

Summary of kinney system, inc. v. continental insurance company essay sample

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Facts:

Kinney System, Inc. is a Delaware corporation with headquarters in New York while The Continental Insurance Company is a New Hampshire Corporation registered to do business in Florida. The two companies were involved in a dispute regarding workers compensation insurance premiums. A contract of insurance was negotiated in New York to cover Kinney's employees in different states, including those in Florida.

The trial judge dismissed the case on the ground of *forum non conveniens* [1]. On appeal, the Fourth District reversed and justified its action with the ruling of *National Aircraft Service, Inc. v. New York Airlines, Inc.* [2] which said that forum non conveniens does not apply where one of the corporate parties to the action is licensed to do business in Florida, with a place of business in Florida.

Issues:

Is the trial court precluded from dismissing an action on the basis of *forum non conveniens* where one of the parties is a foreign corporation that:

1. is doing business in Florida?
2. is registered to do business in Florida?
3. is its principal place of business in Florida?

Ruling:

The Florida Supreme Court held that in all three cases, trial courts will not be precluded from dismissing an action based on *forum non conveniens* . This is

because corporate residency is not the only factor to take into consideration. Trial courts must gauge the situation using the “ balance of conveniences approach”. This is done by applying a four-way test where the trial court must determine if:

- An adequate alternative forum exists which possesses jurisdiction over the whole case;
- All relevant factors of private interest favor the alternative forum, weighing in the balance of a strong presumption against disturbing plaintiff’s initial forum choice;
- The balance of private interests is at or near equipoise[3], the court further finds that factors of public interest tip the balance in favor of trial in the alternative forum; and
- The plaintiffs can reinstate their suit in the alternative forum without undue inconvenience or prejudice.

The Florida Supreme Court rejected the ruling in *Houston v. Caldwell* [4], and in the light of public interest considerations, applied the ruling in *Gulf Oil Corp. v. Gilbert*[5] instead. The main inquiry in a balance of public interests approach is “ whether the case has a general nexus with the forum sufficient to justify the forum’s commitment of judicial time and resources to it.” The use of Florida courts exist to judge matters with significant impact upon Florida’s interests, especially in the light of the facts that the taxpayers of this state pay for the operation of the judiciary. Nothing in our Constitution compels the taxpayers to spend their money even for the rankest form shopping by out-of-state interests.

[1] *Forum non conveniens* is a common law doctrine addressing the problem that arises when a local court technically has jurisdiction over a suit but the cause of action may be fairly and more conveniently litigated elsewhere.

Forum non conveniens also serves as a brake on the tendency of some plaintiffs to shop for the “ best” jurisdiction in which to bring suit – a concern of special importance in the international context. (*Kinney System, Inc. v. The Continental Insurance Company* , p. 3)

[2] 489 Sp. 2d 38, 39 (Fla. 4th DCA 1986)

[3] *Equipose* means simply that the advantages and disadvantages of the alternative forum will not significantly undermine or favor the “ private interests” of any particular party, as compared with the forum in which the suit was filed. In sum, the competing private interests are substantially in balance in either forum (*Kinney System, Inc. v. The Continental Insurance Company* , p. 13).

[4] 359 So. 2d 858 (Fla. 1978)

[5] 330 U. S. 501, 76 S. Ct. 839, 91 L. Ed. 1055 (1946)