

SUPREME COURT OF KENTUCKY

Hinners v. Robey

336 S.W.3d 891 (Ky. 2011) · No. 2009-SC-000389-DG · Decided March 24, 2011

SUMMARY

The Supreme Court of Kentucky held that Kentucky's long-arm statute authorized jurisdiction over a Missouri vehicle seller because the transaction involved contracting to supply goods or services in Kentucky. However, the court concluded that a single eBay vehicle sale did not establish sufficient minimum contacts or purposeful availment to satisfy federal due process. The court therefore affirmed the Court of Appeals' reversal of the Kentucky trial court's default judgment.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	Justice Venters
JURISDICTION	Kentucky
DECIDED	March 24, 2011
DOCKET	2009-SC-000389-DG
DISPOSITION	affirmed
PROCEDURAL POSTURE	Hinners appealed from the Court of Appeals' determination that Robey, a Missouri resident, was not subject to personal jurisdiction in Kentucky. The Supreme Court of Kentucky granted discretionary review and affirmed the Court of Appeals.
STANDARD OF REVIEW	Personal jurisdiction is reviewed de novo as a question of law. Because the circuit court did not hold an evidentiary hearing, the plaintiff was required to make only a prima facie showing of jurisdiction, with the facts viewed in the light most favorable to the plaintiff.
PRECEDENTIAL VALUE	Published Kentucky Supreme Court opinion; precedential
PARTIES	Gerald S. Hinners v. Brad Robey, d/b/a Robey's Pawn World

TOPICS

personal jurisdiction

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether Kentucky's long-arm statute, KRS 454.210, authorized personal jurisdiction over Robey based on his contract to supply the vehicle and warranty in Kentucky.
2. Whether exercising specific personal jurisdiction over Robey based on a single eBay vehicle sale comported with federal due process and minimum-contacts requirements.

HOLDINGS

1. KRS 454.210(2)(a)(2) authorized personal jurisdiction because Robey contracted to supply goods and warranty services in Kentucky, and Hinnners's fraud and warranty claims had a reasonable and direct nexus to that statutory predicate.
2. Federal due process did not permit Kentucky to exercise specific personal jurisdiction over Robey based solely on this single Internet sale because Robey did not purposefully avail himself of acting in or causing a consequence in Kentucky, and his connections with Kentucky were insufficiently substantial and reasonable.

KEY QUOTATIONS

"We conclude that under traditional principles of federal due process review, in the case of a single contract formed over the Internet and touching upon this Commonwealth, and when the sale is completed and thereafter each party goes his own way, federal due process rules do not permit a resident buyer to summon the nonresident seller into this Commonwealth to litigate the transaction." (336 S.W.3d at 902)

"the proper analysis of long-arm jurisdiction over a nonresident defendant consists of a two-step process" (336 S.W.3d at 895)

FACTUAL BACKGROUND

Robey, a Missouri seller doing business as Robey's Pawn World, listed a 2002 Cadillac Escalade for sale on eBay, including representations about its condition and a one-month/1,000-mile service agreement. Hinnners, a Kentucky resident, submitted the winning bid, traveled outside Kentucky to complete the transaction, and obtained transfer documents that enabled Kentucky title and registration. After the vehicle was brought to Kentucky, it allegedly exhibited extensive undisclosed prior damage and recurring electrical problems, and Robey did not respond to Hinnners's attempts to enforce the warranty.

PROCEDURAL HISTORY

Hinnners sued Robey in Kenton Circuit Court for alleged fraud and breach of warranty arising from the purchase of a vehicle advertised on eBay. The circuit court denied Robey's CR 12.02(b) motion to dismiss for lack of personal jurisdiction and later entered a default judgment awarding Hinnners \$36,320.05 after Robey ceased participating in the proceedings. The Court of Appeals reversed, concluding that the transaction was a random,

fortuitous, and attenuated contact insufficient for personal jurisdiction. The Supreme Court affirmed and remanded for entry of a judgment consistent with its opinion.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

Remand to the Kenton Circuit Court for entry of judgment consistent with the opinion, reflecting that Kentucky lacks personal jurisdiction over Robey.

CASES CITED

- *Caesars Riverboat Casino, LLC v. Beach*, 336 S.W.3d 51 (Ky. 2011)
- *Wilson v. Case*, 85 S.W.3d 589 (Ky. 2002)
- *Southern Machine Co. v. Mohasco Industries, Inc.*, 401 F.2d 374, 381 (6th Cir. 1968)
- *International Shoe Co. v. State of Washington*, *International Shoe Co. v. Washington*, 326 U.S. 310, 316, 319 (1945)
- *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297, 299 (1980)
- *Burger King Corp. v. Rudzewicz*, *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 471-478 (1985)
- *Boschetto v. Hansing*, 539 F.3d 1011, 1017-1018 (9th Cir. 2008)
- *Neogen Corp. v. Neo Gen Screening, Inc.*, 282 F.3d 883, 887 (6th Cir. 2002)
- *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119, 1124 (W.D. Pa. 1997)
- *Tube Turns Division of Chemetron Corp. v. Patterson Co.*, 562 S.W.2d 99, 100 (Ky. App. 1978)
- *Appalachian Regional Healthcare, Inc. v. Coleman*, 239 S.W.3d 49, 53-54 (Ky. 2007)
- *CompuServe, Inc. v. Patterson*, 89 F.3d 1257, 1262 (6th Cir. 1996)
- *Steelvest, Inc. v. Scansteel Service Center, Inc.*, 807 S.W.2d 476, 480 (Ky. 1991)