

**CHAVEZ V. BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC**

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**AMADO CHAVEZ; RAMONA  
HERNANDEZ; TODD LOPEZ,  
as Personal Representative of the  
Estate of EDGAR CHAVEZ,  
Deceased; and VICTOR CHAVEZ,  
Plaintiffs-Appellees,**

**v.**

**BRIDGESTONE AMERICAS TIRE  
OPERATIONS, LLC, a foreign company  
which is the successor to BRIDGESTONE/  
FIRESTONE NORTH AMERICAN TIRE, LLC,  
Defendant-Appellant,**

**and**

**CRECENCIO JARAMILLO, MAGDALENA  
JARAMILLO, and TIRE CLUB U.S.A., INC.,  
Defendants.**

NO. A-1-CA-36442

COURT OF APPEALS OF NEW MEXICO

December 21, 2018

APPEAL FROM THE DISTRICT COURT OF SANTA FE COUNTY, Francis J. Mathew,  
District Judge

**COUNSEL**

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for Appellees

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Appellant

**JUDGES**

LINDA M. VANZI, Chief Judge. WE CONCUR: J. MILES HANISEE, Judge, STEPHEN G. FRENCH, Judge Pro Tem

**AUTHOR:** LINDA M. VANZI

## MEMORANDUM OPINION

**VANZI, Chief Judge.**

{1} Defendant Bridgestone Americas Tire Operations, LLC (Bridgestone) appeals the district court’s denial of its motion to dismiss for lack of personal jurisdiction. In the district court, Bridgestone argued that the district court had neither general nor specific jurisdiction over it because it was not “at home” in New Mexico and Plaintiffs’ claims did not arise from Bridgestone’s conduct in the state. The district court found that specific jurisdiction was proper and denied the motion to dismiss but certified the question to this Court. We granted Bridgestone’s application for interlocutory appeal, and after initial briefing was complete, requested simultaneous supplemental briefing on the “viability and applicability” of *Werner v. Wal-Mart Stores, Inc.*, 1993-NMCA-112, 116 N.M. 229, 861 P.2d 270 and “whether, under *Werner*, [Bridgestone] consented to general jurisdiction in New Mexico courts by registering in compliance with Article 17 of the Business Corporation Act [(the Act)], NMSA 1978, §§ 53-11-1 to 53-18-12 (1967, as amended through 2003).” In its supplemental brief, Bridgestone argues that this Court should not reach the issue of consent to jurisdiction because the issue is “beyond the scope of the question certified for interlocutory review” or abandoned. It also argues that *Werner* is no longer good law after *Daimler AG v. Bauman*, 571 U.S. 117, 137 (2014).

{2} This is a companion case to *Navarrete Rodriguez v. Ford Motor Co.*, \_\_\_-NMCA-\_\_\_, \_\_\_ P.3d \_\_\_ (No. A-1-CA-36402, Dec. 20, 2018). In that case, filed concurrently, we hold that (1) this Court may properly consider consent by registration in this appeal; (2) the United States Supreme Court’s decision in *Pennsylvania Fire Insurance Co. of Philadelphia v. Gold Issue Mining & Milling Co.*, 243 U.S. 93 (1917), and this Court’s decision in *Werner* remain binding precedent in spite of the evolution of general jurisdiction jurisprudence found in *International Shoe Co. v. Washington*, 326 U.S. 310, 319 (1945), and *Daimler*, 571 U.S. at 137. *Navarrete Rodriguez*, \_\_\_-NMCA-\_\_\_, ¶¶ 1, 17-18. Based on the reasoning in that opinion, we reject Bridgestone’s arguments in the supplemental briefing.

## BACKGROUND

{3} “Where, as here, the district court bases its ruling on the parties’ pleadings, attachments, and non-evidentiary hearings, . . . [w]e construe th[ose] pleadings and affidavits in the light most favorable to the complainant[.]” *Sproul v. Rob & Charlies, Inc.*, 2013-NMCA-072, ¶ 6, 304 P.3d 18 (internal quotation marks and citation omitted). Edgar Chavez (Decedent), a New Mexico resident, was killed in a single vehicle accident. He was driving a used 2001 Ford Explorer (the Explorer) that had been purchased from a local car dealership in Rio Rancho, New Mexico. The Explorer came

with a Firestone FR480 tire (the FR480), which had been manufactured by Bridgestone, installed as a spare. In July 2015, Decedent took the Explorer to a local tire shop in Sunland Park, New Mexico. The tire shop removed the FR480 from the spare tire position and installed it as the left rear tire on the Explorer. The tire was approximately twenty-two years old at the time. One month later, the tread of the FR480 “peeled off” while Decedent was driving in Texas, causing the Explorer to roll over. Decedent died in the accident. At the time of the accident, Decedent was driving with his brother from Texas back to their home in New Mexico.

{4} Amado Chavez, Ramona Hernandez, Todd Lopez, and Victor Chavez (Plaintiffs) subsequently brought this suit for the wrongful death of Decedent, naming Bridgestone as one of several defendants. In their complaint, Plaintiffs alleged, among other things, that design and manufacturing defects caused the tread of the FR480 to peel off suddenly. Plaintiffs also alleged that Bridgestone negligently failed to notify tire shops in New Mexico, such as the one that installed the FR480, that they should remove this type of tire from service if it is more than ten years old.

{5} We briefly describe the parties’ jurisdictional arguments in the district court to provide context for the district court’s order. In its motion to dismiss, Bridgestone, a Delaware limited liability company with its principal place of business in Tennessee, argued that the district court did not have specific jurisdiction because the accident occurred in Texas and did not result from Bridgestone’s activities within New Mexico.

{6} In response, Plaintiffs argued that Bridgestone purposely availed itself of the New Mexico market by: (1) operating fifty-four official dealers in New Mexico; (2) maintaining an interactive website through which New Mexico residents can apply for employment in New Mexico, find a Bridgestone dealer in New Mexico, register tires, review recall notices, and obtain warranty information; (3) targeting New Mexico consumers by offering “contingency awards” to racers who display the Bridgestone logo and use their tires during races in New Mexico; (4) participating in litigation in New Mexico. Plaintiffs also asserted that Bridgestone had registered to do business in New Mexico. See § 53-17-9 (setting forth requirements for foreign corporations registered to transact business in New Mexico); § 53-17-11 (requiring each foreign corporation authorized to do business to have a registered agent “upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served”). Finally, Plaintiffs alleged that Bridgestone could anticipate being haled into court in New Mexico because it placed its defective product into the stream of commerce.

{7} In its reply, Bridgestone did not dispute any of Plaintiffs’ asserted facts, but instead reiterated that it was not subject to personal jurisdiction because the injury did not arise out of those activities and did not occur in New Mexico. After a hearing, the district court denied Bridgestone’s motion to dismiss. Because the district court noted in its order that Plaintiffs were asserting specific jurisdiction, we interpret the district court’s order as a finding that specific jurisdiction was proper. On interlocutory appeal, both parties provided supplemental briefing on the question of “whether, under *Werner*,

[Bridgestone] consented to general jurisdiction in New Mexico courts by registering in compliance with [the Act].”

## DISCUSSION

{8} “In reviewing an appeal from an order granting or denying a motion to dismiss for lack of personal jurisdiction, the determination of whether personal jurisdiction exists is a question of law, which an appellate court reviews de novo when the relevant facts are undisputed.” *CABA Ltd. Liab. Co. v. Mustang Software, Inc.*, 1999-NMCA-089, ¶ 9, 127 N.M. 556, 984 P.2d 803. As we explain, we conclude that Bridgestone consented to general jurisdiction in New Mexico under *Werner*. We therefore affirm the district court’s denial of Bridgestone’s motion to dismiss, but for a different reason. See *State v. Vargas*, 2008-NMSC-019, ¶ 8, 143 N.M. 692, 181 P.3d 684 (“Under the right for any reason doctrine, we may affirm the district court’s order on grounds not relied upon by the district court if those grounds do not require us to look beyond the factual allegations that were raised and considered below.” (internal quotation marks and citation omitted)). Given our conclusion, we need not address Bridgestone’s arguments related to specific jurisdiction.

{9} Our legal analysis of whether consent by registration is a valid avenue to jurisdiction in light of United States Supreme Court cases is detailed in *Navarrete Rodriguez*. In short, in that opinion we note that consent to jurisdiction by compliance with a state’s registration statute was acknowledged in 1917 by the United States Supreme Court in *Pennsylvania Fire*, 243 U.S. at 95. *Navarrete Rodriguez*, \_\_\_-NMCA-\_\_\_, ¶ 12. Although the Supreme Court’s subsequent pronouncements in *International Shoe*, 326 U.S. at 319, and *Daimler*, 571 U.S. at 137, substantially limited “minimum contacts” based jurisdiction, neither of those cases addressed consent to jurisdiction in any manner, much less consent by registration. *Navarrete Rodriguez*, \_\_\_-NMCA-\_\_\_, ¶¶ 14-16. Hence, since *Pennsylvania Fire* has not been overruled by the Supreme Court, we are bound by it. *Navarrete Rodriguez*, \_\_\_-NMCA-\_\_\_, ¶ 18.

{10} Whether compliance with a state registration statute constitutes consent to jurisdiction in the state depends on the language of the statute itself or the construction of it by a state court. *Brieno v. Paccar, Inc.*, No. 17-cv-867 SCY/KMB, 2018 WL 3675234, at \*2 (D.N.M. Aug. 2, 2018); see *Robert Mitchell Furniture Co. v. Selden Breck Constr. Co.*, 257 U.S. 213, 215-16 (1921) (stating that the “purpose in requiring the appointment of such an agent is primarily to secure local jurisdiction in respect of business transacted within the [s]tate” and that jurisdiction under the statute may be extended to business conducted elsewhere only if the law “expressly or by local construction gives to the appointment [of an agent] a larger scope”). We therefore look to our cases constructing the Act. In *Werner*, this Court held “the [L]egislature intended to confer state-court jurisdiction over registered foreign corporations through Section 53-17-11 [of the Act].” 1993-NMCA-112, ¶ 11. It further held that the defendant there had consented to jurisdiction in New Mexico by registering pursuant to the Act. *Id.* ¶¶ 11, 14. In *Navarrete Rodriguez*, we note that *Werner* gives companies notice that registration under the Act and continued compliance with its requirements indicates consent to

general jurisdiction. *Navarrete Rodriguez*, \_\_\_-NMCA-\_\_\_, ¶¶ 25-26; cf. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 472 (1985) (stating that the Due Process Clause “requir[es] that individuals have fair warning that a particular activity may subject them to the jurisdiction of a foreign sovereign” (alteration, internal quotation marks, and citation omitted)).

{11} Consistent with *Pennsylvania Fire*, then, we apply *Werner* to the facts here. Bridgestone does not deny that it is registered in New Mexico as required by the Act. Hence, under *Werner*, Bridgestone consented to jurisdiction and was on notice that it should “anticipate being haled into court” in New Mexico. See *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297 (1980).

{12} As to Bridgestone’s argument that the Act, as applied here, violates the dormant Commerce Clause, we disagree because, even if the Act imposes a burden on interstate commerce, New Mexico’s interest in adjudicating this matter justifies the burden. See *Navarrete Rodriguez*, \_\_\_-NMCA-\_\_\_, ¶¶ 20-22 (addressing the dormant Commerce Clause and limits on jurisdiction); John F. Preis, *The Dormant Commerce Clause As A Limit on Personal Jurisdiction*, 102 Iowa L. Rev. 121, 138, 142-43 (2016) (observing that “[a] state has a legitimate interest in the resolution of disputes that arise in its state” and that jurisdiction by registration “laws have the practical effect of discriminating against out-of-state companies” but that “[s]uch effects will nonetheless be tolerable when the plaintiff is a state resident (whether injured in or out of state) or a non-resident injured in state” (emphasis added) (internal quotation marks and citation omitted)). Here, like in *Navarrete Rodriguez*, the decedent was a New Mexico resident. \_\_\_-NMCA-\_\_\_, ¶ 3. Hence, New Mexico has an interest in providing a forum for the present litigation. See *Zavala v. El Paso Cty. Hosp. Dist.*, 2007-NMCA-149, ¶ 31, 143 N.M. 36, 172 P.3d 173 (stating that “New Mexico certainly has an interest in providing its residents with a forum to allow resolution of conflicts”).

## **CONCLUSION**

{13} For the reasons stated above and in *Navarrete Rodriguez*, we conclude that Bridgestone consented to general jurisdiction in New Mexico courts by registering to do business here and appointing an agent for service of process under the Act. We therefore affirm the district court’s denial of Bridgestone’s motion to dismiss for lack of jurisdiction.

{14} **IT IS SO ORDERED.**

**LINDA M. VANZI, Chief Judge**

**WE CONCUR:**

**J. MILES HANISEE, Judge**

**STEPHEN G. FRENCH, Judge Pro Tem**