

Bickford v. Onslow Memorial Hospital Foundation, Inc.



Supreme Judicial
Court of Maine. 2004.
2004 ME 111.
855 A.2d 1150.
<http://www.courts.state.me.us/opinions/supreme>^a

BACKGROUND AND FACTS Roy Bickford was married in July 1997 and moved to Maine with his wife in June 1998. In September, his wife left him. She moved to North Carolina that December. The couple agreed that each would pay his or her own debts as of August 18, 1998. They divorced in 1999. Bickford's wife obtained medical care for her daughter at Onslow Memorial Hospital in North Carolina. Bickford was not legally related to his wife's daughter and never agreed to pay for the services. Without telling him, however, the hospital held him financially responsible and notified credit reporting agencies that he had been "placed in collection" for failing to pay. He asked the hospital to correct this statement, but it refused. Meanwhile, his bank would not qualify him for a mortgage because of the apparent outstanding debt. Bickford filed a suit in a Maine state court against Onslow Memorial Hospital Foundation, Inc., asserting various torts.^b The defendant asked the court to dismiss the complaint on the ground that Maine did not have personal jurisdiction over the hospital. The hospital treats patients in North Carolina and does not own any property, have any contractual relationships, or solicit any business or funding in Maine or from Maine residents. The court dismissed the complaint. Bickford appealed to the Maine Supreme Judicial Court, the state's highest court.

IN THE LANGUAGE OF THE COURT



SAUFLEY, C.J. [Chief Justice]

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* * * For Maine to exercise jurisdiction over a nonresident defendant, three conditions must exist * * * : (1) Maine must have a legitimate interest in the subject matter of this litigation; (2) the defendant, by its conduct, reasonably could have anticipated litigation in Maine; and (3) the exercise of jurisdiction by Maine's courts comports [is consistent] with traditional notions of fair play and substantial justice. * * * We address each condition in turn.

* * * * *

Maine has a legitimate interest in allowing its residents a forum [court] in which to seek redress when out-of-state creditors refuse to correct erroneous credit reports. Credit reports substantially influence the ability of individuals to obtain financing for purchases that are vital to their lives and livelihoods. If a creditor actively refuses to correct the false credit report of a Maine resident, Maine has a legitimate interest in protecting the resident, *whether or not the creditor is located outside of Maine's boundaries*. * * * [Emphasis added.]

* * * * *

In addressing [the] second [condition] Bickford relies on two United States Supreme Court cases in which the defendants were authors, editors, or publishers of periodicals that enjoyed circulation and readership in the states where suit was commenced. In each case, the Court emphasized that the effect of the allegedly [false] material was felt in the state where the suit was filed. Nonetheless, the commission outside the forum state of an act that has consequences in the forum state is by itself an insufficient contact where all the events necessary to give rise to a tort claim occurred outside the forum state. Rather, *the effect of the out-of-state conduct in Maine is merely a factor to be considered in light of the relevant facts that apply to the minimum contacts analysis*. [Emphasis added.]

We need not decide whether simply filing a report with a national credit agency that might share its information with lenders in Maine could establish a connection between the hospital and Maine that would justify Maine's exercise of control. In the present case, Bickford alleges that the hospital went beyond the mere act of reporting a credit incident. He alleges that the hospital realized the impact its report was having on a Maine resident after it engaged in an exchange with Bickford about the status of the credit report. Because the hospital was thereafter on notice that it was injuring a Maine resident by failing to take steps to eliminate the use of the allegedly [false] statement, it could reasonably have anticipated being required to respond to litigation in Maine courts. The hospital's conduct affected a Maine resident, and after Bickford contested the report, the hospital can be understood to have intentionally

a. In the "August 2004" section, click on the name of the case to access the opinion. The Judicial Branch of the State of Maine maintains this Web site.

b. A tort is wrongful conduct that causes injury to another. See Chapters 12 and 13.

directed its conduct toward a Maine resident. We conclude that the hospital could reasonably anticipate being haled into court in Maine.

* * * *

We must next address the third [condition's] requirement that the exercise of jurisdiction comport with traditional notions of fair play and substantial justice. The determination of fairness for purposes of personal jurisdiction depends upon the facts of each case. In making this determination, we consider the number, nature, and purpose of the defendant's contacts with Maine, the connection between those contacts and the cause of action, the interest of Maine in the controversy, and the convenience to both parties.

Maine has a strong interest in protecting its residents from abuses in credit reporting, and the hospital's alleged contact with Maine forms the basis for Bickford's tort claims against the hospital. Although the hospital's contact with Maine has not been voluminous, its action as a creditor failing to correct an erroneous report has allegedly resulted in a substantial impact on a Maine resident. Although it is inconvenient for the hospital to defend a suit in Maine and potential witnesses are out-of-state, it would also be burdensome for Bickford, whose credit has allegedly been compromised, to prosecute an action in North Carolina. * * * [Thus] it [does not offend] traditional notions of fair play and substantial justice to hale the hospital into court in Maine.

DECISION AND REMEDY *Maine's Supreme Judicial Court vacated the lower court's dismissal of Bickford's complaint and remanded the case to the lower court for "further proceedings consistent with this opinion." Maine's exercise of personal jurisdiction over the hospital met the three required conditions: Maine had a legitimate interest in the subject of the suit, the defendant reasonably could have anticipated litigation in Maine, and Maine's exercise of jurisdiction was in line with "traditional notions of fair play and substantial justice."*

WHAT IF THE FACTS WERE DIFFERENT? *Suppose that the hospital had only reported the incident to a credit agency but had not been in contact with Bickford and thus had no notice of Bickford's claims. How might this have affected the court's ruling in this case?*