Snöfrost AB v. Håkansson, 1:18-cv-10798: Application of forum non convenience in the US

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The area of conflict of laws that this brief discussion touches upon is *forum non conveniens*. It is about a US District court establishing that the interest of Sweden in a contractual dispute outweighs the U.S. interest and as a consequence dismissing the lawsuit in favour of Swedish forum. The facts of the case are as follows:

Snöfrost, a Swedish company, filed a complaint in the U.S. District Court for the District of Massachusetts against Susanne Håkansson, a Massachusetts resident, seeking to enforce an alleged share purchase agreement. The share purchase agreement required Håkansson to purchase shares in a Swedish company (Farstorps Gård AB) for 330 million Swedish Krona, or approximately $40 million. Snöfrost alleged that Håkansson reneged on the deal "at the eleventh hour" by raising regulatory issues as an excuse.

Håkansson denied the enforceability of the share purchase agreement, and argued that even if the agreement could be enforced, Snöfrost breached it by failing to provide satisfactory proof that the transaction complied with Swedish law. The district court did not address the merits of the dispute because it granted Håkansson's motion to dismiss on the grounds of *forum non conveniens*.

The court examined whether Håkansson established the existence of an available and adequate alternative forum, and whether she showed "that the compendium of factors relevant to the private and public interests implicated by the case strongly favours dismissal."

The court in dismissing the lawsuit, concluded that Sweden was an adequate forum for the dispute. That was because Håkansson had submitted opinions written by Swedish law experts that Swedish courts would honour Håkansson's consent to personal and subject matter jurisdiction in Sweden. The court also found "nothing in the record suggesting that the Swedish courts cannot provide an adequate remedy either in addressing the enforceability of the alleged contract and any reference to arbitration, or that the parties will be treated unfairly."

The court then concluded that the "private and public factors point to Sweden as being the most convenient and appropriate forum for Snöfrost's action." That was because most "of the material witnesses were in Sweden when the central event at issue" occurred and noted that neither party suggested that any witnesses were unwilling to testify. The court also emphasized the complaint's allegation that the "key meeting" took place in Sweden and as such "Sweden is, without a doubt, where the center of gravity lies." The court determined that Swedish law would apply under the most significant relationship test, even if the share purchase agreement's governing law clause were unenforceable, and that a Swedish court would be more competent to decide and apply the applicable Swedish law. According to the court, since it was "evident that the center of gravity for this dispute is in Sweden," "Snöfrost strains to suggest that the United States has a significant interest in hearing the case."

The court granted Håkansson's motion to dismiss subject to the Håkansson executing and filing a stipulation consenting to personal jurisdiction and venue in the Swedish court and agreeing to be bound by the Swedish court's determination regarding the enforceability of the share purchase agreement.