

480 U.S. 102, 94 L.Ed.2d 92

1102ASAHI METAL INDUSTRY CO.,
LTD., Petitioner

v.

SUPERIOR COURT OF CALIFORNIA,
SOLANO COUNTY (Cheng Shin Rubber Industrial Co., Ltd., Real Party in Interest).

No. 85-693.

Argued Nov. 5, 1986.

Decided Feb. 24, 1987.

Japanese manufacturer of valve stems, cross-claimed defendant, sought by petition for writ of mandate to compel Superior Court to quash summons upon it in state products liability action. The Superior Court, Solano County, denied petition. On appeal, the Court of Appeal issued peremptory writ of mandate commanding Superior Court to quash service of summons, and review was granted. The Supreme Court of California, 39 Cal.3d 35, 216 Cal.Rptr. 385, 702 P.2d 543, reversed and discharged the writ, and certiorari was granted. The Supreme Court, Justice O'Connor, held that exercise of jurisdiction by California court over Japanese manufacturer would be unreasonable and unfair.

Reversed and remanded.

Justice Brennan concurred in part and in the judgment and filed opinion in which Justices White, Marshall and Blackmun joined.

Justice Stevens concurred in part and in the judgment and filed opinion in which Justices White and Blackmun joined.

Order on remand, 236 Cal.Rptr. 153, 734 P.2d 989.

1. Courts ⇐12(2.10)

Substantial connection between defendant and forum state necessary for finding of minimum contacts must come about by action of defendant purposefully directed toward forum state; placement of product in stream of commerce, without more, is not such an act. (Per Justice O'Connor

* The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the

with the Chief Justice and two Justices concurring.) U.S.C.A. Const.Amend. 14.

2. Constitutional Law ⇐305(6)

Assuming that Japanese manufacturer of valve stems for tire tubes manufactured in Taiwan was aware that some valves would be incorporated into tire tubes sold in California, California's exertion of personal jurisdiction over Japanese manufacturer would exceed limits of due process, absent action by manufacturer to purposefully avail itself of California market. (Per Justice O'Connor with the Chief Justice and two Justices concurring.) West's Ann. Cal.C.C.P. § 410.10; U.S.C.A. Const. Amend. 14.

3. Corporations ⇐665(1)

Exercise of personal jurisdiction by California court over Japanese manufacturer of valve stems for tire tubes manufactured in Taiwan would be unreasonable and unfair with respect to Taiwanese manufacturer's indemnification claim against Japanese manufacturer, considering international contacts, heavy burden on alien defendant and slight interests of plaintiff and forum state. West's Ann. Cal.C.C.P. § 410.10; U.S.C.A. Const.Amend. 14.

Syllabus *

Petitioner manufactures tire valve assemblies in Japan and sells them to several tire manufacturers, including Cheng Shin Rubber Industrial Co. (Cheng Shin). The sales to Cheng Shin, which amounted to at least 100,000 assemblies annually from 1978 to 1982, took place in Taiwan, to which the assemblies were shipped from Japan. Cheng Shin incorporates the assemblies into its finished tires, which it sells throughout the world, including the United States, where 20 percent of its sales take place in California. Affidavits indicated that petitioner was aware that tires incorporating its assemblies would end up in California, but, on the other hand, that it never contemplated that its sales to Cheng Shin in Taiwan would subject it to lawsuits in California. Nevertheless, in 1979, a

reader. See *United States v. Detroit Lumber Co.*, 200 U.S. 321, 337, 26 S.Ct. 282, 287, 50 L.Ed. 499.

product liability suit was brought in California Superior Court arising from a motorcycle accident allegedly caused by defects in a tire manufactured by Cheng Shin, which in turn filed a cross-complaint seeking indemnification from petitioner. Although the main suit was eventually settled and dismissed, the Superior Court denied petitioner's motion to quash the summons issued against it. The State Court of Appeal then ordered that the summons be quashed, but the State Supreme Court reversed, finding that petitioner's intentional act of placing its assemblies into the stream of commerce by delivering them to Cheng Shin in Taiwan, coupled with its awareness that some of them would eventually reach California, were sufficient to support state court jurisdiction under the Due Process Clause.

Held: The judgment is reversed, and the case is remanded.

39 Cal.3d 35, 216 Cal.Rptr. 385, 702 P.2d 543, reversed and remanded.

Justice O'CONNOR, delivered the opinion of the Court as to Parts I and II-B, concluding that the state court's exercise of personal jurisdiction over petitioner would be unreasonable and unfair in violation of the Due Process Clause. Pp. 1032-1034.

(a) The burden imposed on petitioner by the exercise of state court jurisdiction would be severe, since petitioner would be required not only to traverse the distance between Japan and California, but also to submit its dispute with Cheng Shin to a foreign judicial system. Such unique burdens should have significant weight in assessing the reasonableness of extending personal jurisdiction over national borders. P. 1033.

(b) The interests of Cheng Shin and the forum State in the exercise of jurisdiction over petitioner would be slight, and would be insufficient to justify the heavy burdens placed on petitioner. The only surviving question is whether a Japanese corporation should indemnify a Taiwanese corporation on the bases of a sale made in Taiwan and a shipment of goods from Japan to Taiwan. The facts do not demon-

strate that it would be more convenient for Cheng Shin to litigate its claim in California rather than in Taiwan or Japan, while California's interests are diminished by Cheng Shin's lack of a California residence and by the fact that the dispute is primarily about indemnity rather than the safety of consumers. While the possibility of being sued in California might create an additional deterrent to petitioner's manufacture of unsafe assemblies, the same effect would result from pressures placed on petitioner by Cheng Shin, whose California sales would subject it to state tort law. P. 1033.

(c) The procedural and substantive policies of other nations whose interests are affected by the forum State's assertion of jurisdiction over an alien defendant must be taken into account, and great care must be exercised when considering personal jurisdiction in the international context. Although other nations' interests will differ from case to case, those interests, as well as the Federal Government's interest in its foreign relations policies, will always be best served by a careful inquiry into the reasonableness of the particular assertion of jurisdiction, and an unwillingness to find an alien defendant's serious burdens outweighed where, as here, the interests of the plaintiff and the forum State are minimal. P. 1034.

Justice O'CONNOR, joined by THE CHIEF JUSTICE, Justice POWELL, and Justice SCALIA, concluded in Parts II-A and III that, even assuming, *arguendo*, that petitioner was aware that some of the assemblies it sold to Cheng Shin would be incorporated into tires sold in California, the facts do not establish minimum contacts sufficient to render the State's exercise of personal jurisdiction consistent with fair play and substantial justice as required by the Due Process Clause. Since petitioner does not do business, have an office, agents, employees, or property, or advertise or solicit business in California, and since it did not create, control, or employ the distribution system that brought its assemblies to, or design them in anticipation of sales in, California, it did not en-

will enter the forum state [to] be enough by itself to establish jurisdiction over the distributor and retailer." App. to Pet. for Cert. B5. In *Humble v. Toyota Motor Co.*, 727 F.2d 709 (CA8 1984), an injured car passenger brought suit against Arakawa Auto Body Company, a Japanese corporation that manufactured car seats for Toyota. Arakawa did no business in the United States; it had no office, affiliate, subsidiary, or agent in the United States; it manufactured its component parts outside the United States and delivered them to Toyota Motor Company in Japan. The Court of Appeals, adopting the reasoning of the District Court in that case, noted that although it "does not doubt that Arakawa could have foreseen that its product would find its way into the United States," it would be "manifestly unjust" to require Arakawa to defend itself in the United States. *Id.*, at 710-711, quoting 578 F.Supp. 530, 533 (ND Iowa 1982). See also *Hutson v. Fehr Bros., Inc.*, 584 F.2d 833 (CA8 1978); see generally *Max Daetwyler Corp. v. R. Meyer*, 762 F.2d 290, 299 (CA3 1985) (collecting "stream of commerce" cases in which the "manufacturers involved had made deliberate decisions to market their products in the forum state").

[1] We now find this latter position to be consonant with the requirements of due process. The "substantial connection," *Burger King*, 471 U.S., at 475, 105 S.Ct., at 2184; *McGee*, 355 U.S., at 223, 78 S.Ct., at 201, between the defendant and the forum State necessary for a finding of minimum contacts must come about by *an action of the defendant purposefully directed toward the forum State*. *Burger King*, *supra*, 471 U.S., at 476, 105 S.Ct., at 2184; *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 774, 104 S.Ct. 1473, 1478, 79 L.Ed.2d 790 (1984). The placement of a product

into the stream of commerce, without more, is not an act of the defendant purposefully directed toward the forum State. Additional conduct of the defendant may indicate an intent or purpose to serve the market in the forum State, for example, designing the product for the market in the forum State, advertising in the forum State, establishing channels for providing regular advice to customers in the forum State, or marketing the product through a distributor who has agreed to serve as the sales agent in the forum State. But a defendant's awareness that the stream of commerce may or will sweep the product into the forum State does not convert the mere act of placing the product into the stream into an act purposefully directed toward the forum State.

[2] Assuming, *arguendo*, that respondents have established Asahi's awareness that some of the valves sold to Cheng Shin would be incorporated into tire tubes sold in California, respondents have not demonstrated any action by Asahi to purposefully avail itself of the California market. Asahi does not do business in California. It has no office, agents, employees, or property in California. It does not advertise or otherwise solicit business in California. It did not create, control, or employ the distribution system that brought its valves to California. Cf. *Hicks v. Kawasaki Heavy Industries*, 452 F.Supp. 130 (MD Pa.1978). There is no evidence that Asahi designed its product in anticipation of sales in California. Cf. *Rockwell International Corp. v. Costruzioni Aeronautiche Giovanni Agusta*, 553 F.Supp. 328 (ED Pa. 1982). On the basis of these facts, the exertion of personal jurisdiction over Asahi by the Superior Court of California * exceeds the limits of due process.

* We have no occasion here to determine whether Congress could, consistent with the Due Process Clause of the Fifth Amendment, authorize federal court personal jurisdiction over alien defendants based on the aggregate of *national* contacts, rather than on the contacts between the defendant and the State in which the federal court sits. See *Max Daetwyler Corp. v. R. Meyer*,

762 F.2d 290, 293-295 (CA3 1985); *DeJames v. Magnificence Carriers, Inc.*, 654 F.2d 280, 283 (CA3 1981); see also Born, *Reflections on Judicial Jurisdiction in International Cases*, to be published in 17 Ga.J. Int'l & Comp.L. 1 (1987); Lilly, *Jurisdiction Over Domestic and Alien Defendants*, 69 Va.L.Rev. 85, 127-145 (1983).