



Alerts

Utah's District Court Dismisses Malpractice Action Against Florida Firm Based on Lack of Jurisdiction

April 22, 2020

Lawyers for the Profession®

R.M. v. Dennis, Jackson, Martin & Fontela, P.A., 2020 U.S. Dist. LEXIS 68115

Brief Summary

Utah's federal district court granted a motion to dismiss filed by a Florida-based law firm and its associate (collectively "defendants") based on lack of subject matter jurisdiction, finding that no general or specific jurisdiction existed. The court concluded that the firm did not have sufficient minimum contacts to establish personal jurisdiction. Additionally, the court held that a reverse agency theory to establish jurisdiction did not apply and would be unconstitutional.

Complete Summary

Defendants were retained by an insurer to defend a Utah corporation, R-L Sales, LLC, in a personal injury lawsuit filed in Florida. All litigation activity related to the personal injury case occurred in Florida, except for one deposition that defendants took in Utah. Nearly two years after the filing of the underlying action, and after an adverse verdict of \$2 million was rendered in it, this suit was filed against defendants alleging professional negligence and breach of fiduciary duty. Defendants filed a motion to dismiss for lack of personal jurisdiction, which the court granted.

The court reviewed Utah's long-arm statute and constitutional due process requirements, including the extent of the contacts between defendants and the forum state (Utah). Minimum contact requirements can be met via general or specific jurisdiction. Under general jurisdiction, the contacts must render them essentially at home in the forum state. For specific jurisdiction, the defendant must have purposefully directed its activities toward the forum jurisdiction, and the action must be based on the activities that relate to the contacts with the forum. In addition, for specific jurisdiction, the forum state's jurisdiction cannot offend traditional notions of fair play and substantial justice.

Here, the events that gave rise to the representation—and the underlying case itself—took place in Florida, with the exception of one deposition. The other contacts with Utah were through emails and phone calls. The court held that general jurisdiction did not apply because defendants had no continuous or systematic contacts with Utah.

Attorneys

Terrence P. McAvoy

Service Areas

Lawyers for the Profession®



Additionally, because there were no purposeful efforts to solicit clients in Utah, the court held that there was no specific jurisdiction. Defendants only represented the Utah corporation in Florida because the insurer retained them to handle the case in Florida.

The court also rejected plaintiffs' reverse agency theory. Plaintiffs had argued that defendants were acting as agents of the insurer, which was subject to jurisdiction because of its contract with the Utah insured. In other words, plaintiffs argued that as agents of the insurer, defendants would be subject to the same jurisdiction as its principal. In disagreeing, the court noted that acceptance of such an argument would "drastically expand the parameters of personal jurisdiction" and "would violate the constitutional due process requirements."

Significance of Decision

Attorneys and law firms are often retained to represent parties in the home state of the lawyer or firm. Should a professional liability claim arise from such representation, and the attorney or firm is sued in a foreign jurisdiction, they should carefully consider if jurisdiction is proper there. Jurisdictional questions are, however, evaluated on a case-by-case basis and are contingent on the extent of the contacts with the forum jurisdiction.