

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Certain Underwriters at Lloyd's v. All Coast Logistics USA, LLC

Certain Underwriters · No. 24-cv-00523-JSC · Decided April 2, 2025

SUMMARY

The United States District Court for the Northern District of California denied Certain Underwriters at Lloyd’s motion for default judgment against All Coast Logistics USA, LLC. The court held that Plaintiff failed to make a prima facie showing of personal jurisdiction, rejecting arguments based on purposeful availment and pendent personal jurisdiction in the Carmack Amendment action.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Jacqueline Scott Corley
JURISDICTION	United States District Court for the Northern District of California
DECIDED	April 2, 2025
DOCKET	24-cv-00523-JSC
DISPOSITION	denied
PROCEDURAL POSTURE	Plaintiff moved for default judgment against All Coast Logistics USA, LLC in an action under the Carmack Amendment. The court ordered Plaintiff to show cause regarding personal jurisdiction and denied the motion after concluding that Plaintiff failed to make a prima facie showing of personal jurisdiction.
STANDARD OF REVIEW	On a motion for default judgment, the court has an affirmative duty to determine its jurisdiction over the parties. The plaintiff bears the burden of making a prima facie showing that personal jurisdiction exists.
PRECEDENTIAL VALUE	unpublished district court order; precedential status not stated
PARTIES	Certain Underwriters at Lloyd's v. All Coast Logistics USA, LLC

TOPICS

- default judgment
- personal jurisdiction
- civil procedure
- commercial litigation
- insurance

PRACTICE AREAS

civil procedure

commercial litigation

contracts

insurance

QUESTIONS PRESENTED

1. Whether the court could enter default judgment without an adequate showing of personal jurisdiction over All Coast.
2. Whether the allegations established general or specific personal jurisdiction over All Coast in California.
3. Whether pendent personal jurisdiction could supply jurisdiction over All Coast where Plaintiff asserted only one Carmack Amendment claim against that defendant.

HOLDINGS

1. Before ruling on a motion for default judgment, the court must independently examine its jurisdiction over the parties, and a default judgment entered without personal jurisdiction is void.
2. The allegations did not establish general personal jurisdiction over All Coast because All Coast was organized under Florida law and had its principal place of business in Florida, and Plaintiff did not argue otherwise.
3. Plaintiff failed to make a prima facie showing of specific personal jurisdiction because the complaint's allegations that All Coast issued a bill of lading for delivery to California, hired S-Cue, and knew the shipment would go to California did not establish purposeful availment or a continuing commitment between All Coast and California.
4. Pendent personal jurisdiction did not provide a basis for jurisdiction over All Coast because Plaintiff asserted only one claim against All Coast and did not identify another claim over which the court already had personal jurisdiction.

KEY QUOTATIONS

“When ruling on a motion for default judgment, the Court “has an affirmative duty to look into its jurisdiction over . . . the parties.”” (at 1)

“The purposeful availment test analyzes “a contract’s negotiations, its terms, its contemplated future consequences, and the parties’ actual course of dealing.”” (at 2)

“A court may assert pendent personal jurisdiction with respect to a claim for which there is no independent basis of personal jurisdiction so long as it arises out of a common nucleus of operative facts with a claim in the same suit over which the court does have personal jurisdiction.” (at 4)

FACTUAL BACKGROUND

Terranova Spirits purchased a shipment of tequila for delivery to its warehouse in American Canyon, California. All Coast issued a bill of lading for transportation from Laredo, Texas, to American Canyon and hired S-Cue to perform the actual transportation. S-Cue instead delivered the cargo to a warehouse in Tolleson, Arizona, after receiving verbal instructions attributed to individuals acting for All Coast, and the tequila subsequently disappeared. Plaintiff, Terranova's insurer, paid for the loss and asserted rights against responsible parties.

PROCEDURAL HISTORY

Plaintiff filed suit against All Coast and S-Cue Transportation LLC on January 26, 2024, alleging a Carmack Amendment violation arising from the nondelivery of tequila. After mediation, Plaintiff and S-Cue stipulated to S-Cue's dismissal with prejudice. Plaintiff then moved for default judgment against All Coast. The court issued an order to show cause concerning personal jurisdiction, considered Plaintiff's response, and denied the motion.

DISPOSITION

denied

CASES CITED

- In re Tuli, 172 F.3d 707, 712 (9th Cir. 1999)
- RingCentral, Inc. v. Quimby, 781 F. Supp. 2d 1007, 1010 (N.D. Cal. 2011)
- In re Boon Global Ltd., 923 F.3d 643, 650 (9th Cir. 2019)
- Dole Food Co., Inc. v. Watts, 303 F.3d 1104, 1111 (9th Cir. 2002)
- Walden v. Fiore, Walden v. Fiore, 571 U.S. 277, 284 (2014)
- Daimler AG v. Bauman, 571 U.S. 117, 137 (2014)
- Goodyear Dunlop Tires Operation, S.A. v. Brown, 564 U.S. 915, 919 (2011)
- Global Commodities Trading Group, Inc. v. Beneficio de Arroz Choloma, S.A., 972 F.3d 1101, 1107 (9th Cir. 2020)
- Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 802 (9th Cir. 2004)
- Davis v. Cranfield Aerospace Sols., Ltd., 71 F.4th 1154, 1162-1163 (9th Cir. 2023)
- Hall v. N. Am. Van Lines, Inc., 476 F.3d 683, 688 (9th Cir. 2007)
- Gray & Co. v. Firstenberg Mach. Co., 913 F.2d 758, 760-761 (9th Cir. 1990)
- Boschetto v. Hansing, 539 F.3d 1011, 1017 (9th Cir. 2008)
- C.A.T. Global Inc. v. OTT Transportation Services, 737 F. Supp. 3d 620, 626 (E.D. Mich. 2024)
- Action Embroidery Corp. v. Atlantic Embroidery Inc., 368 F.3d 1174, 1180-1181 (9th Cir. 2004)