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**United States District Court  
Central District of California**

MITSUI SUMITOMO INSURANCE  
USA, INC.; MITSUI SUMITOMO  
INSURANCE COMPANY OF  
AMERICA,

Plaintiffs,

v.

KYOCERA MITA CORPORATION;  
KYOCERA DOCUMENT SOLUTIONS,  
INC.; KYOCERA DOCUMENT  
TECHNOLOGY CO., LTD.; and  
SHINDENGEN ELECTRIC  
MANUFACTURING COMPANY, LTD.,

Defendants.

Case No. 2:15-cv-01860-ODW-FFM

**ORDER GRANTING DEFENDANT  
SHINDENGEN ELECTRIC  
MANUFACTURING COMPANY,  
LTD.’S MOTION TO DISMISS [18]**

**I. INTRODUCTION**

Plaintiffs Mitsui Sumitomo Insurance USA, Inc. and Mitsui Sumitomo Insurance Company of American (“Plaintiffs”) seek reimbursement from Defendants Kyocera Mita Corporation, Kyocera Document Solutions, Inc. (“KDS”), Kyocera Document Technology Co., Ltd. (“KDT”), and Shindengen Electric Manufacturing Company, Ltd. (“Shindengen”) for damages paid on behalf of Plaintiffs’ insured,

1 Kyocera Document Solutions America, Ltd. (“Kyocera America”), a copier  
2 distributor. Plaintiffs allege that Shindengen manufactured a defective diode  
3 component in a copier that resulted in a fire. Shindengen now moves to dismiss the  
4 matter for lack of personal jurisdiction, arguing that it lacks any connection to  
5 California that could establish the minimum contacts required for the Court to exercise  
6 personal jurisdiction. For the reasons discussed below, the Court agrees and  
7 accordingly **GRANTS** the Motion to Dismiss.<sup>1</sup> (ECF No. 18.)

## 8 **II. FACTUAL BACKGROUND**

9 Kyocera America is a distributor of products, including copiers with diodes  
10 manufactured by Shindengen, and is insured by Plaintiffs. (Compl. ¶ 8.) On October  
11 11, 2008, an allegedly defective copier distributed by Kyocera America caused a fire  
12 at a commercial building in Chatsworth, California. (*Id.*) The copier was designed  
13 and manufactured by KDS and KDT and contained an allegedly defective diode  
14 manufactured by Shindengen. (*Id.* ¶¶ 17–18.) The insurers of the commercial  
15 building sued Kyocera America for damages resulting from the fire. (*Id.* ¶ 9.) After  
16 settling claims with the commercial building’s insurers on behalf of Kyocera America,  
17 Plaintiffs brought this indemnification claim against KDS, KDT, and Shindengen. (*Id.*  
18 ¶¶ 17–18.)

19 Shindengen is a Japanese company with its principal place of business in Japan,  
20 where it manufactures diodes and other electronics. (*Id.* ¶ 4; Opp’n 3.) Plaintiffs  
21 allege that Shindengen owns a subsidiary, Shindengen America, which is incorporated  
22 in California. (*Id.*) Shindengen America is not a defendant in this action, and has no  
23 involvement in the underlying incident. Plaintiffs further allege that 2.9 percent of  
24 Shindengen’s sales are made to American customers. (*Id.* 8.) Shindengen has no  
25 other connections to California.

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26  
27 <sup>1</sup> Having carefully considered the papers filed in support of and in opposition to the Motions to  
28 Dismiss, the Court deems the matter appropriate for decision without oral argument. Fed. R. Civ. P.  
78; L.R. 7-15.

1 Plaintiffs filed this claim in the Los Angeles Superior Court on December 10,  
2 2014. (Not. of Removal ¶ 1.) Defendant KDS timely removed the action to this  
3 Court. (ECF No. 1.) On May 7, 2015, Shindengen filed a Motion to Dismiss the  
4 claim for lack of personal jurisdiction, pursuant to Federal Rule of Civil Procedure  
5 12(b)(2).<sup>2</sup> (ECF No. 18.) Plaintiffs timely opposed, and Shindengen timely replied.  
6 (ECF Nos. 21, 26.) Shindengen’s Motion to Dismiss is now before the Court for  
7 consideration.

### 8 III. LEGAL STANDARD

9 When a defendant moves to dismiss a case for lack of personal jurisdiction  
10 under Federal Rule of Civil Procedure 12(b)(2), the plaintiff bears the burden of  
11 demonstrating that the court may properly exercise jurisdiction over the defendant.  
12 *Love v. Assoc’d Newspapers, Ltd.*, 611 F.3d 601, 609 (9th Cir. 2010). If the motion to  
13 dismiss is based on written materials rather than an evidentiary hearing, the plaintiff  
14 need only make a prima facie showing that jurisdiction exists. *Id.* The court takes the  
15 plaintiff’s uncontroverted version of facts as true, and any conflicts over the facts must  
16 be resolved in the plaintiff’s favor. *Doe v. Unocal Corp.*, 248 F.3d 915, 922 (9th Cir.  
17 2001).

18 “The general rule is that personal jurisdiction over a defendant is proper if it is  
19 permitted by a long-arm statute and if the exercise of that jurisdiction does not violate  
20 federal due process.” *Pebble Beach Co. v. Caddy*, 453 F.3d 1151, 1154 (9th Cir.  
21 2006). California’s long-arm statute is coextensive with federal due process  
22 requirements, so the jurisdictional analysis for a nonresident defendant under state law  
23 and federal due process is the same. *See* Cal. Code Civ. Proc. § 410.10; *Roth v.*  
24 *Garcia Marquez*, 942 F.2d 617, 620 (9th Cir. 1991).

25 The Fourteenth Amendment’s Due Process Clause allows a court to exercise

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26  
27 <sup>2</sup> KDS and KDT also filed Motions to Dismiss for lack of personal jurisdiction. (ECF Nos. 7,  
28 12.) The Court deferred ruling on these motions and granted limited jurisdictional discovery as to  
KDS and KDT.

1 personal jurisdiction over a defendant who has sufficient “minimum contacts” with  
2 the forum state such that the exercise of jurisdiction “does not offend traditional  
3 notions of fair play and substantial justice.” *Int’l Shoe Co. v. Washington*, 326 U.S.  
4 310, 316 (1945) (quotation marks omitted). Applying the “minimum contacts”  
5 analysis, a court may exert either general jurisdiction or specific jurisdiction over a  
6 nonresident defendant. *Unocal*, 248 F.3d at 923. General jurisdiction is established  
7 when the defendant’s activities in the forum state are “continuous and systematic” in  
8 such a way that justifies the exercise of jurisdiction even if the cause of action is  
9 unrelated to these activities. *Doe v. Am. Nat’l Red Cross*, 112 F.3d 1048, 1050 (9th  
10 Cir. 1997). Specific jurisdiction arises when a defendant’s specific contacts with the  
11 forum state give rise to the cause of action. *Helicopteros Nacionales de Colombia*  
12 *S.A. v. Hall*, 466 U.S. 408, 414 (1984).

#### 13 **IV. DISCUSSION**

14 Plaintiffs argue that Shindengen’s ownership of a California corporation and its  
15 sale of 2.9 percent of its products to customers in the United States are sufficient to  
16 confer jurisdiction over Shindengen in California. In the alternative, Plaintiffs request  
17 leave to perform discovery to further establish Shindengen’s ties to California. The  
18 Court disagrees that such contacts are sufficient to confer jurisdiction, and denies  
19 Plaintiffs’ request for leave to conduct jurisdictional discovery.

##### 20 **A. Personal Jurisdiction**

21 As an initial matter, Plaintiffs do not attempt to argue that the Court has general  
22 jurisdiction over Shindengen. (Opp’n 2.) Therefore, the Court will only address  
23 specific jurisdiction. A court may assert specific jurisdiction over a defendant when  
24 the claim asserted against the defendant arises out of its forum-related activities. *Rano*  
25 *v. Sipa Press Inc.*, 987 F.2d 580, 588 (9th Cir. 1993). The Ninth Circuit applies a  
26 three-prong test to determine whether a court may properly exercise specific  
27 jurisdiction over a nonresident defendant: (1) the defendant must purposefully avail  
28 itself of the benefits and protections of the forum state; (2) the claim must arise out of,

1 or be related to, the defendant’s forum-related activity; and (3) exercise of jurisdiction  
2 must comport with fair play and substantial justice. *Schwarzenegger v. Fred Martin*  
3 *Motor Co.*, 374 F.3d 797, 802 (9th Cir. 2004). The plaintiff bears the burden of  
4 proving the first two prongs of the test. *Id.* If the plaintiff succeeds in establishing  
5 both of these prongs, the burden then shifts to the defendant to “present a compelling  
6 case” that the exercise of jurisdiction would not be reasonable. *Id.*

7 Plaintiffs and Shindengen focus their arguments on the first prong of the test—  
8 whether Shindengen purposefully availed itself of the benefits and protections of  
9 California. A defendant purposefully avails itself of the benefits and protections of a  
10 forum state when it “perform[s] some type of affirmative conduct which allows or  
11 promotes the transaction of business within the forum state.” *Sinatra v. Nat’l*  
12 *Enquirer, Inc.*, 854 F.2d 1191, 1195 (9th Cir. 1988). Plaintiffs contend that  
13 Shindengen placed products, including the diode component of the copier, into the  
14 stream of commerce and specifically targeted consumers in California. Plaintiffs  
15 support this argument by providing evidence that Shindengen owns a subsidiary,  
16 Shindengen America, which is incorporated in California. (Opp’n 4.) Plaintiffs  
17 further offer evidence that 2.9 percent of Shindengen’s sales are made to American  
18 customers. (*Id.*)

19 Shindengen does not dispute these facts, but instead argues that they are  
20 insufficient to establish specific jurisdiction. (Reply 2.) Shindengen points to the fact  
21 that it is a Japanese company with no office, phone number, bank account, or  
22 employees in California. (Mot. 12.) Shindengen also points out that it manufactured  
23 the allegedly defective diode in Japan, and the diode was incorporated into the copier  
24 in Japan before it was shipped to California. (Reply 2.)

25 Placing goods into the stream of commerce establishes purposeful availment  
26 only when the defendant acts “with the expectation that [the goods] will be purchased  
27 by consumers within the forum State.” *World-Wide Volkswagon Corp. v. Woodson*,  
28 444 U.S. 286, 298 (1980). “[F]inancial benefits accruing to the defendant from a

1 collateral relation to the forum State will not support jurisdiction if they do not stem  
2 from a constitutionally cognizable contact with that State.” *Id.* at 299. Additionally,  
3 mere foreseeability that a product will reach and be used in the forum state cannot  
4 satisfy the requirements for personal jurisdiction. *See J. McIntyre Mach., Ltd. v.*  
5 *Nicastro*, 131 S. Ct. 2780, 2783 (2011) (plurality opinion); *Bombardier Recreational*  
6 *Prod., Inc. v. Dow Chem. Can. ULC*, 216 Cal. App. 4th 591, 598 (2013) (“We  
7 conclude both the plurality and the concurring opinions in *J. McIntyre* agree that mere  
8 foreseeability, at least where products are not sold in a state as part of the regular and  
9 anticipated flow of commerce into that state, is not enough to establish minimum  
10 contacts with the forum state.”). A plaintiff must show something more than  
11 foreseeability, although precisely what additional showing is sufficient has not yet  
12 been determined by the Supreme Court. *See Bombardier*, 216 Cal. App. 4th at 602.

13 The Court agrees with Shindengen that its contacts with California are  
14 insufficient to satisfy the purposeful availment requirement. First, Shindengen’s sales  
15 to the United States in general do nothing to show that it targeted California in  
16 particular. *See Hernandez v. City of Beaumont*, No. EDCV 13-00967 DDP (DTBx),  
17 2014 WL 6943881, at \*4 (C.D. Cal. Dec. 8, 2014). Second, 2.9 percent of total sales  
18 is not a large enough portion of sales to indicate that Shindengen should anticipate a  
19 continuous flow of products into California, particularly when that 2.9 percent is  
20 potentially spread across the entire United States.

21 Plaintiffs rely almost entirely on *Bridgestone Corp. v. Superior Court*, 99 Cal.  
22 App. 4th 767 (2002), to support their argument that Shindengen has sufficient contacts  
23 with California to establish personal jurisdiction. In *Bridgestone*, the defendant, a tire  
24 manufacturer, delivered 25,000 tires per month to a California distributor for resale in  
25 California. *Id.* at 777. One-half of these tires were then sold to consumers in  
26 California. *Id.* Defendant’s representatives also visited the distribution center in  
27 California, and the court found that the defendant therefore likely knew about the  
28 large volume of tires sold in California. *Id.* *Bridgestone* is factually inapposite

1 because the connection between Shindengen and California is more attenuated than  
2 the connection between the tire manufacturer and California in *Bridgestone*. Whereas  
3 the *Bridgestone* defendant delivered tires directly to a California distributor for  
4 delivery and sale, the diodes manufactured by Shindengen went through multiple steps  
5 and entities before being sold to any company in the United States. First, Shindengen  
6 sold diodes to Defendant KDT who incorporated the diodes into copiers. Next, the  
7 copiers were sold by another defendant, KDS, to Kyocera America, who then sold the  
8 completed product to the commercial property in California. (Opp’n 5; KDS Mot. 2–  
9 3, ECF No. 12.) Plaintiffs offer no evidence suggesting that Shindengen maintained  
10 any control over the eventual destination of the diodes after selling them to KDS.

11 Furthermore, Plaintiffs make no showing that the amount of Shindengen’s total  
12 American sales is as great as 25,000 or that the percentage of these sales made to  
13 California is anywhere close to 50 percent, as was the case in *Bridgestone*.

14 Finally, the bare fact that a nonresident parent corporation owns a subsidiary  
15 incorporated within the forum state cannot establish personal jurisdiction over the  
16 parent corporation. *See Stewart v. Screen Gems-EMI Music, Inc.*, 81 F. Supp. 3d 938,  
17 954 (N.D. Cal. 2015). Instead, the plaintiff must show that the parent and subsidiary  
18 are not really separate entities, but alter-egos. *Id.* Here, the plaintiff has provided no  
19 facts beyond the bare allegation that Shindengen owns a subsidiary incorporated in  
20 California, and there is no suggestion that the subsidiary is involved with the type of  
21 transactions at issue in this lawsuit. (Mot. 3.) This allegation is not sufficient to  
22 establish personal jurisdiction on its own. The Court therefore finds that it lacks  
23 personal jurisdiction over Shindengen.

#### 24 **B. Jurisdictional Discovery**

25 In the event that the Court determines that it does not have personal jurisdiction  
26 over Shindengen, Plaintiffs request jurisdictional discovery as to Shindengen’s  
27 contacts with California. (Opp’n 10–11.) Jurisdictional discovery “may be  
28 appropriately granted where pertinent facts bearing on the question of jurisdiction are

1 controverted or where a more satisfactory showing of the facts is necessary.” *Data*  
2 *Disc, Inc. v. Systems Tech. Assoc., Inc.*, 557 F.2d 1280, 1285 n. 1 (9th Cir. 1997). A  
3 court may deny such discovery “when it is clear that further discovery would not  
4 demonstrate facts sufficient to constitute a basis for jurisdiction.” *Wells Fargo & Co.*  
5 *v. Wells Fargo Express Co.*, 556 F.2d 406, 430 n. 24 (9th Cir. 1977). The Court finds  
6 that Plaintiffs’ claim of personal jurisdiction is so bare that their request for  
7 jurisdictional discovery should be denied. *See Pebble Beach*, 453 F.3d at 1160  
8 (“[W]here a plaintiff’s claim of personal jurisdiction appears to be both attenuated and  
9 based on bare allegations in the face of specific denials made by the defendants, the  
10 Court need not permit even limited discovery.” (internal citation and quotation marks  
11 omitted)). Plaintiffs have not even suggested what facts might exist that could  
12 establish sufficient contacts between Shindengen and California. The Court therefore  
13 denies Plaintiffs’ request for jurisdictional discovery.

14 **V. CONCLUSION**

15 For the reasons discussed above, the Court **GRANTS** Shindengen’s Motion to  
16 Dismiss for Lack of Personal Jurisdiction. (ECF No. 18.) Shindengen is hereby  
17 dismissed from this action.

18 **IT IS SO ORDERED.**

19  
20 October 6, 2015

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24 **OTIS D. WRIGHT, II**  
25 **UNITED STATES DISTRICT JUDGE**  
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