Assignment #2 – Brief the following cases for in-class discussion.

Case #2 - *International Shoe Co. v. State of Washington* (NOTE: this was a landmark case)

Facts: Although International Shoe manufactured footwear only in St. Louis, Missouri, it sold its products nationwide. It did not have offices or warehouses in the state of Washington, but it did send about a dozen salespeople there. The salespeople rented space in hotels and businesses, displayed sample products, and took orders. They were not authorized to collect payment from customers.

When the State of Washington sought contributions to the state's unemployment fund, International Shoe refused to pay. Washington sued. The company argued that it was not engaged in business in the state, and, therefore, that Washington courts had no jurisdiction over it.

The Supreme Court of Washington ruled **that International Shoe did have sufficient contacts with the state to justify a lawsuit there**. International Shoe appealed to the United States Supreme Court.

Issue: Did International Shoe have sufficient minimum contacts in the state of Washington to permit jurisdiction there?

Excerpts from Chief Justice Stone's Decision: Appellant insists that its activities within the state were not sufficient to manifest its "presence" there and that in its absence the state courts were without jurisdiction, that consequently it was a denial of due process for the state to subject appellant to suit. Appellant [International Shoe] refers to those cases in which it was said that the mere solicitation of orders for the purchase of goods within a state, to be accepted without the state and filled by shipment of the purchased goods interstate, does not render the corporation seller amenable to suit within the state.

[D]ue process requires that [a defendant] have certain minimum contacts with it such that the maintenance of the suit does not offend "traditional notions of fair play and substantial justice."

Since the corporate personality is a fiction, its "presence" without can be manifested only by those activities of the corporation's agent within the state which courts will deem to be sufficient to satisfy the demands of due process.

"Presence" in the state in this sense has never been doubted when the activities of the corporation there have not only been continuous and systematic, but also give rise to the liabilities sued on, even though no consent to be sued or authorization to an agent to accept service of process has been given. Conversely it has been generally recognized that the casual presence of the corporate agent or even his conduct of single or isolated items of activities in a state in the corporation's behalf are not enough to subject it to suit on causes of action unconnected with the activities there. To require the corporation in such circumstances to defend the suit away from its home or other jurisdiction where it carries on more substantial activities has been thought to lay too great and unreasonable a burden on the corporation to comport with due process.

But to the extent that a corporation exercises the privilege of conducting activities within a state, it enjoys the benefits and protection of the laws of that state. The exercise of that privilege may give rise to obligations.

Applying these standards, the activities carried on in behalf of appellant in the State of Washington were neither irregular nor casual. They were systematic and continuous throughout the years in question. They resulted in a large volume of interstate business, in the course of which appellant received the benefits and protection of the laws of the state, including the right to resort to the courts for the enforcement of its rights. The obligation which is here sued upon arose out of those very activities. It is evident that these operations establish sufficient contacts or ties with the state of the forum to make it reasonable and just, according to our traditional conception of fair play and substantial justice, to permit the state to enforce the obligations which appellant has incurred there.

The state may maintain the present suit to collect the tax.

Affirmed.

Case #3 - *Stinton v. Robin's Wood, Inc.*

Facts: Ethel Flanzraich, 78 years old, slipped and fell on property owned by Robin's Wood and broke her left arm and left leg. Flanzraich sued, claiming Robin's Wood employee, Anthony Monforte, had negligently painted the stairs on which she fell. Robin's Wood denied the allegations.

The parties agreed to hold depositions on August 4. Flanzraich appeared for the deposition but Robin's Wood did not furnish Monforte or any other Robin's Wood representative. The court ordered the deposition of Monforte and

Robin's Wood for April 2. Again Robin's Wood did not produce Monforte or any other representative. On July 16, the court ordered Robin's Wood to produce its representative within 30 days. Again, no one showed for the deposition.

On August 18, Flanzraich moved to strike Robin's Wood's answer, meaning she would win by default. The company argued that it had made diligent efforts to locate Monforte and force him to appear, but that Monforte no longer worked for Robin's Wood. **The trial judge granted the motion to strike**. The only remaining issue was damages: Robin's Wood owed $22,631 for medical expenses, $150,000 for past pain and suffering, and $300,000 for future pain and suffering. Robin's Wood appealed.

Issue: Did the trial court abuse its discretion by striking Robin's Wood's answer?

Holding: No. The court found no merit to Robin's Wood's claim that the trial judge abused his discretion in striking its answers. Although cases should be heard on the merits whenever possible, a court may invoke a drastic remedy such as striking an answer when a parties' failure to comply with discovery is willful.

The willful nature of Robin's Wood's conduct can be inferred from the company's failure to comply with three court orders and to explain why it did not produce Monforte or any other representative. Had it produced another representative at the deposition, Flanzraich could have questioned the representative about the whereabouts of Monforte, and would have learned information regarding his location because the record indicates that Robin's Wood had such information. This conduct is especially flagrant here where Flanzraich is elderly. Any delay in the proceedings would have a particularly detrimental affect on her. Moreover, Robin's Wood failed to explain why they did not produce Monforte for deposition when he was still employed with them.

Case #4 - Jones v. Clinton

Facts: In 1991, Bill Clinton was Governor of Arkansas. Paula Jones worked for a state agency, the Arkansas Industrial Development Commission (AIDC). When Clinton became President, Jones sued him, claiming that he had sexually harassed her. She alleged that, in May 1991, the Governor arranged for her to meet him in a hotel room in Little Rock, Arkansas. When they were alone, he put his hand on her leg and slid it toward her pelvis, and later he lowered his trousers, exposed his penis, and told her to kiss it. Jones claimed that she was horrified, jumped up, and left. Jones remained at AIDC until February 1993, when she moved to California because of her husband's job transfer. President Clinton denied all of the allegations. He also **filed for summary judgment**, claiming that Jones had not alleged facts that justified a trial. Jones opposed the motion for summary judgment.

Issue: Did Jones make out a claim of sexual harassment?

Holding: Summary judgment for Clinton. Jones had failed to demonstrate any tangible job detriment. She had never been downgraded in her job, and in fact had been reclassified upward. She received every merit increase for which she was eligible. A mere change in job responsibilities, with no loss of status or pay, is not a job detriment. The facts that her work station was changed, that she sometimes had nothing to do, and that she did not receive flowers on Secretary's Day do not add up to a federal claim of sexual harassment.

Note: As Jones's appeal of this decision was pending, the parties settled. Without acknowledging any of the allegations, Clinton agreed to pay Jones $850,000 to drop the suit.