

When Crypto Claims Collide with Multiple Jurisdictions: Lessons from Coinbase

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In **Shirodkar v. Coinbase Global, Inc., 2025 ONCA 298**, the Court of Appeal for Ontario grappled with a question that often arises in modern crypto-related disputes. A Canadian plaintiff, seeking to sue a network of Coinbase entities spanning multiple jurisdictions, challenged whether an Ontario court could properly assume authority over all of them. This judgment delves into **jurisdiction simpliciter**, the principle of **forum non conveniens**, and how **user agreements** can affect a court's ability to hear a dispute against global crypto exchanges with tentacles spread across borders.

In the decision, the plaintiff claimed that various Coinbase entities violated **Ontario's Securities Act** by trading or offering what he argued were securities without complying with mandatory disclosure and registration requirements. He aimed to lead a proposed class action on behalf of all Canadians who had transacted in crypto tokens on the Coinbase platform during a specified period. Yet, his biggest hurdle was showing that Ontario was the right (and legally permissible) place to litigate against Coinbase's U.S. and Irish operations, in addition to its Canadian subsidiary.

The Court of Appeal began by analyzing whether there was **consent-based jurisdiction** over the international Coinbase defendants. The plaintiff insisted that a 2023 Canadian User Agreement, which contained a **non-exclusive choice of forum** clause favoring Ontario, applied retroactively to all the Coinbase entities. The motion judge, whose order was under

appeal, found that **only Coinbase Canada** was a party to that Canadian User Agreement. The foreign Coinbase companies were not signatories and thus had not agreed to have all claims against them heard in Ontario. The Court of Appeal endorsed this reading. It concluded that a forum clause in a contract between one Canadian entity and a user cannot automatically rope in non-parties—even if they belong to the same corporate group.

Much of the decision revolves around whether Coinbase's dealings with Ontario securities regulators or the fact that its overall crypto platform is accessible in Ontario could confer jurisdiction over the other foreign-based entities. The appellant argued that Coinbase Global, Coinbase Inc., and Coinbase Europe all should face claims in Ontario because they allegedly operate in an **"intertwined web of Coinbase entities."** The court rejected this argument, emphasizing that the plaintiff must show more than a general connection to Ontario. A regulatory application or any parallel oversight by Canadian authorities is not, in itself, proof that a foreign defendant consented to or expected that private litigants could sue it in Ontario. The mere existence of corporate affiliations also does not automatically expand the reach of Ontario's courts.

On the question of **jurisdiction simpliciter** (whether an Ontario court has the authority to decide the matter at all), the Court of Appeal turned to the criteria developed in **Club Resorts Ltd. v. Van Breda**. Under **Van Breda**, certain "connecting factors" link a defendant to a forum in a way that allows an assumption of jurisdiction. The fact that the plaintiff accessed the Coinbase platform from a computer in Ontario, or suffered financial loss in Ontario, was not by itself enough to pin down the foreign Coinbase entities. Otherwise, as the judgment explained, a global internet company could be sued nearly anywhere in the world, simply because a user clicked "buy" or "sell" from a particular

location.

The final issue was the question of **forum non conveniens**, which arises when a court has jurisdiction but wonders whether another forum would be better suited to hear the dispute. The court recognized that it did have jurisdiction over **Coinbase Canada**, because that entity is domiciled in Ontario and had taken clear steps indicating its presence in the province. Yet, the Court of Appeal affirmed the stay of the action even against Coinbase Canada. The motion judge found that **Ireland** was plainly the more appropriate forum for the dispute, since the relevant agreements and transactions all pointed toward Irish-based Coinbase operations. Ontario's connection to the plaintiff's claims was weak and essentially hinged on the plaintiff's personal decision to trade from within the province at certain points. From a policy standpoint, the court also stressed the **comity** principle. This means courts in one jurisdiction should not take it upon themselves to regulate activity that occurred primarily elsewhere, especially when the dispute could be fairly addressed in the foreign forum.

For investors considering disputes against a **multi-entity, multi-jurisdictional crypto exchange**, this decision underlines the importance of clarifying which corporate entity the claim actually targets. It also shows that **choice of law** and **choice of forum** clauses in standard user agreements can be quite powerful, but they are only binding on those actually signing them. Where an exchange sets up numerous subsidiaries in different countries, an investor must establish clear links between each named entity and the chosen forum. This can be an uphill battle if most platform operations happen abroad or on servers located elsewhere.

Another critical takeaway is that **local regulators** can oversee certain aspects of a global crypto firm's business, but that does not automatically allow investors to sue the entire organization in one forum (court or arbitration). This

decision also signals that, in cross-border disputes, a court might still keep jurisdiction over the local subsidiary, but it can choose to **stay** the claim if a foreign venue is the “clearly more appropriate” forum. Ireland, in this case, was deemed preferable because that is where the primary defendant (Coinbase Europe) is located, and that is where the core of the alleged wrongdoing occurred.

Shirodkar v. Coinbase Global, Inc. underscores how critical **forum selection, corporate structure, and regulatory engagement** are when deciding where to sue a multinational crypto exchange. For anyone considering litigation or arbitration, it is wise to carefully check the **user agreements** they accepted, evaluate how and where the trades took place, and weigh the pros and cons of the available forums. Otherwise, the case might ultimately unfold in the exchange’s home jurisdiction, leaving investors facing unfamiliar procedures.

Author: Mahmoud Abuwaseel

Title: Partner – Disputes

Email: mabuwaseel@waselandwaseel.com

Profile:

<https://waselandwaseel.com/about/mahmoud-abuwaseel/>

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www.waselandwaseel.com

business@waselandwaseel.com