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## Look Out Companies: You Might Be Sued Wherever You Register To Do Business

### E. Ashley Paynter and Brian O'Connor Watson

The United States Supreme Court has significantly expanded where companies may be sued. Before yesterday, companies properly could be sued where they are incorporated or headquartered, or where their lawsuit-related conduct occurred. Now, after years of predictability, the Supreme Court has revived a rule that a company may be sued in any state where it registers to do business under *consent by registration*, even when the state has no other connection to the company or the case.

*Mallory v. Norfolk Southern Railway, Co.*, No. 21-1168, --- S.Ct. ----, 2023 WL 4187749 (June 27, 2023), involved a Pennsylvania lawsuit against a Virginia railroad company by a Virginia resident who was injured in Virginia and Ohio. Not surprisingly, because the lawsuit had no connection to Pennsylvania, it was dismissed for lack of personal jurisdiction. But the Supreme Court reversed—in a fractured decision that characterizes the result as throwing the existing rules “halfway out the door,” working a “sea change,” and injecting “intolerable unpredictability into doing business across state borders”—ruling that Pennsylvania’s registration law does not violate the Due Process Clause of the Constitution by requiring businesses to consent to be sued as registered foreign corporations. That decision veers from the Court’s recent cases limiting where companies may be sued.

Although the Supreme Court only reviewed Pennsylvania’s registration law, the decision has far-reaching implications for any company that must register to do business in any state. Ignorance of the law is no excuse. The decision calls for companies to review each state’s laws where they register to do business and to expect new registration laws, especially in unfavorable jurisdictions. As the decision predicts, some states will “take up the Court’s invitation to manipulate registration” and to create “plaintiff-friendly regimes.”

For more information, **please contact:**



**E. Ashley Paynter**  
1.949.359.5545  
[apaynter@rshc-law.com](mailto:apaynter@rshc-law.com)  
Los Angeles / Irvine



**Brian O'Connor Watson**  
1.312.471.8776  
[bwatson@rshc-law.com](mailto:bwatson@rshc-law.com)  
Chicago