

SUPREME COURT OF RHODE ISLAND

Goetz v. LUVRAJ, LLC

986 A.2d 1012 (R.I. 2010) · No. No. 2008-270-Appeal · Decided January 26, 2010

SUMMARY

The Supreme Court of Rhode Island affirmed enforcement of a Minnesota default judgment against LUVRAJ, LLC and Raju Chadha under Rhode Island's Uniform Enforcement of Foreign Judgments Act. The court held that Minnesota properly exercised specific personal jurisdiction based on the defendants' sales, internet advertising, communications, contract negotiations, and Minnesota choice-of-law provision. The defendants therefore failed to overcome the judgment's entitlement to full faith and credit.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Justice Goldberg; Suttell, C.J.; Goldberg, J.; Flaherty, J.; Robinson, J.
JURISDICTION	Rhode Island
DECIDED	January 26, 2010
DOCKET	No. 2008-270-Appeal
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants appealed the Rhode Island Superior Court's decision enforcing a Minnesota default judgment under Rhode Island's Uniform Enforcement of Foreign Judgments Act, arguing that the Minnesota court lacked personal jurisdiction.
STANDARD OF REVIEW	The court applied de novo review to legal questions implicating constitutional rights. In reviewing enforcement of a sister-state default judgment, defendants bore a heavy evidentiary burden to show that the rendering court lacked personal jurisdiction.
PRECEDENTIAL VALUE	Published opinion of the Supreme Court of Rhode Island; precedential.
PARTIES	LUVRAJ, LLC, Raju Chadha v. Catherine Goetz

TOPICS

- personal jurisdiction
- full faith and credit
- appellate procedure
- contracts
- commercial litigation

PRACTICE AREAS

civil procedure

appellate procedure

contracts

commercial litigation

constitutional law

QUESTIONS PRESENTED

1. Whether Rhode Island was required under the Full Faith and Credit Clause to enforce the Minnesota default judgment unless defendants established that Minnesota lacked personal jurisdiction.
2. Whether defendants' contacts with Minnesota, including sales to Minnesota customers, internet advertising, extensive contract negotiations with a Minnesota resident, and a Minnesota choice-of-law provision, satisfied Minnesota's long-arm statute and the Due Process Clause for specific personal jurisdiction.

HOLDINGS

1. Defendants failed to show that the Minnesota District Court lacked personal jurisdiction, so Rhode Island was required to give full faith and credit to the properly entered Minnesota judgment.
2. Minnesota properly exercised specific personal jurisdiction because defendants purposefully directed substantial commercial and contractual contacts toward Minnesota and the claims arose from those contacts.

KEY QUOTATIONS

“In determining whether the Minnesota District Court appropriately exercised jurisdiction in this case, we look to Minnesota law.” (986 A.2d at 1017)

“Although standing alone, this provision could not confer jurisdiction on the Minnesota courts, the choice-of-law clause taken together with defendants' emails, telephone calls, and letters with a Minnesota plaintiff, weigh in favor of Minnesota asserting personal jurisdiction over the nonresident defendants.” (986 A.2d at 1021)

“For the reasons stated in this opinion, the judgment of the Superior Court is affirmed.” (986 A.2d at 1021)

FACTUAL BACKGROUND

LUVRAJ operated an internet-based jigsaw-puzzle business that sold products to customers nationwide, including approximately 120 Minnesota customers. Goetz, a Minnesota resident, contacted Chadha about purchasing the business after seeing an internet advertisement, and the parties exchanged approximately 100 emails, telephone calls, and letters before signing a \$100,000 contract in Massachusetts containing a Minnesota choice-of-law clause. After the sale, Goetz alleged that defendants had misrepresented the business's sales and expenses; she sued in Minnesota, where defendants were served but did not appear, resulting in a \$100,878 default judgment.

PROCEDURAL HISTORY

Goetz obtained a \$100,878 default judgment against LUVRAJ and Chadha in Minnesota for breach of contract, negligent misrepresentation, and fraud. After defendants did not answer or appear in Minnesota, Goetz filed the

judgment in Rhode Island for enforcement. The Rhode Island Superior Court rejected defendants' personal-jurisdiction challenge and enforced the judgment. The Supreme Court of Rhode Island affirmed.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

The record may be remanded to the Rhode Island Superior Court.

CASES CITED

- C & J Leasing Corp. v. Paolino, 721 A.2d 839, 841 (R.I. 1998)
- Video Products Distributors, Inc. v. Kilsey, 682 A.2d 1381, 1382 (R.I. 1996)
- Pierce v. Wall, 941 A.2d 189, 192 (R.I. 2008)
- State v. Wiggins, 919 A.2d 987, 989 (R.I. 2007)
- Maryland Central Collection Unit v. Board of Regents for Education of the University of Rhode Island, 529 A.2d 144, 152-53 (R.I. 1987)
- State ex rel. Humphrey v. Granite Gate Resorts, Inc., 568 N.W.2d 715, 717-21 (Minn. Ct. App. 1997)
- Valspar Corp. v. Lukken Color Corp., 495 N.W.2d 408, 410 (Minn. 1992)
- V.H. v. Estate of Birnbaum, 543 N.W.2d 649, 656-58 (Minn. 1996)
- Larson v. Dunn, 460 N.W.2d 39, 44 (Minn. 1990)
- Marshall v. Inn on Madeline Island, 610 N.W.2d 670, 673-76 (Minn. Ct. App. 2000)
- Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 414 nn. 8-9, 415-16 (1984)
- Dent-Air, Inc. v. Beech Mountain Air Service, Inc., 332 N.W.2d 904, 907 (Minn. 1983)
- Viking Engineering & Development Inc. v. R.S.B. Enterprises, Inc., 608 N.W.2d 166, 170 (Minn. Ct. App. 2000)
- Rostad v. On-Deck, Inc., 372 N.W.2d 717, 721-22 (Minn. 1985)
- Trident Enterprises International, Inc. v. Kemp & George, Inc., 502 N.W.2d 411, 415 (Minn. Ct. App. 1993)
- Wessels, Arnold, & Henderson v. National Medical Waste, Inc., 65 F.3d 1427, 1434 (8th Cir. 1995)
- Burger King Corp. v. Rudzewicz, Burger King Corp. v. Rudzewicz, 471 U.S. 462, 482 (1985)
- Juelich v. Yamazaki Mazak Optonics Corp., 682 N.W.2d 565, 573 (Minn. 2004)