

the benefits of reconciling both the Fetzer and the Ashbacker applications, if the hearing should develop considerations not disclosed by the prior scrutiny of the Commission. Not only that, but the Commission, in its opinion on hearing the Ashbacker complaint, construed its own action in granting the Fetzer application to be conditional, so as to have room for any action which it may find will serve the public interest after the hearing on the Ashbacker

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application. Such a practice of conditional grant by the Commission ought not to be deemed outside the range of the procedural discretion allowed to it by Congress.³

In this case, however, the restrictions of the hearing granted to Ashbacker do make of it a mere formality, for the Commission put upon Ashbacker the burden of establishing that the grant of a license to it would not interfere with the simultaneous operations of the proposed Fetzer station. But since the Commission had apparently already concluded that the simultaneous operation of the two stations would result in "intolerable interference," its order for a hearing seems to foreclose the opportunity that should still be open to Ashbacker. It is entitled to show the superiority of its claim over that of Fetzer, even though the Commission, on the basis of its administrative inquiry, was entitled to grant Fetzer the license in the qualified way in which the statute authorized, and the Commission made, the grant. In my view, therefore, the proper disposition of the case is to return it to the Commission with direction that it modify its order so as to assure an appropriate hearing of the Ashbacker application. It may be wise policy to require that the Communications Commission should give a public hearing for all multiple applications before granting any. But to my reading of the Communications Act, Congress has not expressed this policy.

Mr. Justice RUTLEDGE joins in this opinion.

Act or of any treaty ratified by the United States will be more fully complied with . . . Cf. 47 Code Fed. Reg. § 1.402.

³ Cf. Berks Broadcasting Company (WEEU), Reading, Pennsylvania, 8 F.

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INTERNATIONAL SHOE CO. v. STATE OF WASHINGTON, OFFICE OF UNEMPLOYMENT COMPENSATION AND PLACEMENT et al.

No. 107.

Decided Dec. 3, 1945.

1. Commerce ⇨72

The Washington Unemployment Compensation Act, as applied to foreign corporation having employees within state, does not impose an unconstitutional burden on interstate commerce. 26 U.S.C.A. Int. Rev.Code, § 1606(a); Rem.Supp.Wash.1941, §§ 9998—103a to 9998—123a.

2. Commerce ⇨9

Congress, in exercise of commerce power, may authorize states, in specified ways, to regulate interstate commerce or impose burdens upon it.

3. Constitutional law ⇨315

"Due process of law" requires only that in order to subject a defendant to a judgment in personam, if he be not present within territory of forum, he have certain minimum contacts with it such that maintenance of the suit does not offend traditional notions of fair play and substantial justice. U.S.C.A.Const. Amend. 14.

See Words and Phrases, Permanent Edition, for all other definitions of "Due Process of Law".

4. Constitutional law ⇨283, 305

The "presence" of a corporation without or within state of its origin for purposes of taxation or maintenance of suits against it in courts of state can be manifested only by activities carried on in corporation's behalf by those who are authorized to act for it. U.S.C.A.Const. Amend. 14.

5. Constitutional law ⇨305

The demand that corporation be "present" in state to satisfy due process of law requirement for purpose of maintenance of suit against it in courts of state may be

C.C. 427; The Evening News Association (WWJ), Detroit, Michigan, 8 F. C.C. 552; Merced Broadcasting Company (KYOS), Merced, California, 9 F. C.C. 118, 120.

[6,7] "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. *St. Clair v. Cox*, 106 U.S. 350, 355, 1 S.Ct. 354, 359, 27 L.Ed. 222; *Connecticut Mutual Life Ins. Co. v. Spratley*, 172 U.S. 602, 610, 611, 19 S.Ct. 308, 311, 312, 43 L.Ed. 569; *Pennsylvania Lumbermen's Mut. Fire Ins. Co. v. Meyer*, 197 U.S. 407, 414, 415, 25 S.Ct. 483, 484, 485, 49 L.Ed. 810; *Commercial Mutual Accident Co. v. Davis*, 213 U.S. 245, 255, 256, 29 S.Ct. 445, 448, 53 L.Ed. 782; *International Harvester Co. v. Kentucky*, *supra*; cf. *St. Louis S. W. R. Co. v. Alexander*, 227 U.S. 218, 33 S.Ct. 245, 57 L.Ed. 486, Ann.Cas.1915B, 77. 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. *St. Clair v. Cox*, *supra*, 106 U.S. 359, 360, 1 S.Ct. 362, 363, 27 L.Ed. 222; *Old Wayne Mut. Life Ass'n v. McDonough*, 204 U.S. 8, 21, 27 S.Ct. 236, 240, 51 L.Ed. 345; *Frene v. Louisville Cement Co.*, *supra*, 77 U.S.App.D.C. 133, 134 F.2d 515, 146 A.L.R. 926, and cases cited. 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.

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While it has been held in cases on which appellant relies that continuous activity of some sorts within a state is not enough to support the demand that the corporation be amenable to suits unrelated to that activity, *Old Wayne Mut. Life Ass'n v. McDonough*, *supra*; *Green v. Chicago, Burlington & Quincy R. Co.*, *supra*; *Simon v. Southern R. Co.*, 236 U.S. 115, 35 S.Ct. 255, 59 L.Ed. 492; *People's Tobacco Co. v. American Tobacco Co.*, *supra*; cf. *Davis v. Farmers' Co-operative Equity Co.*, 262 U.S. 312, 317, 43 S.Ct. 556, 558, 67 L.Ed. 996, there have been instances in which the continuous corporate operations within a state were thought so substantial and of

such a nature as to justify suit against it on causes of action arising from dealings entirely distinct from those activities. See *Missouri, K. & T. R. Co. v. Reynolds*, 255 U.S. 565, 41 S.Ct. 446, 65 L.Ed. 788; *Tauza v. Susquehanna Coal Co.*, 220 N.Y. 259, 115 N.E. 915; cf. *St. Louis S. W. R. Co. v. Alexander*, *supra*.

[8] Finally, although the commission of some single or occasional acts of the corporate agent in a state sufficient to impose an obligation or liability on the corporation has not been thought to confer upon the state authority to enforce it, *Rosenberg Bros. & Co. v. Curtis Brown Co.*, 260 U.S. 516, 43 S.Ct. 170, 67 L.Ed. 372, other such acts, because of their nature and quality and the circumstances of their commission, may be deemed sufficient to render the corporation liable to suit. Cf. *Kane v. New Jersey*, 242 U.S. 160, 37 S.Ct. 30, 61 L.Ed. 222; *Hess v. Pawloski*, *supra*; *Young v. Masci*, *supra*. True, some of the decisions holding the corporation amenable to suit have been supported by resort to the legal fiction that it has given its consent to service and suit, consent being implied from its presence in the state through the acts of its authorized agents. *Lafayette Insurance Co. v. French*, 18 How. 404, 407, 15 L.Ed. 451; *St. Clair v. Cox*, *supra*, 106 U.S. 356, 1 S.Ct. 359, 27 L.Ed. 222; *Commercial Mutual Accident Co. v. Davis*, *supra*, 213 U.S. 254, 29 S.Ct. 447, 53 L.Ed. 782; *State of Washington v. Superior Court*, 289 U.S. 361, 364, 365, 53 S.Ct. 624, 626, 627, 77 L.Ed. 1256, 89 A.L.R. 653. But more realistically it may be said that those authorized acts were of such a nature as to justify the fiction. *Smolik v. Philadelphia &*

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R. C. & I. Co., D.C., 222 F. 148, 151. *Henderson, The Position of Foreign Corporations in American Constitutional Law*, 94, 95.

[9,10] It is evident that the criteria by which we mark the boundary line between those activities which justify the subjection of a corporation to suit, and those which do not, cannot be simply mechanical or quantitative. The test is not merely, as has sometimes been suggested, whether the activity, which the corporation has seen fit to procure through its agents in another state, is a little more or a little less. *St. Louis S. W. R. Co. v. Alexander*, *supra*, 227 U.S. 228, 33 S.Ct.

248, 57 L.Ed. 486, Ann.Cas.1915B, 77; *International Harvester Co. v. Kentucky*, supra, 234 U.S. 587, 34 S.Ct. 946, 58 L.Ed. 1479. Whether due process is satisfied must depend rather upon the quality and nature of the activity in relation to the fair and orderly administration of the laws which it was the purpose of the due process clause to insure. That clause does not contemplate that a state may make binding a judgment in personam against an individual or corporate defendant with which the state has no contacts, ties, or relations. Cf. *Pennoyer v. Neff*, supra; *Minnesota Commercial Men's Ass'n v. Benn*, 261 U.S. 140, 43 S.Ct. 293, 67 L.Ed. 573.

[11] 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; and, so far as those obligations arise out of or are connected with the activities within the state, a procedure which requires the corporation to respond to a suit brought to enforce them can, in most instances, hardly be said to be undue. Compare *International Harvester Co. v. Kentucky*, supra, with *Green v. Chicago, Burlington & Quincy R. Co.*, supra, and *People's Tobacco Co. v. American Tobacco Co.*, supra. Compare *Connecticut Mutual Life Ins. Co. v. Spratley*, supra, 172 U.S. 619, 620, 19 S.Ct. 314, 315, 43 L.Ed. 569, and *Commercial Mutual Accident Co. v. Davis*, supra, with *Old Wayne Mut. Life Ass'n v. McDonough*, supra. See 29 *Columbia Law Review*, 187-195.

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[12] 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. Hence we cannot say that the maintenance of the present suit in the State of Washington involves an unreasonable or undue procedure.

[13-15] We are likewise unable to conclude that the service of the process within the state upon an agent whose activities establish appellant's "presence" there was not sufficient notice of the suit, or that the suit was so unrelated to those activities as to make the agent an inappropriate vehicle for communicating the notice. It is enough that appellant has established such contacts with the state that the particular form of substituted service adopted there gives reasonable assurance that the notice will be actual. *Connecticut Mutual Life Ins. Co. v. Spratley*, supra, 172 U.S. 618, 619, 19 S.Ct. 314, 315, 43 L.Ed. 569; *Board of Trade v. Hammond Elevator Co.*, 198 U.S. 424, 437, 438, 25 S.Ct. 740, 743, 744, 49 L.Ed. 1111; *Commercial Mutual Accident Co. v. Davis*, supra, 213 U.S. 254, 255, 29 S.Ct. 447, 448, 53 L.Ed. 782. Cf. *Riverside & Dan River Cotton Mills v. Menefee*, 237 U.S. 189, 194, 195, 35 S.Ct. 579, 580, 581, 59 L.Ed. 910; see *Knowles v. Gaslight & Coke Co.*, 19 Wall. 58, 61, 22 L.Ed. 70; *McDonald v. Mabee*, supra; *Milliken v. Meyer*, supra. Nor can we say that the mailing of the notice of suit to appellant by registered mail at its home office was not reasonably calculated to apprise appellant of the suit. Compare *Hess v. Pawloski*, supra, with *McDonald v. Mabee*, supra, 243 U.S.

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92, 37 S.Ct. 344, 61 L.Ed. 608, L.R.A.1917F, 458, and *Wuchter v. Pizzutti*, 276 U.S. 13, 19, 24, 48 S.Ct. 259, 260, 262, 72 L.Ed. 446, 57 A.L.R. 1230; cf. *Bequet v. MacCarthy*, 2 B. & Ad. 951; *Maubourquet v. Wyse*, 1 Ir.Rep. C.L. 471. See *State of Washington v. Superior Court*, supra, 289 U.S. 365, 53 S.Ct. 626, 77 L.Ed. 1256, 89 A.L.R. 653.

[16] Only a word need be said of appellant's liability for the demanded contributions of the state unemployment fund. The Supreme Court of Washington, construing and applying the statute, has held that it imposes a tax on the privilege of employing appellant's salesmen within the state measured by a percentage of the wages, here the commissions payable to the salesmen. This construction we accept for purposes of determining the constitutional validity of the statute. The right to employ labor has been