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Does a Cartel Aim Expressly? Trusting Calder Personal Jurisdiction when Antitrust Goes Global?

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I. INTRODUCTION

Suppose your law firm represents CrabApple, the large, California-based manufacturer of the BuyPod, a portable digital music player. CrabApple also sells songs from its online music store, BuyTunes, for use on the BuyPod. One morning, a class-action antitrust lawsuit lands on your desk. It accuses CrabApple of illegal tying—because the BuyPod is

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designed to play only music from BuyTunes, and BuyTunes songs only play on BuyPods. CrabApple customers claim the tying has forced them to make unwanted purchases—BuyPod owners felt compelled to buy their music from BuyTunes, and anyone who wanted to use BuyTunes had to get a BuyPod. These consumers claim that the forced purchases damaged them. You recognize the name of plaintiffs’ law firm at the bottom of the complaint. The firm has a reputation for aggressive, well-funded, and protracted consumer litigation. The plaintiffs seek a treble-damage money judgment. They have filed the lawsuit in a federal district court in the state of West Dakota. You know West Dakota’s economy has long been mired in recession, due to factory and farm jobs going overseas. The judicial division is notorious among defense counsel for rogue juries and large plaintiffs’ verdicts. You fear the jury pool would have little inclination to treat your client fairly.

CrabApple has no connection to West Dakota. It has no stores or offices there, no property or bank account there, and none of its officers lives or works there. True, its products are purchased there, but the market is so small and depressed that you don’t think West Dakota even factors into CrabApple’s marketing plans. Yet despite this lack of contacts, plaintiffs are seeking personal jurisdiction over your client in West Dakota, based on the “effects test” from Calder v. Jones. The lawsuit claims CrabApple “expressly aimed” its anticompetitive activity at West Dakota, creating effects that injured consumers there, and justifying the assertion of jurisdiction by the West Dakota court. You have twenty days to respond.

Farfetched? Maybe not. In Calder, the Supreme Court held that the tortious effects that a defendant “expressly aimed” at a forum, without ever

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1. For a real-life analogue to this hypothetical, see Slattery v. Apple Computer, Inc., No. 5:05-cv-00037-JW (N.D. Cal. filed Jan. 3, 2005). The filings for this case can be found online at Justia News, The Apple iPod iTunes Anti-Trust Litigation, http://news.justia.com/cases/featured/california/candce/5:2005cv00037/26768/ (last visited July 14, 2008). One of the predecessor cases is Tucker v. Apple Computer, Inc., 493 F. Supp. 2d 1090 (N.D. Cal. 2006). The lawsuits attack Apple’s failure to license its proprietary digital rights management (DRM) software, FairPlay, to competing online stores and player makers. See, e.g., Tucker, 493 F. Supp. at 1094. Licensing of the standard would enable iTunes customers to play the songs they purchase on players other than the iPod and allow iPod owners to play songs purchased from other music stores besides iTunes. Id.

2. See, e.g., Tex. Int’l Magnetics, Inc. v. Auriga-Aurex, Inc. (In re Magnetic Audiotape Antitrust Litig.), 334 F.3d 204, 208 (2d Cir. 2003) (reading Calder for authority that a court may exercise effects-test personal jurisdiction over defendant consistent with due process when defendant is a primary participant in a meeting outside the United States to allegedly direct price-fixing in the United States). The effects-test inquiry for personal jurisdiction is distinct from the effects-test inquiry for antitrust subject matter jurisdiction. IB PHILLIP E. AREEDA & HERBERT HOVENKAMP, ANTITRUST LAW ¶¶ 266d2, 272c (3d ed. 2006).

setting foot there, could provide the basis for personal jurisdiction in that forum, even in the absence of the usual contacts, such as the presence of an office or employees. The underlying tort in Calder was libel—a National Enquirer story written in Florida, impugning actor Shirley Jones in her home state of California. But in the nearly twenty-five years since the Court announced Calder, plaintiffs have analogized and attempted to apply the Calder test to other torts, including tortious interference with business relationships, infringement of publicity, and antitrust violations.

Calder required that a defendant “expressly aim[]” its conduct at the forum. This requirement makes sense for the classic effects-test hypothetical—someone who fires a rifle while standing just inside the Nevada border, aiming at another person standing in California. But with the globalization of business blurring regional and national boundaries,

4. Id. at 789. While the phrase “expressly aimed” may be a logical tautology, no one has questioned its rhetorical punch.
5. Id. at 785.
7. See, e.g., Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 803–07 (9th Cir. 2004) (denying Calder jurisdiction for lack of express aiming by affirming the dismissal of Arnold Schwarzenegger’s suit for infringement of publicity against an Ohio car dealer who used pictures of Schwarzenegger’s film character the Terminator in Ohio newspaper ads without Schwarzenegger’s permission). For an article arguing Schwarzenegger was wrongly decided, see A. Benjamin Spencer, Terminating Calder: “Effects” Based Jurisdiction In The Ninth Circuit After Schwarzenegger v. Fred Martin Motor Co., 26 WHITTIER L. REV. 197, 216–18 (2004) (claiming that the infringement of the California resident’s right of publicity, rather than the publication of newspaper ads in Ohio, was the tortious act expressly aimed at California).
8. See, e.g., Tex. Int’l Magnetics, Inc. v. Auriga-Aurex, Inc. (In re Magnetic Audiotape Antitrust Litig.), 334 F.3d 204, 205 (2d Cir. 2003); McGlinchy v. Shell Chem. Co., 845 F.2d 802, 817 (9th Cir. 1988) (denying Calder jurisdiction against English corporation since the contract in question, though signed by California plaintiffs, did not mention California and was not “purposefully directed” to instigate any tortious act or effect in California).
11. One set of illustrations of the extent of globalization is available from the Swiss think tank KOF, which has aggregated worldwide economic, social, and political trends into bar graphs and animated maps. See KOF, INDEX OF GLOBALIZATION, WORLD REGION (2008), http://globalization.kof.ethz.ch/ (click on “maps” tab; then click on “Display map”). “To suggest that antitrust and competition concepts are becoming more global is akin to suggesting that iPods might be more than a fad.” John M. Majoras, Harmonizing the Globalization of Antitrust Laws, METROPOLITAN CORP. COUNS., Oct. 2007, at 6. “Another noteworthy trend has been what some term the ‘Americanization’ of European private enforcement actions. EU Competition...
it is harder to show that a business has expressly aimed its anticompetitive activity at a particular forum. Thus, when companies serving national or international markets are antitrust defendants, the due process inquiry can become: When does aiming everywhere mean aiming nowhere? And in terms of the hypothetical at the beginning of this Note, the question is: Has CrabApple expressly aimed its conduct at West Dakota in a way that justifies its being haled into court there? The perverse result, according to some courts, is that the more widely you aim your anticompetitive conduct, the safer you are from Calder jurisdiction. The cynical advice to a cartel might be, “don’t aim too carefully.”

This Note suggests that while Calder jurisdiction fits well with some types of antitrust allegations, the Calder analogy weakens when charges of broad-based anticompetitive conduct collide with the long-arm statutes of particular states. The risk of forcing the analogy too far, of course, is

Commissioners have been calling for increased private enforcement for some time, and the 2006 green paper addressing the issues makes clear that there is an appetite for greater action.” Id.; see also William S. Dodge, Antitrust and the Draft Hague Judgments Convention, 32 LAW & POL’Y INT’L BUS. 363 (2001). Professor Dodge wrote:

Because U.S. courts exercise general jurisdiction based on contacts unrelated to a cause of action and because a foreign company is likely to have more contacts with the United States (especially if those contacts are assessed on a nationwide basis) than with a smaller country, U.S. courts will be able to exercise personal jurisdiction over foreign defendants in antitrust cases more often than courts in smaller countries. Similarly, because of the size of the United States, a foreign company is more likely to have assets in the United States against which an antitrust judgment can be enforced than it is to have assets in a smaller country.

Id. at 385.


13. See, e.g., Nw. Aluminum Co. v. Hydro Aluminum Deutschland GmbH, No. 02-398-JE, 2003 WL 23571744, at *4–5 (D. Or. Sept. 22, 2003) (noting that a strict application of Calder would produce the anomalous result that a court “would have jurisdiction over a small scale conspiracy aimed solely at an individual company within the United States market, but would lack jurisdiction to consider claims involving a large scale worldwide conspiracy that included numerous companies within the U.S.”); Cole v. Tobacco Inst., 47 F. Supp. 2d 812, 815 (E.D. Tex. 1999) (rejecting defendant’s argument that “if its intentional wrongdoing was aimed at more than one state” then the Calder test was not satisfied and observing that such an outcome “goes against common sense. It implies that a party can avoid liability by multiplying its wrongdoing.”).

14. This Note only addresses specific jurisdiction, which Calder discussed.
a violation of due process. Part II of this Note reviews the facts and holding of Calder, and some of the key cases that followed it. Part III addresses the question of how the effects test might be different for antitrust complaints. Part IV reviews one type of anticompetitive conduct that seems to place particular strain on the Calder analogy—cartel practices whose effects are attacked in a particular state. Part V balances the due process argument for a narrow reading of Calder with policy considerations supporting a broader application of Calder to antitrust cases.

II. THE CALDER V. JONES EFFECTS TEST

The Supreme Court issued a number of landmark cases on personal jurisdiction in the 1980s, and given their influence, it first seemed that Calder might have to fight for attention. However, the flexibility of the Calder analysis, not to mention the appeal of its tabloid facts, helped increase its currency. This Part reviews the facts and holdings of Calder, and then raises five considerations important for a look at Calder today. First, it is important not to read Calder in isolation; in particular, the reasonableness analyses of Burger King Corp. v. Rudzewicz and Asahi Metal Industries Co. v. Superior Court play an important role in any question of personal jurisdiction. Second, plaintiffs have applied Calder jurisdiction ever more broadly—to other torts, to contract cases, and, in 2006, to a First Amendment case—even as courts continue to wrestle with the question of what Calder jurisdiction requires. Third is an initial look at Calder’s crucial requirement for “express aiming.” Fourth, Calder’s requirements for injury have produced a split in the circuits as to its extent. And lastly, analysis of the role of state long-arm statutes remains a key part of the personal jurisdiction inquiry, even though no long-arm statute was present in Calder. The number of these issues and their subtlety demand even more care than usual in the ordinary personal jurisdiction analysis.

A. Facts and Holding of the Case

In Calder, the Supreme Court held that a state could exercise personal jurisdiction over a defendant who had no ordinary contacts with the state, but who had directed the tortious effects of his conduct into the state. The case concerned libel. The National Enquirer published a story in October 1979 claiming that actor Shirley Jones drank too heavily to fulfill her professional obligations. She filed a lawsuit in California Superior Court for libel, invasion of privacy, and intentional infliction of emotional harm. The suit named the Florida-based newspaper and two of its Florida-based journalists as defendants. The newspaper conceded jurisdiction, but both the journalists moved to quash service of process, and the court ruled for them. The state appellate court reversed, finding that the journalists’ intentional actions in Florida injured Jones in California, so that jurisdiction was proper.

In affirming the finding of personal jurisdiction, the U.S. Supreme Court began its analysis with the Due Process Clause of the Fourteenth Amendment. Under International Shoe Co. v. Washington, the Court noted, a state may assert personal jurisdiction over a defendant who has “minimum contacts” with the state, as long as the “suit does not offend ‘traditional notions of fair play and substantial justice.’” To comport with Shaffer v. Heitner, the minimum contacts analysis must focus on “the

21. Id. at 785.
22. Id. at 788 n.9. In their brief to the U.S. Supreme Court, Jones’ lawyers included the text of the offending article:

[M]illions of fans of her new TV show, “Shirley,” don’t realize that the seemingly bubbly star is really crying on the inside. . . . “[Jones’ husband] has driven Shirley to drink,” charged an inside source . . . . “She pours down vodka so fast that at first the crew thought she was drinking water. She starts blurring her lines and by 3 o’clock in the afternoon she’s a crying drunk and they have to stop shooting.”

24. Id. at 785–86.
25. Id. at 785.
26. Id. at 786.
27. Id. at 786–77.
28. Id. at 788.
relationship among the defendant, the forum, and the litigation.”**32 The Court noted that the plaintiff was the focus of the defendants’ activities that led to the suit.33

The Court concluded that the forum state of California was the focal point of the challenged conduct.34 The journalists drew on California sources to describe the California activities of a California resident.35 The Court reached this conclusion even though the journalists had worked in Florida. The reporter John South resided in Florida and did most of his work on the article in Florida, calling sources in California for information.36 Before the story ran, he called the actor’s home and read the story to her husband, to get his comments.37 Although South had been to California numerous times, he strongly denied ever visiting California to report the Jones story.38 The editor Iain Calder also lived in Florida.39 He served as editor and president of the National Enquirer,40 which was a Florida corporation with its principal place of business in Florida.41 Calder approved the initial story idea and edited its final draft.42 At the time of publication, Calder had only ever visited California once, on vacation.43

Besides being the focal point of the challenged conduct, the Court held that California also was the focal point of the harm suffered.44 The National Enquirer sold 600,000 of its 5-million issues in California—more than in any other state.45 Jones lived in California, she experienced emotional distress and damage to her professional reputation in California, and her television career centered in California.46

Moreover, the Court emphasized that the journalists knew the brunt of the effects of their work would be felt in California.47 In their appeal, the

33. *Id.* at 788 (citing *McGee v. Int’l Life Ins. Co.*, 355 U.S. 220 (1957)).
34. *Id.* at 789.
35. *Id.* at 788.
36. *Id.* at 785.
37. *Id.* at 785–86.
41. *Id.* at 785.
42. *Id.* at 786.
43. *Id.*
44. *Id.* at 789.
45. *Id.* at 785.
47. *Id.* at 789–90.
journalists had compared themselves to welders who supposedly worked in Florida on a boiler, which their employer subsequently shipped to California, where the boiler exploded. The Court rejected this attempt to recast their conduct as “untargeted negligence.”

[T]heir intentional, and allegedly tortious, actions were expressly aimed at California. Petitioner South wrote, and petitioner Calder edited, an article that they knew would have a potentially devastating impact upon respondent. And they knew that the brunt of that injury would be felt by respondent in the State in which she lives and works, and in which the National Enquirer has its largest circulation.

Through the journalists’ conduct and their connection with California, the Court concluded that they should “‘reasonably anticipate being haled into court there’” to answer for their actions. As a final point, the Court noted that each defendant’s contacts with a forum State must be evaluated separately. By finding personal jurisdiction over the journalists to be constitutional, the Supreme Court found that the effects of the journalists’ work in California effectively served as a “contact” with California, even though the individual reporters’ traditional contacts with the forum were lacking. Therefore, the effects test supplemented the customary analysis of contacts under International Shoe. In sum, Calder premised a finding of personal jurisdiction on (1) an intentional act, (2) expressly aimed at the forum, and (3) causing harm, the brunt of which the defendant knew was likely to be felt in the forum.

B. The Reasonableness Inquiry

The Calder analysis presents a separate issue, not unique to antitrust—the need for a reasonableness inquiry when weighing personal jurisdiction. The U.S. Supreme Court announced Calder in 1984, a year

48. Id. at 789.
49. Id.
50. Id. at 789–90 (emphasis added).
51. Id. at 790 (quoting World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297 (1980)). A month after the Court announced Calder, Shirley Jones and her husband settled their libel complaint against the Enquirer for an undisclosed sum. Aljean Harmetz, National Enquirer Agrees To Settle With Shirley Jones in Libel Suit, N.Y. TIMES, Apr. 27, 1984, at A17. The settlement included a retraction printed by the Enquirer, as well as the right for Jones and her husband to reprint the retraction in paid advertisements as they saw fit. Id.
53. Id. at 789–91.
54. Id. at 785–86.
before *Burger King*\(^6\) and three years before *Asahi*.\(^7\) The latter cases crystallized the reasonableness factors necessary for a personal jurisdiction decision to meet the “fair play and substantial justice” test of *International Shoe*.\(^8\) *International Shoe* required not only minimum contacts, but fair play and substantial justice, for a finding of personal jurisdiction.\(^9\) The *Calder* court seemed to anticipate this test by noting that “[a]n individual injured in California need not go to Florida to seek redress from persons who, though remaining in Florida, knowingly cause the injury in California.”\(^10\) The *Burger King* and *Asahi* cases, following shortly after *Calder*, made this reasonableness requirement clearer. Yet courts applying *Calder* to antitrust cases do not always make explicit the reasonableness test.\(^11\) Moreover, *Burger King* stated that the reasonableness analysis operates on an equal footing with minimum contacts, as either a complement or a counterweight, such that a finding of one can supplement or negate a finding of the other.\(^12\) It is clear, then, that a finding of *Calder* jurisdiction is only the first step of the inquiry. Courts also have to apply the reasonableness analysis refined in *Burger King* and *Asahi*.

C. How Courts Have Applied Calder

In applying *Calder* to claims besides libel, some courts have focused on the nature of the intentional act, and whether the claim sounds in contract, tort, or another doctrine.\(^13\) *Calder* itself clearly stated it did not

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\(^56\) Burger King Corp. v. Rudzewicz, 471 U.S. 462 (1985).

\(^57\) Asahi Metal Indus. Co. v. Superior Court, 480 U.S. 102, 113 (1987) (listing reasonableness factors as “the burden on the defendant, the interests of the forum State, and the plaintiff’s interest in obtaining relief” as well as “the interstate judicial system’s interest in obtaining the most efficient resolution of controversies; and the shared interest of the several States in furthering fundamental substantive social policies” (quoting World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 292 (1980)).

\(^58\) Int’l Shoe Co., 326 U.S. at 316.

\(^59\) Id.


\(^61\) See, e.g., Tex. Int’l Magnetics, Inc. v. Auriga-Aurex, Inc. (In re Magnetic Audiotape Antitrust Litig.), 334 F.3d 204, 208 (2d Cir. 2003) (ordering additional discovery to see if a *Calder* analysis could justify the assertion of personal jurisdiction, while making no mention of a reasonableness inquiry).

\(^62\) Burger King Corp. v. Rudzewicz, 471 U.S. 477–78 (1985). (“[M]inimum requirements inherent in the concept of ‘fair play and substantial justice’ may defeat the reasonableness of jurisdiction even if the defendant has purposefully engaged in forum activities. . . . [J]urisdictional rules may not be employed in such a way as to make litigation ‘so gravely difficult and inconvenient’ that a party unfairly is at a ‘severe disadvantage’ in comparison to his opponent.” (citations omitted)).

\(^63\) See, e.g., County of Stanislaus v. Pac. Gas & Elec. Co., No. CV-F-93-5866-OWW, 1995 WL 819149, at *4–5 (E.D. Cal. Dec. 18, 1995) (rejecting defendant’s claim that the Ninth Circuit disapproved the application of *Calder* to antitrust cases, or to any cases “beyond a narrow class of
tort cases that involve almost exclusively libel and slander claims,” and finding Calder jurisdiction over Canadian natural gas reseller who primarily focused on serving California customers); see also Bell Helicopter Textron, Inc. v. C & C Helicopter Sales, Inc., No. 3:00-CV-1516-X, 2001 WL 290569, at *4–5 (N.D. Tex. Mar. 21, 2001) (citing Calder, Panavision Int’l, L.P. v. Toeppen, 141 F.3d 1316 (9th Cir. 1998), and Guidry v. U.S. Tobacco Co., 188 F.3d 619 (5th Cir. 1999)) (“[T]he dilution of trademark and trademark counterfeiting causes of action are not the sort of ‘aimable’ intentional torts that were present in Calder (libel), Panavision (trademark extortion), or Guidry (fraud and misrepresentation).”).

64. Calder, 465 U.S. at 789; see also Imo Indus., Inc. v. Kiekert AG, 155 F.3d 254, 264 (3d Cir. 1998) (“Calder clearly was clearly [sic] not concerned with negligence . . . .”).

65. See, e.g., Thi Nguyen, Note, A Survey of Personal Jurisdiction Based on Internet Activity: A Return to Tradition, 19 BERKELEY TECH. L.J. 519 (2004) (concluding that many courts have reverted to Calder and other “traditional” paradigms when weighing personal jurisdiction in Internet-related litigation).

66. Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 799 (9th Cir. 2004).

67. Pac. Atl. Trading Co. v. M/V Main Express, 758 F.2d 1325, 1330 n.1 (9th Cir. 1985) (noting that the broader finding of jurisdiction in products liability cases was due to the “strong state interest in protecting its citizens against harmful products”).


69. Yahoo! Inc. v. La Ligue Contre Le Racisme et L’Antisemitisme, 433 F.3d 1199, 1206 (9th Cir. 2006).


71. Id. at 261–65. For more discussion of the various circuit courts’ approaches to the injury issue, see infra Part II.e.
jurisdiction, the Ninth Circuit noted, “[t]he substance, not form, of the defendant’s activities is dispositive.” The Ninth Circuit has also said that *Calder* requires “something more” than mere foreseeability to justify a finding of jurisdiction. While *Calder* has clearly been applied to a wide variety of claims, courts must be cautious about a “one size fits all approach.” There are several reasons why antitrust places a particular strain on the *Calder* analogy, and arguably the most important one involves *Calder*’s requirement for express aiming.

**D. Express Aiming, Asahi, and “Without More”**

*Calder*’s requirement for express aiming may be its most distinctive feature, and one that has proved inconsistent in its application. While a fuller discussion of express aiming as applied to antitrust will follow, it is important to note that *Calder* jurisdiction has at least some overlap with the Court’s stream of commerce analysis in *Asahi*. While the *Asahi* Court split and its pluralities failed to advance a single theory, the O’Connor plurality found that “[t]he placement of a product into the stream of commerce, without more, is not an act of the defendant purposefully directed toward the forum State.” The something “more,” the Court wrote, might be marketing, advertising, service, or design done with the forum in mind. The Eighth Circuit compared the holdings of *Asahi* and *Calder* when deciding a question of personal jurisdiction in a trademark
Such reasoning highlights the extent to which the two theories are cousins in the realm of personal jurisdiction theory.

E. Locating the Injury Under Calder

A separate issue in the cases citing Calder was whether the brunt of injury had to accrue in the forum. The Supreme Court in Calder held that the forum state California was the focus of the harm suffered. However, lower courts have subsequently varied this requirement. In the 2006 case, Yahoo! Inc. v. La Ligue Contre Le Racisme et L’Antisemitisme, the Ninth Circuit, noting its varying positions in the past on this question, announced that going forward it would not require the brunt of Calder harm to be suffered in the forum. A Seventh Circuit opinion also seemed to adopt a more flexible standard for injury, holding in 1997 that “the state in which the victim of a tort suffers the injury may entertain a suit against the accused tortfeasor.”

The Third Circuit, however, has applied Calder’s injury requirement more narrowly. In reviewing a claim of tortious interference with business relationships, the Third Circuit held in 1998 in Imo Industries, Inc. v. Kiekert AG that Calder required that the brunt of the injury be felt in the forum state of New Jersey, and that the defendant had to know the brunt of the harm would fall there. The Imo court cited decisions from the Tenth, Fifth, and Fourth circuits for the proposition that Calder is not satisfied by “the mere allegation that the plaintiff feels the effect of the defendant’s tortious conduct in the forum because the plaintiff is located there.” Holding otherwise would “carve out a special intentional torts

79. Dakota Indus., Inc. v. Dakota Sportswear, Inc., 946 F.2d 1384, 1391 (8th Cir. 1991) (finding Calder analogized more closely than Asahi to an allegation of intentional trademark infringement); see also iAccess, Inc. v. WEBcard Techs., Inc., 182 F. Supp. 2d 1183, 1186 (D. Utah 2002) (reading Asahi and Calder together for the requirement that the defendant “expressly aimed” or “intentionally directed” alleged tortious interference with business relations at residents of the forum state).
81. 433 F.3d 1199 (9th Cir. 2006).
82. Id. at 1207. The Ninth Circuit cited as authority for its conclusion the U.S. Supreme Court’s decision in Keeton v. Hustler Magazine, Inc., 465 U.S. 770 (1984), announced the same day as Calder v. Jones. In Keeton, the Court upheld a finding of personal jurisdiction in New Hampshire even though “it is undoubtedly true that the bulk of the harm done to petitioner occurred outside New Hampshire.” Yahoo!, 433 F.3d at 1207 (quoting Keeton, 465 U.S. at 780).
83. Janmark, Inc. v. Reidy, 132 F.3d 1200, 1202 (7th Cir. 1997).
84. 155 F.3d 254 (3d Cir. 1998).
85. Id. at 265–66.
86. Far W. Capital, Inc. v. Towne, 46 F.3d 1071, 1080 (10th Cir. 1995).
88. ESAB Group, Inc. v. Centricut, Inc., 126 F.3d 617, 625–26 (4th Cir. 1997).
89. Imo, 155 F.3d at 263.
exception to the traditional specific jurisdiction analysis.” Such a finding, for example, would confer personal jurisdiction in a forum where a plaintiff corporation incurred lost profits as the result of a business arrangement. The upshot of the Third Circuit’s narrow reading of injury location in In re Vitamins Antitrust Litig. could be that antitrust plaintiffs there could have a harder time establishing Calder jurisdiction over defendants.

F. Interaction with State Long-arm Statutes

The Court in Calder ruled solely on the constitutionality of the state court’s assertion of effects-test personal jurisdiction. Since California law permits courts to find personal jurisdiction to the same extent allowed by the U.S. Constitution, there was no analysis of a state long-arm statute. Likewise, many antitrust cases avoid consideration of a long-arm statute, as many antitrust suits, particularly those involving international conspiracies, are brought under § 12 of the Clayton Act, which provides for worldwide service of process against antitrust defendants. The process provision effectively serves as a broad grant of personal jurisdiction against antitrust defendants: “The ensuing minimum contacts analysis looks to a corporation’s contacts with the United States as a whole,” in applying the Due Process Clause of the Fifth Amendment. Therefore, antitrust plaintiffs seeking Calder jurisdiction in those cases do not have to contend with a state long-arm statute.

In other antitrust fact patterns, however, the role of a state long-arm statute looms large. Courts have indicated that restrictive language of state long-arm statutes can further limit the reach of Calder jurisdiction over antitrust defendants, as in In re Vitamins Antitrust Litigation. This Note discusses the issues implicated by this case in Part IV.

90. Id. at 265.
91. Id. at 263.
93. Id. at 786 n.5.
95. Id. The circuit courts of appeal have split on the question of whether § 12’s venue provision must be satisfied before invoking its worldwide service-of-process provision. For an excellent discussion of this issue, see Jordan G. Lee, Note, Section 12 of the Clayton Act: When Can Worldwide Service of Process Allow Suit in Any District?, 56 FLA. L. REV. 673 (2004), cited with approval in Ky. Speedway, LLC v. NASCAR, 410 F. Supp. 2d 592, 600–01 (E.D. Ky 2006) (“This court agrees with the view expressed in the conclusion of the Florida Law Review article . . . .”).
In summary, it is clear that a proper application of Calder requires more than the three-part test from the case law. Reasonableness must be considered, as well as any applicable long-arm statute. For some cases these additional factors can be decisive. But first another question arises: Do the particular features of antitrust subject matter change the Calder jurisdiction analysis? Likely they do, for as the Imo court wrote, “Calder’s holding cannot be severed from its facts.”

III. THE EFFECTS TEST: DIFFERENT FOR ANTITRUST?

Is Calder jurisdiction different for antitrust allegations? Or to put the question much more generally, how much does a lawsuit’s subject matter modulate the personal jurisdiction analysis? For Calder, the snap answer is that the conduct is the contact. As courts have analogized Calder to other cases, they have wrestled with the extent to which the subject matter affects personal jurisdiction. Some antitrust plaintiffs have successfully obtained Calder jurisdiction over defendants in federal district courts. Others have not. This Part has three divisions. The first is a brief

98. Imo Indus., Inc. v. Kiekert AG, 155 F.3d 254, 261 (3d Cir. 1998).
consideration of how the tort of antitrust fits into the Calder framework, with attention to the unique nature of antitrust injury. Second is a review of the interaction of antitrust allegations with Calder’s key requirement for express aiming. The last is a discussion of how the distinction between the two most basic types of antitrust violations—cartel conduct and exclusionary conduct—might affect the outcome in Calder jurisdiction analyses.

A. Antitrust and Libel: An Odd Couple of Torts?

The problems of analogizing the effects test to anticompetitive behavior flow largely from the fact that Calder involved the distinct tort of libel. So some comparing and contrasting of these torts helps. Antitrust is also a tort—analogous to libel, but not identical. This carries through several aspects of the antitrust injustice test. Most prominently, the Due Process Clause of the Fifth Amendment requires that the United States may not be made a defendant in a civil suit, unless affirmatively consented to do so by making a present and conscious decision to render itself subject to the jurisdiction of the forum. 101


102. The Sherman Act provides both civil and criminal penalties for antitrust violations. 15 U.S.C. § 1 (Supp. IV 2004). Therefore, antitrust superficially resembles other torts like battery, assault, or false imprisonment, all of which have analogues in the criminal law. To this extent, libel may be slightly anomalous. “Many people have argued that criminal libel laws are unconstitutional, but the Supreme Court has never so held.” Posting of Eugene Volokh to The Volokh Conspiracy, http://volokh.com/posts/1124822280.shtml (Aug. 23, 2005, 2:38 EST). The Supreme Court’s last relevant decision, Garrison v. Louisiana, reversed a criminal libel conviction. 379 U.S. 64, 77–79 (1964). However, the case “did not go further and suggest that all criminal libel laws are per se impermissible.” Posting of Eugene Volokh, supra.

103. Calder v. Jones, 465 U.S. 783, 789 (1984); see also Imo, 155 F.3d at 264 (“Calder clearly was clearly not concerned with negligence . . . .”)

block as required by the Ninth Circuit’s effects test); Gen. Cigar Holdings, Inc. v. Altadis, S.A., 205 F. Supp. 2d 1335, 1348 (S.D. Fla. 2002) (“Unlike California in Calder, there has been no showing that Florida was the focal point of either Altadis, S.A.’s alleged illegal activities or the alleged harm suffered by Plaintiff. . . . The minimum contacts requirement of the Due Process Clause would be worthless if foreign defendants could be brought before a court in Florida merely by alleging ‘illegal effects within the United States.’ Accordingly, the Court finds that Plaintiff has failed to establish that Altadis, S.A. has purposely availed itself of the privilege of conducting business in Florida.”); Mgmt. Insights, Inc. v. CIC Enters., Inc., 194 F. Supp. 2d 520, 526 (N.D. Tex. 2001) (declining to find Calder jurisdiction because of lack of express aiming towards Texas, and because plaintiff’s presence in forum was “mere fortuity” and finding that “[t]o hold otherwise would be to destroy altogether the limits imposed by due process” (citing Bell Helicopter Textron, Inc. v. C & C Helicopter Sales, Inc., No. 3:00-CV-1516-X, 2001 WL 290569, at *3–4 (N.D. Tex. Mar. 21, 2001)); Sea-Roy Corp. v. Parts R Parts, No. 1:94CV00059, 1995 U.S. Dist. LEXIS 21859, at *32–34 (M.D.N.C. Aug. 15, 1995) (failure to show express aiming at forum); Kane Commc’ns, Inc. v. Klombers, No. 87-6594, 1988 WL 26462, at *4 (E.D. Pa. Mar. 10, 1988).


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As a tort, antitrust encompasses a wide array of behavior. Section 2 of the Sherman Act forbids conduct in support of the illegal acquisition or maintenance of monopoly power—presumably because of the effects of monopoly on consumer welfare. But a § 1 violation may be more complicated in its presentation. Section 1 of the Sherman Act forbids unreasonable “contracts, combinations or conspiracies” in restraint of trade. Therefore, the § 1 antitrust offense is an agreement—an agreement to fix prices or divide sales territories, for instance. In other words, the violation is a contract or quasi-contract deemed illegal and unenforceable as a matter of public policy. A § 1 violation might in some cases present itself as a contract, possibly eluding the application of Calder when warranted, if a court focuses too much on the form rather than the substance of the conduct.

A tort is all about the injury, of course, and by this measure the differences between libel and antitrust violations provide a little contrast. Libel redresses injury to a plaintiff’s reputation. Antitrust, however, remedies injury to competition—an even more intangible idea. The

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105. Circuit Judge Learned Hand wrote in Alcoa that:

[E]ven though we disregarded all but economic considerations, it would by no means follow that such concentration of producing power is to be desired, when it has not been used extortionately. Many people believe that possession of unchallenged economic power deadens initiative, discourages thrift and depresses energy; that immunity from competition is a narcotic, and rivalry is a stimulant, to industrial progress; that the spur of constant stress is necessary to counteract an inevitable disposition to let well enough alone.

United States v. Aluminum Co. of Am., 148 F.2d 416, 427 (2d Cir. 1945).


107. For further discussion of the form/substance distinction, see supra notes 63–72 and accompanying text. In McGlinchy, the Calder analysis focused on the alleged anticompetitive effect of a contract signed by the parties. McGlinchy v. Shell Chem. Co., 845 F.2d 802, 817–18 (9th Cir. 1988). On the other hand, there is perhaps at least one type of per se violation to which Calder could never properly be applied—an illegal agreement without effect. Socony Vacuum’s famous footnote 59 interpreted § 1 to forbid price-fixing agreements as per se illegal, even if the agreeing parties lack the power to put the agreement into effect in the market. United States v. Socony Vacuum Oil Co., 310 U.S. 150, 224 n.59 (1940). The lack of effect anywhere would preclude the assertion of Calder jurisdiction in a foreign forum. As a practical matter, such an agreement would probably never be the subject of civil or criminal prosecution.


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seminal case of *Brunswick Corp. v. Pueblo Bowl-O-Mat, Inc.* held antitrust law specifically does not protect a competitor who suffers financial loss resulting from legal competition. A court applying *Calder* to an antitrust complaint needs to make sure that the injurious effect is one covered by the antitrust law. In *Brunswick*, the maker of bowling alley equipment bought a number of financially struggling bowling alleys in New Jersey during a time of decreased popularity of bowling. A rival bowling alley operator sued, alleging that even though Brunswick controlled only two percent of all U.S. alleys, the mergers and Brunswick’s “deep pocket[s]” would lead to unfair competition. The Supreme Court vacated a jury verdict against Brunswick, however, ruling that vigorous competition was the goal of antitrust law—even if the competition had the effect of hurting the business of a less-efficient competitor. The Court found that “[t]he antitrust laws . . . were enacted for ‘the protection of competition not competitors.’ It is inimical to the purposes of these laws to award damages for the type of injury claimed here.” These considerations need to be weighed alongside the restrictions of *Calder*.

As *Imo* stated, if the mere fact of lost revenues registering in a corporation’s home state sufficed to give the state personal jurisdiction over a defendant, *Calder* would authorize jurisdiction in every district where a corporation incurred a loss. “[W]hile it is true that a corporation ‘feels’ lost sales at its headquarters, permitting *Calder* to be satisfied on this basis would mean that jurisdiction in intentional tort cases would always be appropriate in the plaintiff’s home state, since the plaintiff always ‘feels’ the impact of the tort there.” While acknowledging that its narrow reading of *Calder* might “limit the types of business tort cases” to which it could be applied, the *Imo* court noted that *Calder* did not “carve out a special intentional torts exception to the traditional specific jurisdiction analysis, so that a plaintiff could always sue in his or her home state.”

Injury is only one aspect of antitrust’s unique standing doctrine that plaintiffs must negotiate. Other requirements of antitrust standing—that

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Act claim).

110. Id. at 489.
111. Id. at 479–80.
112. Id. at 480, 487.
113. Id. at 489.
114. Id. at 488 (citation omitted) (quoting Brown Shoe Co. v. United States, 370 U.S. 294, 320 (1962)).
116. Id.
117. Id. at 265.
only direct purchasers may bring private causes of action,\(^{118}\) for example—do not implicate the personal jurisdiction question. These hurdles probably offer plaintiffs greater challenges these days, in the light of the Supreme Court’s growing skepticism about thinly-pleaded antitrust complaints.\(^{119}\) The narrowness of the antitrust doctrines of injury and standing seem to suggest that \textit{Calder} ought to apply narrowly to antitrust complaints as well.

\textbf{B. The Requirement of Express Aiming}

Perhaps the knottiest part of applying effects-test jurisdiction to antitrust allegations is \textit{Calder}’s requirement for express aiming. If a firm directs conduct towards a given market, say to tailor products or advertising specifically for that market, it is reasonable to conclude that it is aiming at that market.\(^{120}\) But the mere act of production, \textit{Asahi} seems to suggest, is not by itself aiming.\(^{121}\) The same analysis should apply to allegations of anticompetitive conduct. But some cases suggest that if a firm aims anticompetitive conduct broadly, it has not aimed anywhere. Such a holding would seem to immunize anticompetitive practices that focus on huge markets, or practices that take pains not to “aim” anywhere.\(^{122}\) In 2003, the Second Circuit reviewed the application of \textit{Calder} jurisdiction in \textit{In re Magnetic Audiotape Antitrust Litigation}.\(^{123}\) While the court’s analysis is brief and lacks a discussion of reasonableness, it provides a good example of express aiming in a cartel case, one that withstands a narrow reading of \textit{Calder}.

In \textit{Magnetic Audiotape}, a private antitrust class action was filed against German and Korean makers and distributors of magnetic audiotape, accusing them of a conspiracy to fix the price of magnetic tape in the U.S.\(^{124}\) The defendants allegedly had a market share exceeding 90% for

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\(^{120}\) See \textit{Asahi Metal Indus. Co. v. Superior Court}, 480 U.S. 102, 112 (1987).

\(^{121}\) See supra notes 76–79 and accompanying text.

\(^{122}\) See, e.g., Nw. Aluminum Co. v. Hydro Aluminum Deutschland GmbH, No. 02-398-JE, 2003 WL 23571744, at *4 (D. Or. Sept. 22, 2003) (noting the “anomalous [sic] result that this court would have jurisdiction over a small-scale conspiracy aimed solely at an individual company within the United States market, but would lack jurisdiction to consider claims involving a large scale worldwide conspiracy that included numerous companies within the U.S.”).

\(^{123}\) 334 F.3d 204, 208 (2d Cir. 2003).

\(^{124}\) Id. at 206. In addition to using \textit{Calder}’s effects test, plaintiffs in these situations
magnetic audiotape sold in the U.S. in the mid-1990s. One defendant was SKM Ltd., a Korean corporation with its headquarters in Seoul. SKM’s American subsidiary had a 40% market share in the U.S. However, SKM itself had no office, bank account, or license to do business in the U.S., nor did any of its employees work or reside in the U.S. SKM filed a motion to dismiss for lack of personal jurisdiction. The trial court granted the motion, finding the plaintiffs had failed to allege facts showing SKM participated in price-fixing aimed at the U.S. sufficient to warrant a finding of personal jurisdiction. The Second Circuit vacated the order and remanded with instructions to allow the plaintiffs limited discovery on the question of personal jurisdiction.

The Second Circuit began its analysis by asking the question—did SKM have sufficient minimum contacts with the U.S. to satisfy due process? It noted that the plaintiff had pleaded allegations about a meeting in Seoul at which price-fixing took place. An SKM executive attended that meeting, according to minutes of the meeting that the plaintiffs submitted. The allegations provided a good basis for a finding of express aiming. Indeed, the minutes contained many persuasive details.

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sometimes use a conspiracy theory of personal jurisdiction. See infra notes 188–89 and accompanying text.

126. Brief for Defendant-Appellee SKM Ltd. at 6, Magnetic Audiotape, 334 F.3d 204 (No. 02-7687), 2002 WL 32872511, at *6.
127. Brief for Plaintiff-Appellants, supra note 125, at 27.
129. Id.
130. Id.
131. Magnetic Audiotape, 334 F.3d at 209.
132. Id. at 207.
133. Id. at 208.
134. Id.
135. Plaintiffs’ reply brief filed with the Second Circuit contained the following passage:

In its responses to interrogatories, [SKM’s American affiliate] expressly admitted that Sung-Eiu Song, an SKM executive, attended the April 1995 meeting in Seoul along with Bernard Geisler of BASF, among others. SKM’s attempt to relegate the Seoul meeting to footnote status and gloss it over as “a short culturally required courtesy meeting” is at odds with the evidence.

Indeed a document produced by [the affiliate] relating to the April 28, 1995 meeting between BASF and SKM in Korea entitled “BASF Meeting Agenda” contains, inter alia, a handwritten English translation of an agenda item: “Price increases in USA market have been preliminarily agreed as follows” with a listing of prices and tape grades. Similarly, another document produced by [the affiliate] detailing the discussions at the April 28, 1995 meeting is entitled “Conference
English, the memorandum bore the heading: “The Market Situation and the Possibility of Mutual Cooperation in Raising Product Prices.” An entry titled “Agreed details on the price raise in America” stated that “BASF’s selling price on chrome is 10% lower than SKM. SKM requests BASF [a co-defendant German corporation] to raise the price to 5.80 cents/100 ft. Geisler from BASF agrees.” As the plaintiff’s attorney said, “such direct evidence of participation in price-fixing is relatively rare in antitrust litigation.” Typically, antitrust plaintiffs lack direct evidence of agreement, and instead have to marshal evidence from which a fact-finder can infer agreement.

The court read Calder as supporting a finding of personal jurisdiction when “defendant is a primary participant in intentional wrongdoing—albeit extraterritorially—expressly directed at forum.” While conceding its executive’s presence at the meeting, the defendant SKM had characterized it as a “short, culturally required courtesy meeting,” the court noted. SKM denied that price-fixing occurred, but the court held it had no power to resolve questions of fact on a motion to dismiss. Remand also was appropriate, the court held, in view of the possibility the district court might have overlooked the specific allegation from the minutes of the meeting. The court concluded that these

Reply Brief for Plaintiffs-Appellants and Plaintiff-Counter-Defendant-Appellant at 2–3, Magnetic Audiotape, 334 F.3d 204 (No. 02-7687), 2002 WL 32872512, at *2–3 (citations and annotations omitted).

136. Id. at 2 (emphasis omitted).
137. Id. at 2–3 (emphasis omitted).
138. Id. at 3.
140. Magnetic Audiotape, 334 F.3d at 208.
141. Id.
142. Id.
143. Id.
144. Id.
allegations by themselves “arguably” satisfied the effects test under Calder. 145

Oddly, the Second Circuit included no reasonableness analysis in its personal jurisdiction consideration, despite the fact that both sides briefed the issue. The defendant SKM contended it should not have to shoulder the burden of facing litigation in New York. 146 Plaintiffs, however, argued for the reasonableness of Calder jurisdiction in their brief, quoting Asahi factors. 147 Besides the strong facts present in the meeting minutes, the plaintiffs’ argument drew strength from the fact they had brought suit under § 12 of the Clayton Act, allowing worldwide service of process. 148 This wrinkle meant that the plaintiffs could aggregate the defendant’s contacts with the U.S. as a whole, rather than for a single state. 149 In conclusion, there is a strong indication of express aiming that justifies the Second Circuit’s approval of Calder jurisdiction in Magnetic Audiotape.

The strong facts of express aiming in Magnetic Audiotape stand in clear contrast to the facts of McGlinchy v. Shell Chemical Co., 150 where the Ninth Circuit found a fatal lack of allegations of express aiming, in an opinion just four years after Calder was announced. 151 In a California court, plaintiffs argued that a contract they had signed with Shell International Chemical Company (SICC), a British corporation, purposefully directed anti-competitive activity in the sale of polybutylene resin towards California. 152 The Ninth Circuit rejected that argument, noting that the contract neither mentioned California nor purposefully directed any tortious act or effect towards California. 153 “The contract makes no reference to California, to appellants’ residence in California, or to any reliance on appellants’ facilities in California.” 154 The argument that the contract satisfied the requirements of Calder jurisdiction was “specious,” the court found. 155

145. Id.
146. Brief for Defendant-Appellee, supra note 126, at 20 (“[I]t will be burdensome for SKM, a Korean corporation reorganization in bankruptcy, with no offices in the United States, to litigate this complex matter and effectively defend itself in the United States. All of SKM’s witnesses are located in Korea, speak Korean and would have to travel to New York for trial.” (citation omitted)).
147. Brief for Plaintiffs-Appellants, supra note 125, at 37.
149. Id. at 207.
150. 845 F.2d 802, 817 (9th Cir. 1988) (denying applicability of Calder jurisdiction against English corporation since contract in question, though signed by California plaintiffs, did not mention California and was not purposefully directed to instigate any tortious act or effect in California).
151. Id.
152. Id. at 805, 817.
153. Id. at 817.
154. Id.
155. Id.
The contract does not name the United States. It does name twenty-one other countries. There are no terms in the contract which would indicate that SICC contemplated an effect in California, much less that any such effect should be considered a material term of agreement. The contract was “purposefully directed” at activities in nations other than the United States; appellants concede this when they recite their “willingness and ability” to “travel anywhere, anytime and any place . . . to expand the market for [SICC’s product].”

Reading McGlinchy and Magnetic Audiotape together, one may conclude that a close reading of the complaint will reliably show whether the allegations reveal express aiming. As will be discussed in Part IV, alleging this express aiming becomes more difficult when the target forum is a state rather than the U.S.—when the target is smaller. In those cases, specific allegations of express aiming become even more important.

C. Price-fixing Versus Exclusionary Practices

The application of Calder jurisdiction also has varied depending on the theory of the underlying antitrust complaint. Anticompetitive conduct generally falls into one of two broad categories—cartel behavior and exclusionary conduct. Cartel behavior comprises some of the most familiar activities associated with antitrust—agreements about maximum price, agreements about minimum price, and agreements to divide territory. Exclusionary conduct includes concerted refusals to deal, also known as boycotts; exclusive dealing contracts; and tying. Exclusionary conduct can be attacked as an illegal agreement under § 1; or it can be attacked as conduct in support of the acquisition or maintenance of a monopoly, in violation of § 2. The upshot for Calder jurisdiction is that some anticompetitive conduct is by its nature aimed specifically—aiming a boycott to harm a rival who is deemed a threat, for example, or in Magnetic Audiotape, conspiring to fix prices for a product in the U.S. market. Cases like Magnetic Audiotape typify many recent civil antitrust

156. McGlinchy, 845 F.2d at 817 (alterations in original).
158. See id. at 377.
159. Examples of boycotts that were well-aimed at rivals, and that predate Calder, include Fashion Originators’ Guild of America, Inc. v. FTC, 312 U.S. 457, 461 (1941), and Eastern States Retail Lumber Dealers' Ass'n v. United States, 234 U.S. 600, 611 (1914).

http://scholarship.law.ufl.edu/flr/vol60/iss4/4
actions that are sometimes called “follow-ons,” private litigation that follows a criminal investigation into allegations of price-fixing. The earlier criminal investigations sometimes yield plea agreements and internal documents that provide excellent prima facie evidence of the specific plotting and aiming of conduct at U.S. markets. This evidence of aiming anticompetitive conduct makes the use of Calder jurisdiction suitable.

More problematic, though, are allegations of anticompetitive conduct that lack this fine-point focus. One example was the hypothetical at the beginning of this Note. The imaginary defendant CrabApple just didn’t seem to be targeting aggrieved consumers in the forum state, West Dakota. This problem plays out in plenty of actual cases as well, particularly when plaintiffs seeking Calder jurisdiction must satisfy not only constitutional mandates, but also the requirements of a state long-arm statute. When evidence of express aiming does not materialize, Calder jurisdiction becomes problematic. The next Part explores this difficulty.

IV. Calder in Antitrust: Straining the Analogy

Calder jurisdiction can hit problems when applied to conduct allegedly aimed at a state. The defendant may claim, sometimes convincingly, that the smaller forum never entered its thoughts. No express aiming, of course, means no Calder jurisdiction. Such a situation can highlight the due process problems associated with misapplication of Calder. This Part has two divisions. The first will examine the 2001 district court opinion in In re Vitamins Antitrust Litigation, which highlighted the hurdle that state long-arm statutes can pose to Calder jurisdiction. The second revisits the hypothetical posed at the beginning of this Note and applies the analysis developed so far.

A. In re Vitamins Antitrust Litigation

The Vitamins Antitrust court declined to find Calder jurisdiction in eight states, citing the lack of express aiming required by those states’ long-arm statutes. At the same time, the court granted effects-test

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161. See Thomas E. Kauper & Edward A. Snyder, An Inquiry into the Efficiency of Private Antitrust Enforcement: Follow-On and Independently Initiated Cases Compared, 74 Geo. L.J. 1163, 1166–70 (1986) (discussing the advantages and disadvantages of the follow-on cases compared to independently initiated cases).


163. See, e.g., supra notes 135–38 and accompanying text.


165. Id. at *64–65.
jurisdiction in California and Illinois, noting that those states have “construed *Calder* and the ‘effects test’ most broadly.”

*Vitamins Antitrust* comprised a large volume of civil litigation that followed a U.S. criminal investigation of the livestock-vitamin industry in the mid-1990s. The defendants, which included U.S. and foreign companies, were accused of fixing the price of choline chloride, the B₄ vitamin used in chicken and swine feed, in violation of § 1 of the Sherman Act.

As often happens in antitrust cases, guilty pleas in a criminal matter paved the way for subsequent civil litigation on behalf of direct purchasers. In *Vitamins Antitrust*, the civil suits were consolidated in a multi-district litigation proceeding. As is the standard practice in such circumstances, a single district judge decides pretrial issues for similar cases pending in many jurisdictions. Therefore, *Vitamins Antitrust* offered an unusual and useful state-by-state comparison of *Calder*’s application to antitrust allegations pending in a variety of jurisdictions simultaneously.

The *Vitamins Antitrust* court declined to subject a Belgian corporation, UCB, to personal *Calder* jurisdiction in eight states, while granting effects-test jurisdiction against UCB in California and Illinois. Unlike many of the other civil defendants, UCB had not earlier pleaded guilty in a criminal proceeding—thus denying plaintiffs’ attorneys the typically rich trove of guilty pleas and colloquies that can yield the aiming evidence like that proffered in *Magnetic Audiotape*. The *Vitamins Antitrust* court had to weigh the case for personal jurisdiction in each state—in some cases, evaluating the case that UCB itself, and not its subsidiaries or co-conspirators, aimed anticompetitive conduct specifically at each state.

The court began its analysis by noting that Illinois and California have construed *Calder* and the effects test broadly. A defendant faced jurisdiction in Illinois if he committed a tort against an Illinois business so

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166. *Id.* at *58–59.
168. *Id.*
171. *Id.* at *19. The court noted that in *Execu-Tech Business Systems, Inc. v. New Oji Paper Co.*., 752 So. 2d 582, 585 (Fla. 2000), the Florida Supreme Court upheld *Calder* jurisdiction against a defendant who pleaded guilty to charges of fixing the price of thermal fax paper. *Vitamins Antitrust*, 2001 U.S. Dist. LEXIS 25073, at *57–58. The Florida court held that jurisdictional requirements were met by allegations that conspirators had (1) manufactured the product, (2) pleaded guilty to participating in the conspiracy, and (3) the product had been distributed at the increased price in every state, including Florida. *Id.*
172. *Id.* at *58–59.
that injury was felt in Illinois. California’s analysis was slightly more complicated, and hinged in part on the presence of antitrust allegations. In a ruling predating Calder, the California state courts had held that “effects-test” jurisdiction was reasonable if a foreign defendant caused effects “that the State treats as exceptional and subject to special regulation.”

Plaintiffs’ arguments for jurisdiction in eight other states failed, however. The common thread in the denials of jurisdiction was the states’ heightened requirements for proving “express aiming.” While UCB’s subsidiaries or co-conspirators might have aimed specifically at the forum state, UCB itself had not. For example, Virginia law required “purposefully targeted conduct.” Georgia required “tortious and intentional acts . . . specifically directed at plaintiff and his work.” Indiana called for “deliberate actions . . . expressly aimed at Indiana and calculated to have effect in Indiana.”

Defendants argued against personal jurisdiction by citing the Calder Court’s observation that the journalists knew their article would damage Shirley Jones and that she would feel the brunt of her injury in California. The Vitamins Antitrust court found this tack persuasive, writing: “Defendant is correct that there must be some limits on the ‘effects test’; specifically, courts have held that Calder ‘cannot stand for...”

173. Id. at *59 (citing Janmark, Inc. v. Reidy, 132 F.3d 1200, 1202 (7th Cir. 1997) (citing Green v. Advance Ross Elecs. Corp., 427 N.E.2d 1203, 1206 (Ill. 1981))).
174. Id. (quoting Quattrone v. Superior Court, 44 Cal. App. 3d 296, 306 (Ct. App. 1975)).
175. Antitrust allegations addressed by the Cartwright Act qualified as charges subject to special regulation. Id. n.22.
176. Id. at *61; see also Archer Daniels Midland v. F. Hoffman-La Roche, Ltd. (In re Vitamins Antitrust Litig.), 270 F. Supp. 2d 15 (D.D.C. 2003). In granting Calder jurisdiction against Chinook, another defendant in the same case, the Vitamins Antitrust court detailed the heightened demands of the Kansas long-arm statute:

Kansas also recognizes the “effects test,” but requires a more particularized inquiry as to whether the defendant purposely directed its tortious actions at Kansas. Following the Seventh Circuit’s analysis, courts in that jurisdiction examine “prior negotiations and contemplated future consequences, along with the terms of the contract and the parties’ actual course of dealing.” Courts further examine “the contacts created by the out-of-state defendant in committing the alleged tort.”

177. Id. at *61 (quoting Robinson v. Egmor, 699 F. Supp. 1207, 1214 (E.D. Va. 1988)).
178. Id. (citing Horsley v. Feldt, 128 F. Supp. 2d 1374, 1379 (N.D. Ga. 2000)).
179. Id. (citing Internmatic, Inc. v. Taymac Corp., 815 F. Supp. 290, 297 (S.D. Ind. 1993)).
180. Id. at *62 (citing Calder v. Jones, 465 U.S. 783, 789–90 (1984)).
the broad proposition that a foreign act with foreseeable effects in the forum state always gives rise to specific jurisdiction.”

The plaintiffs attempted to save their cases for personal jurisdiction by arguing that aiming at the United States as a whole satisfied the aiming requirement for individual states. They cited Cole v. Tobacco Institute,182 in which a district court found that a British tobacco corporation was subject to Calder jurisdiction as a matter of “common sense.”183 If a defendant aimed intentional wrongdoing at more than one state, the Tobacco Institute court reasoned, then it should satisfy the express aiming requirement of every one of those states.184 Finding otherwise, the Tobacco Institute court wrote, would “imply that a party can avoid liability by multiplying its wrongdoing.”185 While showing sympathy with the Tobacco Institute court’s argument, the Vitamins Antitrust court hewed to a narrower reading of Calder: “[T]he fact remains that the remaining fora have required defendant’s tortious conduct to be specifically and purposefully directed at those states to satisfy the effects test.”186

By reaching this conclusion, the Vitamins Antitrust court honored the precedent surrounding the individual forum states’ long-arm statutes. This careful reading also seems to square with the requirements of due process, and with the federal courts’ constitutional mandate of limited jurisdiction. There are other concerns, beyond domestic constitutional and statutory ones, that argue for a conservative application of Calder jurisdiction, however. Part of the fallout of globalization is that courts everywhere must contend with the implications of their rulings on foreign markets, governments, and persons.187

181. Id. at *62–63 (quoting Bancroft & Masters, Inc. v. Augusta Nat’l Inc., 223 F.3d 1082, 1087 (9th Cir. 2000)). This narrower reading of Calder seems to fit with the Imo court’s narrow reading of Calder. See supra notes 84–91 and accompanying text.
183. Id. at 815.
184. Id. at 815–16.
185. Id. at 815.
186. Vitamins Antitrust, 2001 U.S. Dist. LEXIS 25073, at *64.
187. One need look no further than the example of Microsoft, which on appeal rebuffed many of the findings of the U.S. government’s monopolization case, only to have a European Union court subsequently force it to share some proprietary secrets with rivals. See Steve Lohr & Kevin J. O’Brien, Microsoft Is Yielding in European Antitrust Fight, N.Y. TIMES, Oct. 23, 2007, at C1. Governments’ needs to protect competition and promote efficiency must square with business’ need for uniformity and predictability in regulation. Moreover, U.S. courts hearing cases involving international parties have to confront the issue of comity—the extent to which their judgments will affect the judicial, executive, and legislative acts of other nations. Black’s Law Dictionary defines comity as “[a] practice among political entities (as nations, states, or courts of different jurisdictions), involving esp. mutual recognition of legislative, executive, and judicial acts.” Black’s Law Dictionary 284 (8th ed. 2004). In Magnetic Audiotape, the Second Circuit rejected the defendant’s argument that bankruptcy proceedings in a Korean court barred the plaintiff’s
The plaintiff, of course, shoulders the burden of pleading the prima facie case for Calder jurisdiction. Calder jurisdiction by its nature focuses on one narrow set of circumstances. Courts have a duty not to extend Calder beyond its limits, no matter how sympathetic they may be to the apparent rightness of a cause. If the plaintiff can’t meet that burden, there are always other theories of jurisdiction to plead, and other forums to seek. One theory commonly pleaded alongside Calder jurisdiction in antitrust cases is the so-called “conspiracy theory of jurisdiction,” whereby a proper finding of personal jurisdiction over a defendant in a forum is imputed to the defendant’s co-conspirator, who has no requisite contacts with the forum. Thus, a denial of Calder jurisdiction does not mean a death knell for antitrust allegations against a particular defendant.

B. BuyPod Revisited

The opening hypothetical of this Note posed the question of whether Calder jurisdiction could be used to hale CrabApple into court in West Dakota. Reconsidering the question in the light of the analysis developed so far clarifies some of the problems the plaintiffs face in that case.

Reasonableness. While obviously inconvenient and expensive for a corporation to defend a suit in another state, large corporations routinely shoulder such burdens. Indeed, in the Microsoft follow-on litigation, indirect purchasers in numerous state courts pursued actions that Microsoft was compelled to defend in those states. Burger King balanced

antitrust claims. Tex. Int’ll Magnetics, Inc. v. Auriga-Aurex, Inc. (In re Magnetic Audiotape Antitrust Litig.), 334 F.3d 204, 208–09 (2d Cir. 2003). The court held that a dearth of evidence precluded a proper finding on the issue. Id. at 209. At the same time, however, the court cited Federal Rule of Civil Procedure 44.1 for the proposition that “courts are not precluded from engaging in their own information gathering with regard to issues of foreign law.” Id. More and more, U.S. courts will have to be mindful of the implications of their rulings when dealing with international business.

188. See, e.g., Vitamins Antitrust, 2001 U.S. Dist. Lexis 25073, at *64 (denying Calder jurisdiction despite “sympathizing with plaintiffs' argument . . . [and] even though the Court may agree with plaintiffs’ position”).


190. See, e.g., William H. Page, Class Certification in the Microsoft Indirect Purchaser
inconvenience to the defendant against the plaintiffs’ interest in obtaining relief, and it is doubtful that the obstacles to CrabApple in defending in West Dakota would be “‘gravely difficult and inconvenient’” enough to put it at a “‘severe disadvantage.’” On the other hand, it is unlikely that granting jurisdiction in West Dakota, and every other forum in which a plaintiff’s firm might file a similar complaint, will advance “the interstate judicial system’s interest in obtaining the most efficient resolution of controversies.” Even the economies obtained through multi-district litigation end at the point of jury selection. On balance, however, reasonableness by itself probably would not bar Calder jurisdiction, given the realities of contemporary civil litigation as seen in the Microsoft case.

**Brunt of the injury.** Plaintiffs face a heavier burden here. The narrow language of Calder, emphasized by subsequent opinions like Imo, make a strong case that the brunt of CrabApple’s alleged harm would never be felt in West Dakota, given the wide reach of its market, and moreover that CrabApple would not expect the brunt of the harm to fall in West Dakota.

**Express Aiming.** The lack of express aiming poses another high hurdle for Calder jurisdiction. There is a strong argument that CrabApple never expressly aimed its anticompetitive conduct at West Dakota, given the state’s relatively miniscule market. And, as previously discussed, without extrinsic evidence of express aiming, price-fixing lacks the inherent focus of other, more targeted anticompetitive activity, like boycotts aimed at a rival. Nor do facts like these support inference of any Asahi-style factors, such as marketing plans CrabApple directed at West Dakota, or a specially designed version of the BuyPod designed specifically with West Dakota consumers in mind. It clearly would be frustrating for a BuyPod owner in West Dakota, when seeking redress, to lose access to his home forum. But there are always other theories of jurisdiction, other courts, and other defendants that in combination might provide the most just outcome.

**West Dakota long-arm statute.** While many states have long-arm statutes that extend a state’s personal jurisdiction to constitutional limits, the existence of a more demanding long-arm in West Dakota could well be the final blow in the CrabApple plaintiffs’ quest for Calder jurisdiction. As seen in Vitamins Antitrust, states that impose a more stringent interpretation of express aiming frequently are inhospitable to claims of Calder jurisdiction.

In conclusion, it is likely that, given these considerations, the CrabApple plaintiffs might soon find themselves on the losing side of a Rule 12(b)(2) order dismissal their case for lack of personal

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V. A Broader Take on Calder: Policy and the Law

Courts have to apply Calder carefully to antitrust cases if they are to observe the limits of due process. Otherwise, courts will fall short of the “fair play and substantial justice” and reasonableness standards of the personal jurisdiction inquiry. Lurking behind these traditional issues of personal jurisdiction, however, are larger judicial and legislative policies. Despite the due process arguments that seem to favor a narrow use of Calder, there are other arguments that suggest applying Calder in a slightly broader fashion than previously discussed. While remaining faithful to the principles of personal jurisdiction, courts should be mindful of these other factors when analogizing Calder to antitrust cases.

A. Avoiding a Slide into the Merits

The first rationale for applying Calder somewhat more forgivingly is that, because of its unusually close focus on the conduct at issue, the Calder analysis can ineluctably morph into an evaluation of the merits—an inappropriate analysis on a motion to dismiss, when allegations are sketchiest and before discovery has developed a more complete record. The effects test requires an appraisal, however cursory, of the conduct that is usually at the heart of the case. It is true that plaintiffs bear the reduced burden of pleading a prima facie case for personal jurisdiction in the complaint and in the early stages of litigation. The theoretical check on this more permissive policy is the more intense scrutiny of evidence at the summary judgment phase, where unwarranted claims can be weeded out. While this pattern matches the notice pleading and broad discovery philosophies of the Federal Rules of Civil Procedure, it seems clear that the Supreme Court has become more impatient with subjecting antitrust jurisdiction—notwithstanding their strategic forum shopping.

195. Antitrust cases sometimes involve uniquely complex determinations of personal jurisdiction and venue. See generally Lee, supra note 95.
196. See, e.g., In re Bulk [Extruded] Graphite Prods. Antitrust Litig., No. 02-6030 (WHW), 2007 WL 2212713, at *9 (D.N.J. July 30, 2007); see also Poller v. Columbia Broad. Sys., Inc., 368 U.S. 464, 473 (1962) (reversing the lower court’s grant of summary judgment against plaintiff, and stating that “summary procedures should be used sparingly in complex antitrust litigation where motive and intent play leading roles, the proof is largely in the hands of the alleged conspirators, and hostile witnesses thicken the plot”).
defendants to expensive discovery on the basis of thinly-pleaded complaints.\textsuperscript{198} Courts, then, have to balance their demands for probative detail with the sketchy facts of many \textit{Calder} jurisdiction claims.

\textbf{B. No Immunity for a “Shotgun” Approach}

If the \textit{Calder} analogy seems to work best on clearly aimed conduct—a defamatory newspaper story, or a price-fixing conspiracy obviously aimed at another country’s market\textsuperscript{199}—it seems odd not to seek jurisdiction against anticompetitive firms that do not practice the virtue of precise targeting. Why should a price-fixer who aims to control a worldwide market escape jurisdiction, as opposed to one who targets more narrowly? Clearly, the \textit{Calder} analogy can only be stretched so far before it breaks. And it can scarcely comport with due process to hale a defendant into court solely because its operations are large and its marketing reach is broad. Even more practically, it is unlikely that a firm contemplating illegal conduct will be considering its defenses to evolving theories of personal jurisdiction, should it be brought into court at some point in the future. Still, a firm contemplating anticompetitive conduct might be cynically advised not to make the aiming of its designs too specific. Courts should be mindful of the potential incentives they create if they find personal jurisdiction only against actors who target with specificity.

\textbf{C. The Plain Language of the Sherman Act Suggests Aggressive Enforcement}

Another rationale for applying \textit{Calder} jurisdiction more liberally is that the plain words of the Sherman Act, with its severe criminal and civil penalties—up to ten-year prison sentences and fines of up to $1-million for natural persons and $100-million for corporations,\textsuperscript{200} and the provisions for private plaintiff treble damage actions with attorneys’ fees\textsuperscript{201}—evince Congress’ strong policy against anticompetitive conduct. The implication is that courts should therefore read procedural requirements more forgivingly. There are whispers of this rationale afoot. In \textit{In re Bulk


\textsuperscript{199} See Magnetic Audiotape, 334 F.3d at 208.

\textsuperscript{200} 15 U.S.C. § 1 (Supp. IV 2004). Congress approved these tougher penalties in spring 2004. One commentator noted that the increased penalties followed the Enron and WorldCom accounting scandals, and years of questions from judges and academics whether criminal antitrust penalties were too lenient. Melanie Sabo, \textit{Congress Poised to Bolster Criminal Antitrust Penalties: An Update on H.R. 1086}, \textit{ANTITRUST SOURCE}, May 2004, \url{http://www.abanet.org/antitrust/at-source/04/05/sabo.pdf}.

[Extruded] Graphite Products Antitrust Litigation, for example, the district court declined to apply Imo’s narrow reading of Calder express aiming to an antitrust case, citing, without elaboration, “[t]he special character of an antitrust claim.” The tradeoff, of course, is that courts must weigh the costs of haling defendants into court and subjecting them to the risk and expense of demonstrating their lack of antitrust liability against the deadweight losses and monopoly profits that competition law seeks to eliminate. While there is no easy answer, it is clear that the effects of global trade are broad, and its hazards can be felt as broadly as its benefits.

VI. Conclusion

Courts should weigh claims of Calder jurisdiction carefully in cases alleging anticompetitive conduct aimed at a forum state with a demanding long-arm statute, if they are to stay within the bounds of due process. Moreover, courts must decline to find Calder jurisdiction when the allegations fail to demonstrate express aiming. The effects test is a powerful tool, and regardless of the fact that the result in Calder itself feels right, the possibility of misapplying Calder is great when the conduct is anticompetitive rather than libelous. As the Imo court noted, “Calder’s holding cannot be severed from its facts.” The speed and extent of globalization inspire concern as well as awe, and it is tempting to reach for Calder jurisdiction if one perceives a far-flung wrong. But as these cases show, Calder jurisdiction is not always the answer. Courts must remain mindful that there are usually other theories of jurisdiction—conspiracy theory, for example—and usually other defendants, perhaps domestic subsidiaries or affiliates, who might stand in the place of the unreachable parent corporation. From these alternatives, courts have to fashion what justice they can. A narrow reading of Calder can be frustrating for antitrust plaintiffs, but it is necessary if due process is to remain one of this nation’s most valuable exports.

203. “The special character of an antitrust claim leads the Court to interpret more liberally the phrase ‘expressly aim[. . .] tortious conduct at the forum such that the forum can be said to be the focal point of the tortious activity.’ To be sure, plaintiffs’ evidence is thin, but at this stage of the proceedings it is sufficient to defeat a Rule 12(b)(2) motion.” Id. at *9 (quoting Imo Indus., Inc. v. Kiekert AG, 155 F.3d 254, 266 (3d Cir. 1998).
204. Imo, 155 F.3d at 261.