

UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

In re Ricoh Corp.

In re Ricoh Corp., 696 F. Supp. 583 (11th Cir. 1989) · No. 88-7694

SUMMARY

The Eleventh Circuit held that when a party moves to transfer venue under 28 U.S.C. § 1404(a) based on a valid, reasonable forum selection clause, the burden shifts to the opponent to prove that the contractual forum is sufficiently inconvenient to justify retaining the case. The court ruled that a plaintiff’s choice of forum is not entitled to deference in such circumstances, and that forum selection clauses should be given controlling weight absent exceptional factors like fraud, duress, or unforeseen events. The district court abused its discretion by denying transfer where the plaintiff failed to meet that burden.

CASE DETAILS

COURT	United States Court of Appeals for the Eleventh Circuit
WRITING FOR THE COURT	Per Curiam; Tjoflat; Hill; Kravitch
JURISDICTION	Federal
DOCKET	88-7694
DISPOSITION	writ_granted
PROCEDURAL POSTURE	Petition for writ of mandamus to compel transfer pursuant to 28 U.S.C. § 1404(a).
STANDARD OF REVIEW	abuse of discretion
PRECEDENTIAL VALUE	Binding in the Eleventh Circuit; significant authority on enforcement of contractual forum selection clauses.
PARTIES	Ricoh Corp., Ricoh of America, Inc. v. Stewart Organization, Inc.

TOPICS

- civil procedure
- appellate procedure
- venue
- contracts
- commercial

PRACTICE AREAS

- Civil Procedure
- Contracts
- Federal Courts

QUESTIONS PRESENTED

1. Whether the district court abused its discretion in denying a motion to transfer venue under 28 U.S.C. § 1404(a) when a valid and reasonable contractual forum selection clause existed.
2. What is the proper burden of persuasion when a motion to transfer under § 1404(a) seeks to enforce a valid forum selection clause?

HOLDINGS

1. The district court clearly abused its discretion by denying transfer given the valid and reasonable forum selection clause.
2. When a motion under § 1404(a) seeks to enforce a valid, reasonable choice of forum clause, the opponent bears the burden of persuading the court that the contractual forum is sufficiently inconvenient to justify retention of the dispute.

KEY QUOTATIONS

“We conclude that when a motion under section 1404(a) seeks to enforce a valid, reasonable choice of forum clause, the opponent bears the burden of persuading the court that the contractual forum is sufficiently inconvenient to justify retention of the dispute.” (573)

“the clear import of the Court's opinion is that the venue mandated by a choice of forum clause rarely will be outweighed by other 1404(a) factors.” (573)

“This suit, therefore, does not present the type of 'exceptional' situation in which judicial enforcement of a contractual choice of forum clause would be improper.” (573)

FACTUAL BACKGROUND

Ricoh, a New York corporation with main offices in New Jersey, entered into a dealer sales agreement with Stewart, an Alabama corporation, containing a clause providing exclusive jurisdiction in Manhattan, New York. Stewart sued Ricoh in Alabama for breach of contract and antitrust violations. Ricoh sought to enforce the forum selection clause.

PROCEDURAL HISTORY

Stewart sued Ricoh in Alabama. Ricoh moved to dismiss or transfer based on forum selection clause. District court denied. Eleventh Circuit reversed, held federal law governs. On remand, district court again denied transfer. Ricoh petitioned for mandamus.

DISPOSITION

writ_granted

REMAND INSTRUCTIONS

Transferred to the Southern District of New York.

CASES CITED

- Stewart Org., Inc. v. Ricoh Corp., 487 U.S. 22 (1988)
- Gulf Oil Corp. v. Gilbert, 330 U.S. 501 (1947)
- Roofing & Sheet Metal Servs., Inc. v. La Quinta Motor Inns, Inc., 689 F.2d 982 (11th Cir. 1982)
- United States v. Fernandez-Toledo, 737 F.2d 912 (11th Cir. 1984)
- The Stewart Org., Inc. v. Ricoh Corp., 779 F.2d 643 (11th Cir. 1986)
- The Stewart Org., Inc. v. Ricoh Corp., 810 F.2d 1066 (11th Cir. 1987) (en banc)
- Hanna v. Plumer, 380 U.S. 460 (1965)

CITED IN

- In re Ricoh Corp., In re Ricoh Corp., 870 F.2d 570 (11th Cir. 1989)
- In re Ricoh Corp., In re Ricoh Corp., 870 F.2d 570, 573 (11th Cir. 1989)