SUPREME COURT OF NEW HAMPSHIRE

Skillsoft Corp. v. Harcourt General, Inc.

146 N.H. 305 (2001) · Decided April 18, 2001

SUMMARY

The New Hampshire Supreme Court held that the superior court lacked specific personal jurisdiction over Harcourt General, Inc. and National Education Training Group, Inc. in a declaratory judgment action brought by Skillsoft and its officers. The court concluded that the defendants' letters to the plaintiffs in New Hampshire related to the litigation but did not constitute purposeful availment of New Hampshire law. The court also determined that fairness and reasonableness considerations weighed against exercising jurisdiction and reversed the superior court's order.

CASE DETAILS

COURT	Supreme Court of New Hampshire
WRITING FOR THE COURT	Nadeau, J.; Dalianis, J.; Duggan, J.; Smith, J.; Hollman, J.
JURISDICTION	New Hampshire
DECIDED	April 18, 2001
DISPOSITION	reversed
PROCEDURAL POSTURE	Defendants appealed the superior court's denial of their motion to dismiss the plaintiffs' declaratory judgment action for lack of specific personal jurisdiction.
STANDARD OF REVIEW	The court examined the constitutional sufficiency of the defendants' contacts under the specific-personal-jurisdiction framework, requiring contacts related to the litigation, purposeful availment, and fairness and reasonableness.
PRECEDENTIAL VALUE	Published precedential opinion
PARTIES	Harcourt General, Inc., National Education Training Group, Inc. v. Skillsoft Corporation, Charles E. Moran, Mark Townsend

TOPICS

personal jurisdiction · due process · civil procedure · commercial litigation

PRACTICE AREAS

civil procedure | constitutional law | commercial litigation

QUESTIONS PRESENTED

1. Whether New Hampshire could exercise specific personal jurisdiction over Harcourt and NET consistent with the Due Process Clause of the Fourteenth Amendment.
2. Whether the defendants' employment-related contacts with New Hampshire and letters sent to Moran in New Hampshire established sufficient minimum contacts, purposeful availment, and fairness for specific personal jurisdiction.

HOLDINGS

1. The defendants' three letters related directly to the litigation because they precipitated the plaintiffs' declaratory judgment action, but the plaintiffs' business practices and the parties' general employment relationship did not constitute relevant contacts by the defendants for specific jurisdiction.
2. The defendants did not purposefully avail themselves of the protections of New Hampshire law by sending letters to plaintiffs in New Hampshire that asserted violations of Illinois law and demanded cessation of the alleged violations.
3. Exercising specific personal jurisdiction over the defendants in New Hampshire would not be fair and reasonable because the relevant fairness factors, apart from possible burden on the defendants, weighed against jurisdiction.
4. New Hampshire could not exercise specific personal jurisdiction over Harcourt and NET because the defendants did not purposefully avail themselves of New Hampshire law and jurisdiction would not be fair and reasonable under the Due Process Clause.

KEY QUOTATIONS

> *"The federal Due Process Clause permits the exercise of personal jurisdiction over a defendant if the defendant has certain minimum contacts such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice."* (308)

> *"In determining whether sufficient minimum contacts for specific personal jurisdiction exist, we engage in a tripartite inquiry."* (308)

> *"For the foregoing reasons, we find that the superior court cannot, in accordance with the Federal Constitution, exercise personal jurisdiction over the defendants."* (311)

FACTUAL BACKGROUND

Moran, a former NET president and CEO, worked partly from his home in New Hampshire while employed by NET, and Townsend also had employment ties to NET. After Harcourt acquired NET, Harcourt and NET sent three letters to Moran concerning alleged breaches of fiduciary duties, trade-secret violations, unlawful competition, and employee solicitation, and threatened litigation under Illinois law. The plaintiffs then sought a New Hampshire declaratory judgment that they could hire NET employees and had not breached duties to the defendants; no contract containing the alleged restrictions existed.

PROCEDURAL HISTORY

The plaintiffs filed a declaratory judgment petition in New Hampshire superior court concerning threatened claims involving employee departures, trade secrets, fiduciary duties, and competition. After the defendants moved to dismiss for lack of personal jurisdiction, the superior court denied the motion. The Supreme Court of New Hampshire reversed, holding that exercising specific personal jurisdiction would violate federal due process.

DISPOSITION

reversed

CASES CITED

- Phelps v. Kingston, 130 N.H. 166, 170 (1987)
- Brother Records v. HarperCollins Publishers, 141 N.H. 322, 324-25 (1996), cert. denied, 520 U.S. 1103 (1997)
- Staffing Network, Inc. v. Pietropaolo, 145 N.H. 456, 457-61 (2000)
- Sawtelle v. Farrell, 70 F.3d 1381, 1389 (1st Cir. 1995)
- Burger King Corp. v. Rudzewicz, Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472 (1985)
- Database America v. BellSouth Advertising & Publishing, 825 F. Supp. 1195, 1213 (D.N.J. 1993)