

# The Miami Herald

## BUSINESS MONDAY

JULY 30, 2007

COSTA RICA

### Judge decides lawsuit's location

When business went bad for the Costa Rican distributor of Canon electronic products, the Central American company filed a damages suit in San José despite a prior agreement that all disputes would be resolved in Florida. But in a potentially significant decision for companies doing business in Latin America, a federal judge has ruled that the company must stick to the dispute forum agreed to in their business contract.

Judge Stephen T. Brown of U.S. District Court in Miami

has sided with Canon Latin America in a finding that former Costa Rican distributor Lantech must file any complaint in Florida as stipulated in a 1996 distribution agreement.

Lantech filed a \$6 million suit against Canon in Costa Rica after the Miami-based company canceled its distribution contract when Lantech fell behind in payments. Brown also ruled that Lantech had to halt its lawsuit in Costa Rica.

The Costa Rican lawsuit

was filed under a law aimed at protecting local distributors. But one of the arguments the judge noted was that under the Central American Free Trade Agreement, negotiated but not ratified by the San José government, Costa Rica is required to abolish this law on protectionist grounds.

"This is a huge win for our client and of major legal significance in international law," said Canon's attorney Michael Diaz, Jr. of Diaz, Reus, Rolff & Targ in Miami.

— JANE BUSSEY