

SUPREME COURT OF KENTUCKY

Caesars Riverboat Casino, LLC and Harrah's Entertainment, Inc. v. Carla Beach

336 S.W.3d 51 (Ky. 2011) · No. 2009-SC-000634-DG · Decided March 24, 2011

SUMMARY

The Supreme Court of Kentucky held that Kentucky courts lacked personal jurisdiction over out-of-state casino operators in a slip-and-fall action arising from an injury that occurred at an Indiana casino. Although the defendants transacted substantial business in Kentucky and had contacts sufficient for federal due process, the plaintiff's claim did not arise from those Kentucky activities as required by Kentucky's long-arm statute, KRS 454.210. The court reversed the Court of Appeals and reinstated dismissal by the Shelby Circuit Court.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	Justice Venters
JURISDICTION	Kentucky
DECIDED	March 24, 2011
DOCKET	2009-SC-000634-DG
DISPOSITION	reversed
PROCEDURAL POSTURE	Appellants sought discretionary review of the Kentucky Court of Appeals' decision holding that Kentucky courts could exercise personal jurisdiction over them in an Indiana slip-and-fall action. The Supreme Court of Kentucky reviewed the jurisdictional issue de novo.
STANDARD OF REVIEW	De novo, because personal jurisdiction is ordinarily a question of law.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Kentucky
PARTIES	Caesars Riverboat Casino, LLC, Harrah's Entertainment, Inc. v. Carla Beach

TOPICS

[personal jurisdiction](#)[statutory interpretation](#)[appellate procedure](#)[standard of review](#)[premises liability](#)

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Kentucky's long-arm statute, KRS 454.210, extends personal jurisdiction over nonresident defendants to the full limits of federal due process without a separate statutory-arising-from analysis.
2. Whether Beach's Indiana slip-and-fall negligence claim arose from Caesars and Harrah's Kentucky business activities under KRS 454.210(2)(a)(1).
3. Whether Kentucky courts could exercise personal jurisdiction over the defendants when the alleged injury and allegedly negligent conduct occurred in Indiana.

HOLDINGS

1. Kentucky courts must first determine whether a claim arises from conduct fitting one of the enumerated categories in KRS 454.210(2)(a); only if the statute is satisfied may the court conduct the separate federal due-process analysis. Federal due process cannot expand the statutory reach of KRS 454.210.
2. Beach's claim did not arise from the defendants' Kentucky business activities, and KRS 454.210(2)(a)(1) therefore did not authorize personal jurisdiction.
3. The court did not reach the federal due-process question because the claim failed to satisfy Kentucky's statutory requirements.

KEY QUOTATIONS

"In summary, the proper analysis of long-arm jurisdiction over a nonresident defendant consists of a two-step process." (57)

"If there is a reasonable and direct nexus between the wrongful acts alleged in the complaint and the statutory predicate for assertion of long-arm jurisdiction, then jurisdiction is properly exercised." (59)

"Simply put, there is no reasonable and direct nexus between the conduct that caused Appellee's injury and Appellants' business activities in Kentucky." (59)

FACTUAL BACKGROUND

Caesars Riverboat Casino, LLC and Harrah's Entertainment, Inc. operated a casino boat, hotel, retail stores, and restaurants in Elizabeth, Indiana, near Louisville. They had no office or business facilities in Kentucky but extensively advertised and solicited Kentucky residents, conducted civic and charitable activities there, and derived approximately fifty percent of their revenue from Kentucky residents. Carla Beach, a Kentucky resident and frequent patron, slipped on butter while standing in line at the Indiana casino's buffet and alleged negligent premises maintenance and failure to warn.

PROCEDURAL HISTORY

Carla Beach filed a negligence complaint in Shelby Circuit Court after slipping on butter at a casino boat docked in Indiana. The circuit court dismissed the complaint under CR 12.02 for lack of personal jurisdiction, reasoning that the claim did not arise from the defendants' Kentucky contacts. The Kentucky Court of Appeals reversed,

and the Supreme Court of Kentucky granted discretionary review, reversed the Court of Appeals, and reinstated the circuit court's dismissal.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The Court of Appeals' decision was reversed, and the Shelby Circuit Court's order dismissing Beach's claims for lack of personal jurisdiction was reinstated.

CASES CITED

- International Shoe Co. v. State of Washington, International Shoe Co. v. Washington, 326 U.S. 310 (1945)
- Ford v. RDI/Caesars Riverboat Casino, LLC, 503 F. Supp. 2d 839 (W.D. Ky. 2007)
- Appalachian Regional Healthcare, Inc. v. Coleman, 239 S.W.3d 49, 53-54 (Ky. 2007)
- Cummings v. Pitman, 239 S.W.3d 77, 84-85 (Ky. 2007)
- Wilson v. Case, 85 S.W.3d 589, 592 (Ky. 2002)
- Mohler v. Dorado Wings, Inc., 675 S.W.2d 404, 405 (Ky. App. 1984)
- Info-Med, Inc. v. National Healthcare, Inc., 669 F. Supp. 793 (W.D. Ky. 1987)
- First National Bank of Louisville v. Bezema, 569 F. Supp. 818, 819 (S.D. Ind. 1983)
- Poyner v. Erma Werke GmbH, 618 F.2d 1186 (6th Cir. 1980)
- Davis H. Elliot Co., Inc. v. Caribbean Utilities Co., Ltd., 513 F.2d 1176, 1181 (6th Cir. 1975)
- Johnson v. Branch Banking and Trust Co., 313 S.W.3d 557, 559 (Ky. 2010)
- Banco Ambrosiano, S.P.A. v. Artoc Bank & Trust Ltd., 62 N.Y.2d 65, 476 N.Y.S.2d 64, 464 N.E.2d 432, 435 (1984)
- Hall v. Hospitality Resources, Inc., 276 S.W.3d 775, 784 (Ky. 2008)

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