

New Decision on Personal Jurisdiction Over Corporate Defendants

March 10, 2011

On March 9, 2011, the Third District Court of Appeal released: [Reynolds American, Inc. v. Gero](#), No. 3D10-2066 (Fla. 3d DCA March 9, 2011) (*Not final until disposition of timely filed motion for rehearing*), reversing orders denying the defendants' motions to dismiss for lack of personal jurisdiction under Florida's long-arm statute, section 48.193, Florida Statutes.

Plaintiff filed suit against multiple defendants, including Reynolds American, Inc. (RAI) and Reynolds Global Products, Inc. (RGP), claiming the defendants misappropriated his novel cigarette packaging idea. Plaintiff alleged specific jurisdiction over RAI and RGP on an agency theory, claiming that while he discussed his idea with R.J. Reynolds Tobacco Co., it was acting as RAI and RGP's agent, and they therefore committed a tortious act in Florida, see § 48.193(1)(b), Fla. Stat. (2010), and breached a contract in Florida, see § 48.193(1)(g), Fla. Stat. (2010). Because there was no claim or evidence demonstrating an agency relationship, the Third District found there were insufficient jurisdictional facts to bring the action within the purview of Florida's long-arm statute. In reaching its decision, the court relied on the following principles: a parent corporation and its wholly owned subsidiary are separate and distinct legal entities; the fact that one corporation "owns" or is the parent of another does not, by itself, make the parent liable for the torts or breaches of the subsidiary; and, the mere presence of a subsidiary in Florida, without more, does not subject a non-Florida corporate parent to long-arm jurisdiction. The court went on to find that these same principles apply to sister subsidiaries.

If you would like to learn more about this decision, please contact [Benjamine Reid](#) or [Olga M. Vieira](#).

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