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## The Long-Arm of Minnesota Law Reaches Out to Adjudicate Claims Against an Out-of-State Employee

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In *Patterson Dental Supply, Inc. v. Vlamis* (Sept. 6, 2016), the Minnesota Court of Appeals reminded that employees who reside and work outside of Minnesota may still be hailed into Minnesota courts to defend their actions.

Patterson Dental Supply ("Patterson") is a corporation with its principal place of business in Minnesota. Theodore Vlamis worked for Patterson for 17 years in Scranton, Pennsylvania. In August 2015, Vlamis resigned from Patterson and went to work for one of its competitors. In a subsequent lawsuit, Patterson claimed Vlamis misappropriated confidential and proprietary information, and used removable storage devices and a personal Internet cloud storage account to copy, store, and access Patterson's confidential information from a laptop computer provided by Patterson's Minnesota office. Patterson filed a lawsuit in Minnesota State District Court (Ramsey County) seeking to enjoin Vlamis from using the allegedly confidential and proprietary information.

Vlamis moved to dismiss the case for lack of personal jurisdiction. Specifically, Vlamis argued he never resided in Minnesota, never worked for Patterson in Minnesota, never solicited customers in Minnesota, and Minnesota was not part of his sales territory. Thus, Vlamis argued he did not have sufficient contact with Minnesota to support personal jurisdiction. The Ramsey County District Court denied Vlamis's motion to dismiss, and Vlamis appealed to the Minnesota Court of Appeals.

The Court of Appeals affirmed the District Court's denial of Vlamis's motion to dismiss. The Court of Appeals began its analysis by reiterating the principle that out-of-state defendants may be sued in Minnesota when they have "minimum contacts" with Minnesota. Vlamis had consistently and continually been in contact with Patterson's Minnesota office for his entire 17 year career, including by traveling to Minnesota at least annually for work conferences as a branch manager. Moreover, Vlamis was paid his compensation and received his work benefits from Minnesota. Finally, Vlamis reported to a supervisor in Minnesota.

The Court of Appeals also noted that Vlamis's contacts with Patterson in Minnesota were at the heart of Patterson's claims against him. The allegedly misappropriated information came from confidential business information provided to Vlamis during managers' meetings in Minnesota, and from a laptop computer provided to Vlamis from Patterson's Minnesota office.

Given the quantity, quality, and nature of Vlamis's contacts with Minnesota, and the connection between Vlamis's contacts with Minnesota and Patterson's claims, the Court of Appeals held Vlamis was subject to the personal jurisdiction of Minnesota courts, which had a significant interest in providing Minnesota residents (like Patterson) with a forum for redressing and remedying any alleged injuries committed by parties such as Vlamis.

Finally, the Court of Appeals rejected Vlamis's argument that Minnesota was an inconvenient forum for him on the grounds that such a defense to personal jurisdiction is only applicable in extreme cases where there are very few contacts between the defendant and Minnesota. Based on the quantity, quality, and nature of Vlamis's contacts, this was not such a case.

The lesson for Minnesota employers wishing to protect their confidential and proprietary information is twofold. First, Minnesota employers should give serious thought to suing former employees in Minnesota, rather than automatically suing them in the state where they reside or work. For a Minnesota employer, it is likely cheaper and easier to sue in Minnesota, and a Minnesota employer that has suffered an injury by a former employee is likely to get a fair hearing of its claims in Minnesota.

Second, Minnesota employers sharing confidential information with employees should disseminate such information from Minnesota and document this and other contacts between Minnesota and its employees. In this way, Minnesota employers can readily supply Minnesota courts with the facts necessary to justify exercising personal jurisdiction over out-of-state employees.

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