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## Foreign Purchasers and Sellers: Is There a Different Standard of Due Process for Asserting Jurisdiction

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purchases or obtains a lien on the debtor's property after the deal is terminated. The financing statement was designed merely to provide constructive notice of a possible security interest. Such a third party could not be expected to analyze correctly every phrase in the financing statement that could possibly be construed as a grant of a security interest and give the original proposed secured party a preferred interest in the property. If the warning *Evans* implies is heeded, the debtor may find that the existence of the financing statement inhibits transfer or further borrowing against his property. The situation urgently needs correction.

*Bob Harrison*

### Foreign Purchasers and Sellers: Is There a Different Standard of Due Process for Asserting Jurisdiction?

Craftsman Hardwood Lumber Company, an Illinois corporation, ordered a quantity of lumber from Riverland Hardwood Company, a Louisiana corporation. The amount of the purchase was \$7,960.92, and Riverland furnished the ordered quantity to Craftsman. Riverland later sought to recover the purchase price from Craftsman by a suit in the courts of Louisiana. Craftsman had neither a license to do business in Louisiana nor an agent appointed to receive service of process. Craftsman excepted to the assertion of jurisdiction over it by the Louisiana court, and the exceptions were sustained. The Louisiana Court of Appeals affirmed,<sup>1</sup> and Riverland was granted certiorari by the Supreme Court of Louisiana.<sup>2</sup> *Held, affirmed*: A single purchase by a foreign corporation does not constitute sufficient "transacting of business" to satisfy the requirements of due process. *Riverland Hardwood Co. v. Craftsman Hardwood Lumber Co.*, 251 So. 2d 45 (La. 1971).

#### I. IN PERSONAM JURISDICTION OVER FOREIGN CORPORATIONS

*The Legal Fictions.* At common law a corporation was deemed to be a creature of the state in which it was incorporated.<sup>3</sup> Its legal existence flowed only from that state, and, as a result, in personam jurisdiction could not be asserted over the corporation in any other state.<sup>4</sup> Of course, this theory proved unsatisfactory when commercial activities became national in scope, and it was replaced by two other theories supporting assertion of jurisdiction over foreign corporations. The first of these was that doing business in a state constituted "implied consent" to the assertion of jurisdiction.<sup>5</sup> The second theory was that doing

<sup>1</sup> 239 So. 2d 465 (La. App. 1970).

<sup>2</sup> 251 So. 2d 45 (La. App. 1971).

<sup>3</sup> See, e.g., *St. Clair v. Cox*, 106 U.S. 350, 353-59 (1882), and the historical discussion therein.

<sup>4</sup> See, e.g., *Riverside & Dan River Cotton Mills, Inc. v. Menefee*, 237 U.S. 189 (1915).

<sup>5</sup> See, e.g., *Connecticut Mut. Life Ins. Co. v. Spratley*, 172 U.S. 602 (1899); *Lafayette Ins. Co. v. French*, 59 U.S. 404 (1855). In *Spratley*, the Court stated: "The act did not provide for an express consent to receive such service, on the part of the company. *The con-*

business in a state meant that the foreign corporation was physically "present," and, therefore, amenable to service of process and jurisdiction.<sup>6</sup> Obviously, both theories hinged on "doing business," and the question of what constituted "doing business" became a problem of sizable proportions.<sup>7</sup>

*International Shoe and Its Aftermath.* In *International Shoe Co. v. Washington*<sup>8</sup> the Supreme Court of the United States held that for the assertion of jurisdiction the due process clause required only "minimum contacts" between the foreign corporations and the forum state such that an in personam suit against the foreign corporation would not "offend traditional notions of fair play and substantial justice."<sup>9</sup> The "minimum contacts" test was designed to avoid the determination of jurisdiction by mechanical or quantitative factors, and to allow a more flexible analysis of the nature and quality of the transaction.<sup>10</sup> Inconvenience to the corporate defendant and the interests of the forum state were the primary factors weighed by the Court.<sup>11</sup> Although *International Shoe* made it clear that the prior rigid tests were replaced with a "fairness" test, the Court did not specifically enunciate any other factors to be considered in determining fairness.

Subsequent developments in the law have indicated that the factors to be considered include inconvenience to the parties, interests of the forum state, and interest in efficient judicial administration.<sup>12</sup> Inconvenience would include

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sent was implied because of the company entering the State and doing business therein . . . ." 172 U.S. at 614 (emphasis added).

<sup>6</sup> See, e.g., *Philadelphia R.R. v. McKibbin*, 243 U.S. 264 (1917); *International Harvester Co. of America v. Kentucky*, 234 U.S. 579 (1914); *St. Louis S.W. Ry. v. Alexander*, 227 U.S. 218 (1913); *Old Wayne Mut. Life Ass'n v. McDonough*, 204 U.S. 8 (1907). In *McKibbin* the Court stated: "A foreign corporation is amenable to process to enforce a personal liability, in the absence of consent, only if it is doing business within the State in such a manner and to such extent as to warrant the inference that it is present there." 243 U.S. at 265. Similarly, in *International Harvester* the Court stated: "We are satisfied that the presence of a corporation within a State necessary to the service of process is shown when it appears that the corporation is there carrying on business in such sense as to manifest its presence within the State . . . ." 234 U.S. at 589.

<sup>7</sup> For definitions of "doing business" see, e.g., *Edgewater Realty Co. v. Tennessee Coal, Iron & R.R. Co.*, 49 F. Supp. 807 (D. Md. 1943); *McMaster v. Robinson's Women's Apparel, Inc.*, 45 F. Supp. 99 (D. Neb. 1942); *Yellow Mfg. Acceptance Corp. v. American Oil Co.*, 191 Miss. 757, 2 So. 2d 834 (1941); *Malleable Iron Range Co. v. Ford*, 141 S.W.2d 469 (Tex. Civ. App.—San Antonio 1940); *Goldberry v. Carter*, 100 Va. 438, 41 S.E. 858 (1902). But cf. *Harnischfeger Sale Corp. v. Sternberg Co.*, 179 La. 317, 154 So. 10 (1934) (doing business although only one contract was made in Louisiana); *Tripp State Bank v. Jerke*, 45 S.D. 448, 188 N.W. 314 (1922); *Buhler v. E.T. Burrowes Co.*, 171 S.W. 791 (Tex. Civ. App.—San Antonio 1914).

<sup>8</sup> 326 U.S. 310 (1945).

<sup>9</sup> *Id.* at 316.

<sup>10</sup> "It is evident that the criteria by which we mark the boundary line between those activities which justify the subjection of a corporation to suit, and those which do not, cannot be simply mechanical or quantitative. The test is not merely . . . whether the activity . . . is a little more or a little less. . . . Whether due process is satisfied must depend rather upon the quality and nature of the activity in relation to the fair and orderly administration of the laws which it was the purpose of the due process clause to insure." *Id.* at 319. See Kurland, *The Supreme Court, the Due Process Clause and the In Personam Jurisdiction of State Courts*, 25 U. CHI. L. REV. 569 (1958). See also *Kilpatrick v. Texas & Pac. Ry.*, 166 F.2d 788 (2d Cir.), cert. denied, 335 U.S. 814 (1948); *Bomze v. Nardis Sportswear*, 165 F.2d 33 (2d Cir. 1948); *Green v. Equitable Powder Mfg. Co.*, 99 F. Supp. 237 (W.D. Ark. 1951).

<sup>11</sup> 326 U.S. at 317, 319.

<sup>12</sup> *Developments in the Law: State Court Jurisdiction*, 73 HARV. L. REV. 909 (1960).

the cost of defending or prosecuting a suit in a foreign state, what each party has at stake, and which party is best capable of spreading litigation costs.<sup>12</sup> Interests of the forum state in *International Shoe* were direct because Washington was seeking payment of unemployment compensation taxes. Indirect state interests may also be considered. These would include a state's interest in protecting its citizens from unsafe products or tortious acts by nonresidents.<sup>14</sup> Efficient judicial administration would include such considerations as where witnesses live and which state law will be applied.<sup>15</sup>

*Louisiana's Long-Arm Statute.*<sup>16</sup> Louisiana has traditionally sought to allow the assertion of jurisdiction in any case in which such assertion would be permissible under the due process clause as it has been interpreted by the United States Supreme Court.<sup>17</sup> An 1890 Louisiana statute required that an agent be appointed before a license to do business would be issued to a foreign corporation,<sup>18</sup> and a 1914 statute allowed for substituted service of process on the Louisiana Secretary of State.<sup>19</sup> In response to *International Shoe* Louisiana enacted a statute requiring appointment of an agent to do business and allowing for substituted service of process for all foreign corporations "engaged in business activities" in Louisiana.<sup>20</sup> After *McGee v. International Life Insurance*

See also *McGee v. International Life Ins. Co.*, 355 U.S. 220 (1957) (emphasizing inconvenience and protection of the resident plaintiff).

<sup>13</sup> Patterson, *The Apportionment of Business Risks Through Legal Devices*, 24 COLUM. L. REV. 335 (1924). See also *McGee v. International Life Ins. Co.*, 355 U.S. 220, 223-24 (1957); *O'Hare Int'l Bank v. Hampton*, 437 F.2d 1173 (7th Cir. 1971); *Hyde Constr. Co. v. Koehring Co.*, 321 F. Supp. 1193 (S.D. Miss. 1969).

<sup>14</sup> This would be indirect because the forum state is not being denied anything, as it was in *International Shoe* (revenues). For examples of torts giving rise to jurisdiction see *Deveny v. Rheem Mfg. Co.*, 319 F.2d 124 (2d Cir. 1963) (negligent manufacture of a water heater); *W.H. Elliott & Sons v. Noudux Prods. Co.*, 243 F.2d 116 (1st Cir. 1957) (negligent manufacture of paint chemicals); *Smyth v. Twin State Improvement Corp.*, 116 Vt. 569, 80 A.2d 664 (1951) (negligent house repair).

<sup>15</sup> "[S]uits on alleged losses can be more conveniently tried in Virginia where witnesses would most likely live . . ." *Travellers Health Ass'n v. Virginia ex rel. State Corp.* Comm'n, 339 U.S. 643, 649 (1950). See also *Ciprari v. Servicos Aereos Cruzeiro do Sul, S.A.*, 232 F. Supp. 433 (S.D.N.Y. 1964).

<sup>16</sup> LA. REV. STAT. § 13:3201 (1968). The statute reads:

A court may exercise personal jurisdiction over a nonresident, who acts directly or by an agent, as to a cause of action arising from the nonresident's (a) transacting any business in this state; (b) contracting to supply services or things in this state; (c) causing injury or damage by an offense or quasi offense committed through an act or omission in this state; (d) causing injury or damage in this state by an offense or quasi offense committed through an act or omission outside of this state if he regularly does or solicits business, or engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered, in this state; or (e) having an interest in, using, or possessing a real right or immovable property in this state.

<sup>17</sup> Comment, *Jurisdiction In Personam—The Due Process Framework and the Louisiana Experience*, 26 LA. L. REV. 351 (1966); Comment, *Personal Jurisdiction Over Nonresidents—The Louisiana Long-Arm Statute*, 40 TUL. L. REV. 366 (1966). The Texas view is very similar to the Louisiana view. TEX. REV. CIV. STAT. ANN. art. 2031b, § 4 (1964) has been stated to be an attempt by Texas "to exploit to the maximum the fullest permissible reach under federal constitutional restraints." *Lone Star Motor Import, Inc. v. Citroen Cars Corp.*, 288 F.2d 69, 73 (5th Cir. 1961). See also Thode, *In Personam Jurisdiction: Article 2031B, The Texas "Long-Arm" Jurisdiction Statute: And the Appearance To Challenge Jurisdiction in Texas and Elsewhere*, 42 TEXAS L. REV. 279 (1964).

<sup>18</sup> No. 149, § 1, [1890] La. Acts 1.

<sup>19</sup> No. 267, § 26, [1914] La. Acts 1.

<sup>20</sup> No. 21, § 1, [1950] La. Acts 1, as amended, LA. REV. STAT. § 13:3471(D) (1950).

Co.<sup>21</sup> the provision was amended to read "engaged in a business activity."<sup>22</sup> The current Louisiana statute was enacted in 1964 and employs the language "transacting any business in this state."<sup>23</sup> The comment on the statute by the Louisiana Law Institute states that "transacting business" is much broader than "doing business" and "is intended to mean a single transaction."<sup>24</sup> This would allow the assertion of jurisdiction in cases in which such assertion arguably violated the standard of "fair play and substantial justice."<sup>25</sup>

In *Aucoin v. Hanson*<sup>26</sup> a Louisiana resident purchased a mare from a resident of Mississippi. The Louisiana resident later sued in Louisiana to recover the purchase price of the mare. The court sustained jurisdiction under the "transacting any business" section of the long-arm statute, even though the defendant's only direct contact with Louisiana was through several long distance telephone calls with the Louisiana resident. The court stated:

The record supports the proposition that the agreement here in question was perfected in all significant regards in a telephone conversation between Mr. Hanson in Mississippi, and Mr. Aucoin in Louisiana. It is impossible to determine which party made the final acceptance of the terms of the other; nor do we feel that determination to be essential. The contract appears to be as much a 'Louisiana contract' as it is a 'Mississippi contract.'<sup>27</sup>

## II. RIVERLAND HARDWOOD CO. v. CRAFTSMAN HARDWOOD LUMBER CO.

In *Riverland Hardwood Co. v. Craftsman Hardwood Lumber Co.*<sup>28</sup> the court acknowledged the fact that the Louisiana statute would not even forbid the exercise of jurisdiction over mail order purchasers.<sup>29</sup> Of course, such an assertion would be unique because, as the court pointed out, neither party was able to find precedent for asserting jurisdiction on the basis of a single purchase.<sup>30</sup> If the purchases were over an extended period and as a regular part of the purchaser's business, jurisdiction could be asserted.<sup>31</sup> Any statute allowing assertion of jurisdiction, however, must satisfy the due process require-

<sup>21</sup> 355 U.S. 220 (1957).

<sup>22</sup> No. 32, § 1, [1960] La. Acts 1, as amended, LA. REV. STAT. § 13:3471 (1950).

<sup>23</sup> LA. REV. STAT. § 13:3201(a) (1968).

<sup>24</sup> See *Comments of the Louisiana State Law Institute—1964*, 7 LA. REV. STAT. 68 (1968).

<sup>25</sup> "At some point, however, activity in the state could meet the literal requirement of section 3201(a) but be so insignificant that the exercise of jurisdiction would be unconstitutional." Comment, *Personal Jurisdiction Over Nonresidents—The Louisiana Long-Arm Statute*, 40 TUL. L. REV. 366, 377 (1966).

<sup>26</sup> 207 So. 2d 834 (La. App. 1968).

<sup>27</sup> *Id.* at 837-38.

<sup>28</sup> 251 So. 2d 45 (La. 1971).

<sup>29</sup> The court cited *Henry R. Jahn & Son v. Superior Court*, 49 Cal. 2d 855, 323 P.2d 437, 440-41 (1958), in which it was stated: "In some circumstances there is adequate basis for jurisdiction when the defendant has elected to deal with the plaintiff even though only by mail."

<sup>30</sup> The New York long-arm statute, N.Y. CIV. PROC. LAW § 302(a) (McKinney 1972), uses the same phrase, "transacting any business," and in *Steele v. Delecuw*, 40 Misc. 2d 207, 244 N.Y.S.2d 97 (1963), the assertion of jurisdiction over a foreign corporation was upheld when a director of that corporation executed a single contract in New York for the purchase of stock.

<sup>31</sup> *Star Elkhorn Coal Co. v. Red Ash Pocahontas Coal Co.*, 102 F. Supp. 258 (E.D. Ky. 1951); *Henry R. Jahn & Son v. Superior Court*, 49 Cal. 2d 855, 323 P.2d 437 (1958); *Sterling Novelty Corp. v. Frank & Hirsch Distrib. Co.*, 299 N.Y. 208, 86 N.E.2d 564 (1949).

ments of the fourteenth amendment set out in *International Shoe*. In a brief discussion of *International Shoe* and *McGee* the court set forth the factors to be considered under the "fairness" test, then disregarded those factors. The court stated that they were too imprecise, and that the court itself "must decide whether there is a difference between foreign purchasers and foreign sellers with respect to the due process clause."<sup>32</sup> The court concluded that there was such a difference.

The court reasoned that foreign sellers are aware of the fact that they may be subjected to jurisdiction in a foreign state.<sup>33</sup> Sellers who sell in a foreign state also should be aware that they must usually go to the state of the purchaser to sue on the transaction.<sup>34</sup> These jurisdiction problems are expected, and are a risk of selling in foreign states. Purchasers, on the other hand, would find nothing in any state law that would lead them to believe that a single mail order "might get [them] sued a thousand miles from home if [they] fail to pay . . . ."<sup>35</sup> In addition, sellers are "usually participating in a business activity for profit,"<sup>36</sup> while purchasers include a great many "ultimate consumers" not in pursuit of a profit, but merely purchasing to satisfy personal desires and needs.<sup>37</sup> Although at the outset the court acknowledged that "[a]lmost by definition, to purchase is to do business,"<sup>38</sup> the court later stated that "[b]uying is not traditionally the same as doing business."<sup>39</sup> The court ended the discussion of the differences between foreign buyers and foreign sellers by stating that purchasers who know they may be sued in Louisiana would obviously conduct their business "where the risk and cost of litigation are not increased;"<sup>40</sup> or, in other words, where there is no chance of getting sued.<sup>41</sup>

The court stated that it would not fix a minimum value on purchases which would subject the purchaser to jurisdiction in Louisiana. If jurisdiction would not be asserted over an "ultimate consumer, not in business connected with the purchase, and when the purchase is of relatively small value,"<sup>42</sup> and if the court refused to place a value on what sized purchase would give jurisdiction to Louisiana, then regardless of the size of a purchase, it would appear that jurisdiction could not be asserted on the basis of a purchase.

<sup>32</sup> 251 So. 2d 45, 47 (1971).

<sup>33</sup> See *International Shoe Co. v. Washington*, 326 U.S. 310 (1945). If a state sets no standard higher than that set forth in *International Shoe*, then the foreign corporation should be aware of the risk of being sued once it establishes "minimum contacts."

<sup>34</sup> The court stated: "[C]orporations who sell in a foreign state should be aware that nearly every state, to this moment requires that they go to the residence of the purchaser to sue on a claim arising from the transaction." 251 So. 2d at 47. It should be noted that here the plaintiff sold to Craftsman, an Illinois corporation, in Louisiana, not in Illinois. Craftsman came to the plaintiff in Louisiana with an offer to purchase.

<sup>35</sup> 251 So. 2d at 47. The statement is correct with respect to a single mail order purchase by an "ultimate consumer." Clearly, in that instance there are no "minimum contacts."

<sup>36</sup> *Id.*

<sup>37</sup> While it is true that there are probably more "ultimate consumers" among interstate purchasers than among sellers, there are certainly interstate purchasers seeking a profit as well. See, e.g., *Henry R. Jahn & Son v. Superior Court*, 49 Cal. 2d 855, 860, 323 P.2d 437, 440-41 (1958).

<sup>38</sup> 251 So. 2d at 46.

<sup>39</sup> *Id.* at 47.

<sup>40</sup> *Id.*

<sup>41</sup> The court's implication is that if they allow the assertion of jurisdiction for any single purchase, then Louisiana would be an unfavorable place for purchase so long as other states retain their reluctance to assert jurisdiction over purchasers as readily as over sellers.

<sup>42</sup> 251 So. 2d at 47.

### III. DISTINGUISHING PURCHASERS AND SELLERS WITH RESPECT TO DUE PROCESS

The denial of jurisdiction in the present case is not at all surprising. However, the fact that the court effectively abandoned the "fairness" test of *International Shoe* is surprising. The first step the court took was to determine that the Louisiana long-arm statute did not set a standard above that set by the Supreme Court for assertion of jurisdiction.<sup>43</sup> The next logical step would be to discuss the due process requirements and the factors which would be used to see if the requirements were met. Although the court discussed these factors, it did not apply them to the facts of the case. Balancing the interests of the parties involved, the interest of the forum state, and the interest of judicial administration would more than likely call for the same adjudication as the court made; however, the court chose to distinguish between foreign purchasers and foreign sellers.

Several long-arm statutes allow for the assertion of jurisdiction because of a single contract,<sup>44</sup> but the assertion of jurisdiction over a foreign purchaser for a single purchase is rare.<sup>45</sup> The differences between purchasers and sellers discussed by the court were based upon the assumption that the seller is usually large and its connections with the forum state are substantial, while the purchaser is pictured as an "ultimate consumer" making a single mail order purchase. Clearly, under such a fact situation, jurisdiction could not be asserted without violating due process. However, the court simply overlooked the purchaser who has the requisite "minimum contacts." The irony of this decision is that if Louisiana refuses to assert jurisdiction over an unsuspecting "ultimate consumer" who made one mail order purchase, then Louisiana cannot assert jurisdiction over a foreign purchaser in business for profit who makes a sizable single purchase from a resident corporation.<sup>46</sup>

The Louisiana act provides for the assertion of jurisdiction over foreign corporations for "transacting any business." That phrase is probably broader than "doing business,"<sup>47</sup> so the question becomes whether the purchase of articles from a Louisiana resident is sufficient for "minimum contacts" with Louisiana. In spite of the statute, the mere doing of business in this manner has not moved Louisiana courts to assert jurisdiction.<sup>48</sup> Typically, it has been held that

<sup>43</sup> "R.S. 13:3201 through 13:3207 were adopted on the recommendation of the Louisiana State Law Institute to permit the courts of this state to tap the full potential of jurisdiction in personam over nonresidents permitted by *International Shoe Co. v. Washington*, 326 U.S. 310, . . . and *McGee v. International Life Insurance Company*, 355 U.S. 220 . . ." *Comments of the Louisiana State Law Institute—1964*, 13 LA. REV. STAT. 68 (1968).

<sup>44</sup> See, e.g., CONN. GEN. STAT. REV. § 33-411(c) (1961); MD. ANN. CODE art. 23, § 92(d) (1957); MICH. COMP. LAWS §§ 600.705(4)-(5) (1968); MINN. STAT. § 303.13(1)(3) (1969).

<sup>45</sup> "The general tendency of the courts to require less in the way of sales activity to bring a foreign corporation within the jurisdiction of a state has not been accompanied by any parallel lessening of requirements as to purchasing activities." *Waltham Precision Instrument Co. v. McDonnell Aircraft Corp.*, 203 F. Supp. 539, 541 (D. Mass. 1962). See also *Steele v. Deleeuw*, 40 Misc. 2d 207, 244 N.Y.S.2d 97 (1963).

<sup>46</sup> In *Henry R. Jahn & Son v. Superior Court*, 49 Cal. 2d 855, 323 P.2d 437 (1958), the Supreme Court of California stated that there was no difference between regular sellers and regular buyers as far as jurisdiction was concerned.

<sup>47</sup> Comment, *Jurisdiction In Personam Over Contracts with Nonresidents*, 26 LA. L. REV. 372, 376 (1966).

<sup>48</sup> See, e.g., *Bowlero, Inc. v. Allen*, 205 So. 2d 196 (La. App. 1967).

there must be some act or acts which place the nonresident in the position of enjoying the benefit and protection of the laws of the state of Louisiana.<sup>49</sup> *Aucoin v. Hanson*<sup>50</sup> illustrated the fact that foreign sellers are more readily subjected to jurisdiction than foreign purchasers, and thus it appears that foreign purchasers enjoy a form of relative immunity from jurisdiction in Louisiana. Craftsman surely had more "contact" with Louisiana than Mr. Hanson, yet jurisdiction was sustained over Hanson but not over Craftsman. The difference can only be attributed to the fact that Hanson sold to a Louisiana resident, while Craftsman bought from a Louisiana resident.

#### IV. CONCLUSION

If the foreign purchaser has little at stake in comparison to the resident seller,<sup>51</sup> and if the sale was consummated in the forum state so that all the witnesses live there, then the purchaser should be subject to the jurisdiction of the forum state.<sup>52</sup> *Riverland v. Craftsman* precludes Louisiana courts from asserting jurisdiction if and when a case involving a single, but sizable, purchase comes before the courts of Louisiana again. Not only is this case a defeat for the broad legislative intent in Louisiana in this regard, but it also represents the kind of mechanical and quantitative analysis *International Shoe* abandoned twenty-seven years ago.

Generally, less sales activity than purchasing activity is required to assert jurisdiction over a foreign corporation.<sup>53</sup> This seeming unfairness is not due to any inherent differences between sellers and buyers, and the long-arm statutes make no such distinction. The level of commercial activity required for jurisdiction ought to be determined uniformly by the interest balancing test set forth by the Supreme Court in *International Shoe* and *McGee*. As things currently stand, foreign sellers get "less" due process because jurisdiction can and will be asserted over them more readily than over foreign purchasers. If the interests of the foreign purchaser are weighed against those of the resident seller and found to be of less weight, the assertion of jurisdiction would not violate "fair play," and consequently the forum state ought to sustain jurisdiction over the foreign purchaser.

Mark C. Clements

<sup>49</sup> *Aucoin v. Hanson*, 207 So. 2d 834 (La. App. 1968). See also *Terasse v. Wisconsin Feeder Pig Mkt. Coop.*, 202 So. 2d 330 (La. App. 1967).

<sup>50</sup> 207 So. 2d 834 (La. App. 1968).

<sup>51</sup> Marginal values might be considered when both parties had the same dollar value at stake, but the resident seller's business was considerably smaller than the business of the foreign purchaser. Presumably, in this instance, one dollar would be of greater value to the smaller seller than to the larger purchaser.

<sup>52</sup> Comment, *supra* note 47, at 387. It was stated there:

The advantages of the 'long-arm' statutes are, for the most part, clearly evident. A state is enabled, by means of the statute, to protect its residents' interests. The old tests of 'presence' and 'domicile,' which often produced unfair results, are discarded. The nonresident who enters a state . . . is choosing to deal commercially with a person in whose welfare the forum state has an interest. That a nonresident who expects to enjoy or actually enjoys profit should accept as a cost of doing business the expense of defending in the state is only right.

See also Ganz, "Doing Business" in Illinois as a Basis of Jurisdiction Over Nonresidents—*Due Process and Contacts*, 1 ILL. CONTINUING LEGAL ED., No. 4, Oct. 1963, at 75.

<sup>53</sup> See note 45 *supra*.