where the corporation’s in-state contacts were limited to having a chief executive officer negotiate contracts in Texas, accepting checks that were drawn on a Houston bank, purchasing equipment from an in-state company, and

conducting personnel training in Fort Worth. *Helicopteros*, 466 U.S. at 416. For the same reason that those contacts are insufficient to ground personal jurisdiction, so too is mere business registration.

Indeed, the U.S. Supreme Court rejected a theory in *Daimler* that would “approve the exercise of general jurisdiction in every State in which a corporation engages in a substantial, continuous, and systematic course of business.” 571 U.S. at 137–38 (internal quotation marks omitted). Such a theory, the U.S. Supreme Court counseled, would inappropriately allow any state to exercise general jurisdiction over corporate entities that maintain “sizable” business contacts within the state, making general jurisdiction the rule rather than the exception. *Id.* at 139.

These cases illustrate a recurring theme: the avoidance of any theory of general jurisdiction that would result in corporate defendants being subject to all-purpose jurisdiction in multiple states. *See id.* Such an outcome would amount to “exorbitant exercises of all-purpose jurisdiction” that would preclude corporations from “structur[ing] their primary conduct with some minimum assurance as to where that conduct will and will not render them liable to suit.” *Id.* Courts must evaluate

“a corporation’s activities in their entirety” before approving the exercise of general jurisdiction precisely to avoid an unduly expansive assertion of general jurisdiction. *BNSF Ry. Co.*, 137 S. Ct. at 1559 (quoting *Daimler*, 571 U.S. at 139 n.20).

The *Klein* rule runs afoul of this principle. Far from limiting the scope of general jurisdiction outside a corporation’s principal place of business or state of incorporation to truly exceptional cases, *Klein* imposes all-purpose jurisdiction on any corporate entity registered to do business in the state. 262 Ga. at 601, 422 S.E.2d at 865. That is tantamount to requiring every entity doing business in the state to subject itself to general jurisdiction in the state of Georgia, regardless of whether the state is “one in which the corporation is fairly regarded as at home.” *Bristol-Myers Squibb*, 137 S. Ct. at 1780 (quoting *Goodyear*, 564 U.S. at 924). And it is virtually indistinguishable from the idea that a corporation’s engagement in a “substantial, continuous, and systematic course of business” in the forum state establishes general jurisdiction—the very theory that the U.S. Supreme Court rejected as “unacceptably grasping” in *Daimler*. 571 U.S. at 138 (internal quotation marks omitted); see also *Fidrych*, 952 F.3d at 134.

Adhering to the rule in *Klein* would eviscerate the unique nature of general jurisdiction. *See Daimler*, 571 U.S. at 137. Every state and the District of Columbia adopts a business registration requirement comparable to Georgia's. *Brown*, 814 F.3d at 640. If other jurisdictions were to adopt *Klein*'s approach to general jurisdiction, corporations would be subject to general jurisdiction throughout the country—contravening the U.S. Supreme Court's determination that "[a] corporation that operates in many places can scarcely be deemed at home in all of them." *BNSF Ry. Co.*, 137 S. Ct. at 1559 (quoting *Daimler*, 571 U.S. at 139 n.20).

C. Registering to Do Business in Georgia Does Not Establish a Corporation's Consent to General Jurisdiction Within the State.

Some have suggested that "consent" can be a basis for disregarding due process constraints on personal jurisdiction, contending that corporate entities that register to do business in a forum state implicitly consent to general jurisdiction there. *See Chen*, 954 F.3d at 498 (describing this argument and expressing reservations as to whether it could survive constitutional scrutiny). But that argument cannot save *Klein*. Neither the personal jurisdiction nor the business registration statutes in the Georgia Code provide notice to businesses that registering

with the state means consenting to general jurisdiction with Georgia's geographic boundaries. *See* O.C.G.A. §§ 9-10-90–91, 10-1-490(a).

Corporations cannot be deemed to have consented to the exercise of general jurisdiction when the relevant statutes lack any mention of the term. *See Brown*, 814 F.3d at 637. That is especially true where, as here, other statutory provisions suggest that corporations registered to do business in Georgia count as “foreign” if they are “incorporated under a law other than the law of [Georgia].” O.C.G.A. § 14-2-140(13). Georgia law also makes clear that foreign corporations that do business within the state without registration are subject to civil penalties. *See id.* § 14-2-1502(b); *see also id.* § 14-2-122. These provisions, which require foreign corporations to register as a condition of doing business within the state, belie any suggestion that registration also reflects the corporation's consent to the exercise of general jurisdiction.

Requiring corporate entities to waive their due process rights as a condition of doing business in Georgia would also raise other significant constitutional concerns. The government is not allowed to condition the grant of discretionary benefits on the surrender of federal constitutional rights and privileges. *See Koontz v. St. Johns River Water Mgmt. Dist.*,

570 U.S. 595, 607 (2013); *see also United States v. Am. Library Ass’n*, 539 U.S. 194, 210 (2003). Yet upholding *Klein* on the basis of “consent” would do just that. Any foreign business seeking to conduct business in Georgia would be required, as a condition of doing business in the state, to “consent” to the exercise of general jurisdiction there—regardless of their Fourteenth Amendment right to be subjected to general jurisdiction only in the forum in which they are essentially at home, and regardless of Georgia’s sovereign interests in resolving the dispute.

Corporations may not be required to waive their federal due process rights as a pre-requisite for business registration in the state of Georgia. Registering to do business in Georgia does not establish consent to general jurisdiction in the forum state.

III. Strong Policy Reasons Weigh in Favor of Overturning *Allstate v. Klein*.

Because this Court is “bound by the Constitution of the United States as its provisions are construed and applied by the Supreme Court of the United States,” it should overrule judicial precedents that conflict with U.S. Supreme Court precedent on questions of federal law. *Coley*, 231 Ga. at 832, 204 S.E.2d at 614; *see also Collier*, 307 Ga. at 366–67, 834 S.E.2d at 774. The Court should therefore overrule *Klein* as inconsistent

with the “essentially at home” test for general jurisdiction established by the U.S. Supreme Court. But even if this Court were not required to overrule *Klein*, it should do so for several important policy reasons: Upholding *Allstate Insurance Co. v. Klein* would negatively affect Georgia’s economy and the interests of its citizens by discouraging in-state business activity. It also would divert Georgia’s judicial resources from cases that are of great importance to the state to those that are more properly adjudicated by other states’ judicial systems, undermining the interests of federalism.

First, the *Klein* rule interferes with the “primary concern” of the U.S. Supreme Court’s personal jurisdiction jurisprudence: the “burden on the defendant” forced to litigate in a forum with which the defendant lacks sufficient connections. *Bristol-Myers Squibb*, 137 S. Ct. at 1780 (quoting *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 292 (1980)). To avoid the imposition of that burden, the Fourteenth Amendment requires that “the defendant’s contacts with the forum State [] be such that maintenance of the suit ‘does not offend traditional notions of fair play and substantial justice.’” *World-Wide Volkswagen Corp.*, 444 U.S. at 292 (quoting *Int’l Shoe Co.*, 326 U.S. at 316). These due process

constraints are designed to “give[] a degree of predictability to the legal system that allows potential defendants to structure their primary conduct with some minimum assurance” as to where they may be haled into court. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 471–72 (1985) (quoting *World-Wide Volkswagen Corp.*, 444 U.S. at 297). That predictability provides room for businesses to grow, obtain investment, and otherwise contribute to the economy.

The *Klein* rule effectively nullifies these constraints by imposing general jurisdiction on any corporation that is registered to do business in Georgia, regardless of how casual their presence in the state. *Int’l Shoe Co.*, 326 U.S. at 317. Upholding *Allstate v. Klein* would likely discourage business activity in Georgia, as avoiding the state would be the only way for corporate entities to avoid being subjected to general jurisdiction within the state.

Second, continuing to apply *Klein*’s lenient general jurisdiction standard would cause Georgia to redirect valuable judicial resources to the resolution of conflicts that do not implicate the state’s own interests. To appreciate how such a result might undermine the interests of Georgia and its citizens, the Court need look no further than this case.

This appeal arose from a Florida resident suing a Delaware corporation with a principal place of business in Ohio. The corporation allegedly defectively designed a tire in Ohio and manufactured the tire in Arkansas, before the tire was involved in an automobile accident in Florida. None of the parties is a resident of Georgia, and none of the alleged misconduct occurred in Georgia. Exercising general jurisdiction over a corporate defendant in these circumstances diverts Georgia's judicial resources from the resolution of conflicts that implicate Georgia's own residents to the resolution of conflicts that are plainly unrelated to in-state residents or the administration of Georgia's laws.

Third, by permitting Georgia's courts to exercise general jurisdiction over lawsuits that do not implicate in-state residents or arise from conduct occurring in the state, the *Klein* rule deprives other states of the ability to decide cases in which they have a greater vested interest—thereby undermining “their status as coequal sovereigns in a federal system.” *See World-Wide Volkswagen Corp.*, 444 U.S. at 291–92. Due process limitations on personal jurisdiction protect each state's “sovereign power to try causes in [its] courts.” *Id.* at 293. That sovereign power also “imply[s] a limitation on the sovereignty of all [] sister

States,” including with respect to each state’s ability to try cases that implicate the interests of other states more than its own. *Id.* *Klein* ignores this limitation, leading to expansive exercises of general jurisdiction like that at issue here. It prevents other states from hearing the lawsuits (despite their potentially stronger interests in the litigation) and undermines the very “principles of interstate federalism” that due process is designed to protect. *Id.* To avoid such an outcome and remain faithful to binding precedent from the U.S. Supreme Court, *Allstate Insurance Co. v. Klein* should be overruled.

CONCLUSION

The Court should overrule *Allstate Insurance Co. v. Klein* and reverse the Court of Appeals' decision.

Respectfully submitted, this day of March 4, 2021.

KING & SPALDING LLP

/s/ Brandon R. Keel

Brandon R. Keel
Georgia Bar No. 300303
1180 Peachtree Street NE
Atlanta, GA 30309
(404) 572-4600
bkeel@kslaw.com

*Counsel for Amicus Curiae the
Chamber of Commerce of the
United States of America*

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of March, 2021, I have caused a true and correct copy of the foregoing ***Amicus Curiae for Appellant Brief*** to be served by e-mail and postage prepaid U.S. Mail to the following counsel of record:

Christopher S. Anulewicz
BALCH & BINGHAM, LLP
30 Ivan Allen Jr. Blvd. NW
Ste. 700
Atlanta, GA 30308
(404) 261-6020
canulewicz@balch.com

Douglas E. Horelick
Eric D. Ruben
CLYDE & CO US, LLP
1221 Brickell Ave., Ste. 1600
Miami, FL 33131
(305) 446-2646
Doug.horelick@clydeco.us
Eric.ruben@clydeco.us

Counsel for Appellant

Cale H. Conley
Scott A. Farrow
William K. Owens
CONLEY GRIGGS PARTIN LLP
4200 Northside Pkwy NW
Ste. 300, Bldg. 1
Atlanta, GA 30321
(404) 467-1155
cale@conleygriggs.com
scott@conleygriggs.com
will@conleygriggs.com

Counsel for Appellee

David C. Hanson
WEATHINGTON LLC
191 Peachtree St. NE
Ste. 2900
Atlanta, GA 30303
(404) 524-1795
DHanson@weathington.com

Philip M. Thompson
ELLIS PAINTER RATTERREE &
ADAMS LLP
2 E. Bryan Street, 10th Floor
Savannah, GA 31401
(912) 233-9700
pthompson@epra-law.com

Jeffrey S. Ward
DREW, ECKL & FARNHAM LLP
777 Gloucester St., Ste. 305
Brunswick, GA 31520
(912) 267-0719
wardj@deflaw.com

Elissa B. Haynes
DREW, ECKL & FARNHAM LLP
303 Peachtree St. NE
Ste. 3500
Atlanta, GA 30308
(404) 885-6243
HaynesE@deflaw.com

Counsel for Amicus

/s/ Brandon R. Keel
Brandon R. Keel
Georgia Bar No. 300303
KING & SPALDING LLP
1180 Peachtree Street NE
Atlanta, GA 30309
(404) 572-4600
bkeel@kslaw.com

*Counsel for Amicus Curiae the
Chamber of Commerce of the
United States of America*