

**GLI** GLOBAL  
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# International Arbitration

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# USA

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## Introduction

Despite its size and complex dual federal and state legal system, the United States is a favourable forum for international arbitration. The country's federal and state arbitration statutes and decisional law reflect a strong public policy in favour of arbitration, especially international arbitration. Nowhere is this pro-arbitration policy more clearly expressed than in the Federal Arbitration Act ("FAA") and the cases decided under the act, which together govern international commercial arbitration in the United States.<sup>1</sup>

The FAA has three chapters. The first chapter governs cases involving interstate or foreign commerce. The second chapter implements the New York Convention, which the United States signed in 1958.<sup>2</sup> The third chapter implements the Panama Convention, which the United States signed in 1978.<sup>3</sup>

The FAA governs the scope of arbitration agreements. It requires courts to enforce arbitration agreements according to their terms.<sup>4</sup> Taking into account the dual nature of the U.S. legal system, the FAA overrides or "pre-empts" state laws that conflict with federal arbitration law or undermine its policies.<sup>5</sup> State law generally governs substantive issues, such as the interpretation of an arbitration agreement and its terms. In this regard, U.S. courts will ordinarily honour the parties' contractual choice of law, whether that of a U.S. state or another country.

New York, Florida, and Texas are popular venues for international arbitration. The American Arbitration Association ("AAA")'s international division, the International Centre for Dispute Resolution ("ICDR"), operates nationally and internationally, administering all types of domestic and international commercial disputes. The International Chamber of Commerce ("ICC") has a New York office with counsel and staff that administer North America-based ICC arbitrations. A number of other organisations, including JAMS and the International Institute for Conflict Prevention & Resolution ("CPR"), also administer international arbitrations in the United States. Other organisations facilitate the administration of arbitration proceedings. For example, the New York International Arbitration Center provides access to information on arbitrating in New York and coordinates access to hearing locations. In Manhattan, the New York state court system has assigned a senior judge in its Commercial Division to hear court cases concerning international arbitration to ensure efficient and consistent adjudication.<sup>6</sup> The judges in this role have stated their intent to apply the pro-arbitration policy set out in the FAA and federal case law.

## Arbitration agreements

The FAA's primary focus is to regulate how U.S. courts interact with arbitration proceedings.<sup>7</sup> Unlike arbitration laws in some other countries, the FAA does not contain extensive

regulations on the necessary components and formalities of arbitration agreements. Instead, the courts look to generally applicable principles of contract law to interpret and give effect to arbitration agreements.<sup>8</sup> But both U.S. federal and state courts have developed a body of jurisprudence regarding the scope of arbitration agreements and the division of authority between arbitrators and courts.

### Arbitrability

To determine if a dispute is arbitrable, U.S. courts analyse the language of the arbitration provision. When arbitration clauses provide for arbitration of all disputes “aris[ing] out of” or “relat[ing] to” the contract,<sup>9</sup> U.S. courts will construe the arbitration provision “as broadly as possible” to allow for arbitration.<sup>10</sup>

Although U.S. courts favour arbitration and seek to read arbitration provisions broadly, parties can narrow the scope of arbitrable matters in their arbitration agreement. For instance, in *World Rentals and Sales, LCC v. Volvo Construction Equipment Rents, Inc.*, the court held that disputes that involved a company’s affiliates were not arbitrable because the arbitration agreement expressly excluded affiliates.<sup>11</sup> Courts will also honour narrow arbitration agreements that provide for arbitration of only certain types of issues.<sup>12</sup>

An area of debate is whether arbitrability should be decided by the courts or the arbitrators. U.S. federal courts have held that arbitration agreements may grant arbitrators the power to decide the question of arbitrability.<sup>13</sup> This question is usually answered by the arbitration rules chosen in the arbitration clause, which are deemed to be part of the parties’ arbitration agreement. For example, both the ICC and the AAA’s International Dispute Resolution Procedures (“ICDR Rules”) grant the arbitrators jurisdiction to decide arbitrability. The U.S. Supreme Court resolved a circuit court split by holding that when a contract delegates the question of arbitrability of a particular dispute to an arbitrator, a court cannot override that delegation, even if it thinks the argument that the arbitration agreement applies to a dispute is “wholly groundless”.<sup>14</sup> However, parties cannot be deprived of their right to an independent judicial determination of arbitral jurisdiction unless there is “clear[] and unmistakabl[e]” evidence that they relinquished that right.<sup>15</sup> Courts take a different view of class action arbitrations and typically favour “judicial resolutions of class arbitrability”.<sup>16</sup>

The courts must often distinguish between whether a party has agreed to arbitrate anything at all, which is typically a question for the courts, and whether a party has agreed to arbitrate the particular dispute involved, which can be a question for the courts or the arbitrator depending on the arbitration clause. This distinction can be blurred when a non-party to an arbitration agreement seeks to arbitrate with a party to an arbitration agreement. The Second Circuit Federal Court of Appeals has held that the arbitrators can be granted jurisdiction to decide this question, because the question is whether the signatory has agreed to arbitrate with this particular non-party.<sup>17</sup> Although the Fifth Circuit has agreed with the Second Circuit on this issue,<sup>18</sup> the Ninth Circuit has declined to compel arbitration where the non-party relied solely on conclusory allegations of an agency relationship.<sup>19</sup>

### Joinder

There have been many disputes over whether a non-party to an arbitration agreement may be compelled to participate in arbitration or whether a non-party to an arbitration agreement may compel someone who has signed an arbitration agreement to arbitrate with the non-party. The Supreme Court has held that “traditional principles of state law allow a contract to be enforced by or against non-parties to the contract through assumption, piercing the corporate veil, alter ego, incorporation by reference, third-party beneficiary theories, waiver and estoppel”.<sup>20</sup> General principles of joinder and the consolidation of third parties apply.

If the non-party demonstrates through its conduct that it is “assuming the obligation to arbitrate”, the non-party can be compelled to arbitrate.<sup>21</sup> Additionally, if the non-party “knowingly seeks the benefits of the contract containing the arbitration clause”, the non-party can be estopped from avoiding arbitration.<sup>22</sup>

These principles also apply when a non-party seeks to compel arbitration with a party to an arbitration agreement. For example, a signatory to an arbitration agreement was required to arbitrate with a non-party because of the “close relationship between the entities”.<sup>23</sup> Courts also recognise principles of estoppel as a basis to arbitrate with non-signatories.<sup>24</sup> This is usually in instances where a non-signatory defendant seeks to compel arbitration with a signatory after the signatory sues the non-signatory in court. Even in such circumstances, however, the courts in recent decisions have applied the estoppel doctrine narrowly, and have required that the signatory’s claims rely or otherwise depend on the written agreement containing the arbitration clause.<sup>25</sup> As noted above, the jurisdiction to decide whether a signatory must arbitrate with a non-signatory has been found to lie with the arbitrators rather than the court if the signatory agreed to arbitrate under arbitration rules that contain a broad grant of jurisdiction to the arbitrators.

Joinder can also result from situations where corporations have subsidiaries or affiliated entities. The courts have applied traditional concepts of corporate law and determined that where a company which has entered into an arbitration agreement exercises complete control over a subsidiary and uses that control to commit wrongdoing, the parent corporation may be compelled to arbitrate in a dispute related to its subsidiary.<sup>26</sup> Additionally, a corporation which is a non-signatory to an arbitration agreement may be able to compel arbitration where its subsidiary is a signatory to the agreement.<sup>27</sup> Similarly, a parent corporation may be required to arbitrate based on an arbitration agreement with a subsidiary.<sup>28</sup>

### Separability

The U.S. courts have developed a body of law concerning the separability (or severability) of arbitration clauses in contracts. The courts will typically preserve the parties’ agreement to arbitrate even where there is a challenge to the validity of the underlying contract. This can arise, for example, where a party claims to have been fraudulently induced to sign the contract or argues for other reasons that the contract is void,<sup>29</sup> or where a clause or obligation in that contract is unenforceable or invalid by operation of law.<sup>30</sup> Where, however, a second contract entirely invalidates an earlier contract that had an arbitration clause, a court has declined to enforce the superseded agreement to arbitrate.<sup>31</sup>

### **Arbitration procedure**

The FAA does not contain extensive rules on arbitration procedure. Contracting parties are free to choose the mechanisms and procedures in their arbitration agreement.<sup>32</sup> Typically, parties do this by agreeing to a particular set of arbitration rules administered by an arbitration institution.<sup>33</sup> For example, the AAA administers arbitrations and has different sets of rules that govern various types of disputes, including its ICDR Rules for international cases.<sup>34</sup> Additionally, the AAA has rules governing preliminary hearings and scheduling, selection of arbitrators, evidence, designation of the locale where the arbitration will be held, filing deadlines for written submissions, and fees. The ICC also has an extensive set of procedural rules.<sup>35</sup> These rules govern the joinder of parties, interim relief, hearings, and other case management techniques, which give the arbitrator(s) broad authority over the timing and nature of submissions of written and oral evidence.

Some U.S. states, including Arizona, California, and Texas, have adopted default arbitration rules for when the arbitration agreement is silent regarding procedures, rules, or administration.<sup>36</sup>

A federal statute, 28 U.S.C. § 1782, permits a party to a “proceeding in a foreign or international tribunal” to petition a U.S. federal district court to order the disclosure of evidence for use in the foreign proceeding. Courts are divided as to whether parties may use this provision to obtain evidence in aid of international commercial arbitration.<sup>37</sup> Recently, the U.S. Supreme Court granted *certiorari* to resolve the existing circuit split.<sup>38</sup>

### Arbitrators

In the U.S., the parties to an arbitration can determine the number of arbitrators and how to select the arbitrators. The parties usually accomplish this by agreeing to arbitrate under arbitration rules that regulate these issues.<sup>39</sup> For example, the AAA’s ICDR Rules provide for the appointment of one arbitrator where the parties have not specified the number of arbitrators in their agreement, unless the AAA administrator “determines in its discretion that three arbitrators are appropriate because of the size, complexity, or other circumstances of the case”.<sup>40</sup> Alternatively, the parties may agree that arbitrators will be selected by an arbitration institution or court.

Where the arbitration agreement is silent on how arbitrators are to be selected, FAA section 5 provides for the courts to “appoint an arbitrator or arbitrators or umpire, as the case may require, who shall act under the said agreement with the same force and effect as if he or they had been specifically named therein [...]”.<sup>41</sup> Further, even where an arbitration agreement contains an arbitrator-selection provision, courts will step in to select an arbitrator where the arbitrator-selection provision itself is “fundamentally unfair”.<sup>42</sup> Similarly, if an arbitrator exhibits bias during the arbitration proceedings, a party to the arbitration may challenge the award in a post-arbitration court proceeding.<sup>43</sup>

### Interim relief

The FAA is silent on interim relief. However, parties that have agreed to an arbitration in the U.S. may seek an injunction from a U.S. state or federal court. Some U.S. states have statutes that specifically address interim relief in aid of arbitration. For example, New York state’s arbitration statute permits parties to seek an injunction and other provisional relief in aid of an arbitration where “the award to which the applicant may be entitled may be rendered ineffectual” if interim relief is not granted.<sup>44</sup> Texas and Florida have also adopted laws concerning interim relief in aid of arbitration, enabling parties to get an injunction in relation to arbitration proceedings.<sup>45</sup>

If the parties have opted to arbitrate under the rules of an arbitration institution, those rules govern and must be consulted first. The ICDR Rules leave the parties free to seek interim relief from the courts in appropriate cases.<sup>46</sup> In the ICC, the tribunal may order “any interim or conservatory measure it deems appropriate”,<sup>47</sup> and a special emergency arbitrator may be appointed to matters requiring urgent attention.<sup>48</sup> Under the ICC Rules Art. 29(2), parties must abide by all orders issued by an emergency arbitrator. Similarly, the ICDR Rules permit the tribunal to award “any interim or conservatory measures it deems necessary”,<sup>49</sup> and Art. 6 provides for the appointment of an emergency arbitrator to rule on applications for interim relief. It should be noted that the courts have an array of mechanisms, including contempt of court, to compel enforcement of interim measures. By contrast, there are questions as to how to enforce an injunction issued by an arbitrator.

### Arbitration award

The FAA does not require an arbitration award to take a particular form. A number of states, including New York, Texas, and Florida, require that the award be in writing and

signed by the arbitrators.<sup>50</sup> Florida and Texas require a reasoned decision, unless the parties agree otherwise.<sup>51</sup> This is similar to the requirements imposed on arbitrators by the ICC and ICDR Rules.<sup>52</sup> In general, however, parties can agree to the form any award must take. In New York, for example, the courts have vacated an award where the arbitrators failed to draft the award in the agreed-upon form.<sup>53</sup>

The FAA and state laws do not generally limit the types of relief the arbitrators are permitted to award, provided the award does not violate public policy. The parties themselves may, however, circumscribe the relief available in their agreement to arbitrate. For example, the parties can limit the types of damages the arbitrators can award, and thus limitations on the ability to award punitive or consequential damages are common and generally enforceable. Equally, the parties can agree that the arbitrators cannot award legal fees to the prevailing party. If the parties do not specifically agree on the types of relief available, an arbitrator can grant any form of relief that is rationally related to the purpose of the original agreement, taking into account the applicable laws.<sup>54</sup> Arbitrators may also award pre- and post-award interest, in accordance with the rules of the arbitration and the applicable state or federal laws.<sup>55</sup>

Unlike in many jurisdictions, the victor in a U.S. lawsuit is not generally entitled to recover legal fees.<sup>56</sup> This contrasts with the practice in international arbitration, where arbitrators are typically free to award attorneys' fees and arbitration costs to the winning party. The FAA is silent as to fee and cost allocation, but courts have held that the FAA does not prohibit an award of fees and costs.<sup>57</sup> State arbitration laws in New York, Florida, and Texas do not explicitly preclude arbitrators from awarding fees and costs.<sup>58</sup> The courts in these states have been willing to allow arbitrators to award attorneys' fees and costs, particularly if the parties' agreement provides for such recovery or if the parties have otherwise demonstrated the intent to do so, such as when the arbitral rules chosen by the parties permit their recovery.<sup>59</sup>

### **Challenge of the arbitration award**

Because of the strong federal policy favouring arbitration, challenges to arbitration awards in the United States are rarely successful. Public policy and judicial precedent impose severe limits on the courts' ability to review arbitration awards, and parties cannot agree to expand the scope of that review.<sup>60</sup>

A party which seeks to challenge an international arbitration award must file a proceeding within three months after the award is filed or delivered.<sup>61</sup> The court must have both personal jurisdiction over the parties and subject matter jurisdiction over the case. Personal jurisdiction is acquired if the responding party<sup>62</sup> is located in the jurisdiction where the court sits or has agreed to arbitrate in the jurisdiction.<sup>63</sup> If the responding party is located outside the state, the challenging party must establish personal jurisdiction through the activities and contacts of the responding party in the forum state. The guidelines for doing so will be found in the applicable state and federal laws on personal jurisdiction.<sup>64</sup>

Because the FAA does not confer original federal court subject matter jurisdiction for an action to vacate an award governed by the New York or Panama Conventions (as opposed to actions to enforce arbitration agreements or confirm awards), a party that seeks to vacate an award in federal court must establish an independent basis for federal court subject matter jurisdiction.<sup>65</sup> The two sources of federal subject matter jurisdiction are 28 U.S.C. § 1331 and 28 U.S.C. § 1332, which, respectively, grant federal courts the power to hear cases "arising under" federal laws or involving complete diversity among the parties.<sup>66</sup> Some courts have held that 9 U.S.C. § 205 provides a basis for federal jurisdiction.<sup>67</sup> As a

practical matter, such cases are generally heard in federal court because the typical response to an application to vacate is an application by the respondent to confirm the award. The federal courts do have original jurisdiction over an application to confirm, and hence over the related application to vacate.

FAA section 11 provides the grounds upon which a court can modify an arbitration award. These grounds are:

- Where there was an evident material miscalculation of figures or an evident material mistake in the description of any person, thing, or property referred to in the award.
- Where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.
- Where the award is imperfect in matter of form not affecting the merits of the controversy.

A party which seeks to vacate an award in its entirety faces serious obstacles. FAA Section 10 strictly limits the grounds upon which a court may vacate an award. These grounds are:<sup>68</sup>

- where the award was procured by corruption, fraud, or undue means;
- where there was evident partiality or corruption in the arbitrators;
- where the arbitrators were guilty of misconduct in refusing to postpone the hearing upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy, or of any other misbehaviour by which the rights of any party have been prejudiced; or
- where the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made.<sup>69</sup>

The majority of U.S. federal circuit courts to have considered the question have held that parties may invoke these FAA *vacatur* standards when considering international arbitration awards.<sup>70</sup>

With respect to corruption, fraud or undue means a party must “(1) establish the existence of the alleged fraud or undue means by clear and convincing evidence, (2) demonstrate due diligence in attempting to discover the fraud before entry of the award, and (3) demonstrate that the fraud was material to the arbitrators’ decision”.<sup>71</sup> Courts have generally held that the party must provide evidence of intentional malfeasance by the other party to successfully vacate an award on the grounds of corruption, fraud, or undue means.<sup>72</sup>

Courts have vacated awards for partiality or corruption where a “reasonable person would have to conclude that an arbitrator was partial to one party to the arbitration”.<sup>73</sup> There is no requirement to prove actual bias; partiality can “be inferred from objective facts inconsistent with impartiality”.<sup>74</sup> For example, an arbitrator’s failure to disclose certain relationships or interests may suggest bias, but non-material or insubstantial relationships will not satisfy the evident partiality standard.<sup>75</sup>

An arbitration award can be vacated for arbitrator misconduct where a court finds that an arbitrator was guilty of misconduct that compromises the “fundamental fairness” of the arbitral proceeding.<sup>76</sup> Examples of misconduct rising to this level include when an arbitrator has refused “to hear evidence pertinent and material to the controversy”,<sup>77</sup> or held the proceeding during a time that one party specified he was unavailable,<sup>78</sup> or refused to grant an adjournment to accommodate the schedule of a key witness.<sup>79</sup> *Vacatur* on this ground is only permitted when “the arbitrator’s exclusion of evidence prejudices one of the parties”.<sup>80</sup>

*Vacatur* of an award because the arbitrators exceeded their powers<sup>81</sup> is perhaps the most difficult of the four grounds because courts have “consistently accorded the narrowest of readings” to this provision of the FAA.<sup>82</sup> The U.S. Supreme Court has held that exceeding powers occurs “only when [an] arbitrator strays from interpretation and application of the



agreement and effectively dispense[s] his own brand of industrial justice [...]”.<sup>83</sup> Thus, a court will not analyse the correctness of the arbitrator’s decision on a particular issue; the court is limited to determining the scope of the arbitrator’s powers.<sup>84</sup>

In addition to the FAA’s four grounds for *vacatur*, some U.S. courts have held that an arbitration award can be vacated if it is in “manifest disregard” of the law. In the 2008 case *Hall Street Associates*, however, the U.S. Supreme Court held that FAA section 10(a) provides the exclusive grounds for vacating an arbitration award.<sup>85</sup> After *Hall Street Associates*, there is still some debate in the federal courts as to the continuing viability of the manifest disregard doctrine. Some courts have reasoned that manifest disregard constitutes exceeding the arbitrators’ authority and thus remains a viable ground to set aside an award. Regardless, successful *vacatur* on this ground is, in practice, extraordinarily difficult to obtain. An appeals court recently described manifest disregard as a “last resort” doctrine.<sup>86</sup> A party seeking to vacate an arbitration award for manifest disregard must show: (1) that the law that was allegedly ignored was clear; (2) that the arbitrators did in fact err in their application of the law; and (3) that the arbitrators knew of the law’s existence and its applicability to the issues before them.<sup>87</sup> Since the birth of the manifest disregard doctrine in 1960, the authors of this chapter are aware of only one international arbitration award that has been partially vacated on this ground. However, the decision vacating the award, which was issued by a New York state court, was reversed on appeal.<sup>88</sup>

Generally, the U.S. courts are hostile to challenges to awards and may even sanction the challenging party in an appropriate case.<sup>89</sup>

### Enforcement of the arbitration award

Following the arbitrator’s issuance of an award, a party can file a motion or petition to confirm the award in federal<sup>90</sup> or state court.<sup>91</sup> The petition to confirm must include the arbitration agreement and the award. The party seeking confirmation can also support the petition with any necessary affidavits, briefs, or other documents. A party must move to confirm a commercial award within three years from the entry of the award.<sup>92</sup> (This time limit does not apply to investor-state awards governed by the International Centre for Settlement of Investment Disputes (“ICSID”) Convention.) Once a judgment confirming the award has been issued, the winning party can enforce that judgment using the various enforcement procedures available in every state. These procedures include freezing assets of the judgment debtor, if a monetary award is involved.<sup>93</sup>

To confirm an award, a court must have personal or quasi *in rem* jurisdiction over the parties.<sup>94</sup> In addition to jurisdiction over the parties, the court must also have subject matter jurisdiction to enforce an award. The U.S. federal courts have original subject matter jurisdiction over proceedings to confirm international arbitration awards pursuant to the FAA. This means a proceeding to confirm an international award can be brought in federal court or, if it is brought in state court, the respondent can remove the case to federal court.<sup>95</sup>

Provided the jurisdictional requirements are met, once a party properly submits a motion to confirm an award, a party which resists enforcement has the burden of proving it has a defence to enforcement.<sup>96</sup> Confirmation of an award is generally a summary process unless the opposing party resists confirmation of an award and proves that one of the seven defences provided by the FAA applies. These defences are:

- the parties to the agreement [...] were [...] under some incapacity, or the agreement is not valid under the law;
- the party against whom the award is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings;

- the award deals with a difference not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitrate;
- the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties;
- the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made;
- the subject matter of the difference is not capable of settlement by arbitration; or
- the recognition or enforcement of the award would be contrary to the public policy of the country in which enforcement or recognition is sought.<sup>97</sup>

A party that opposes the confirmation of an award rendered outside the United States is restricted to the seven grounds detailed above, and its burden is a heavy one.<sup>98</sup> U.S. courts are divided as to whether a party may invoke the *forum non conveniens* doctrine as a defence to challenge the enforcement of foreign arbitral awards in the U.S.<sup>99</sup> The U.S. Supreme Court previously declined to resolve a split between the D.C. and Second Circuits on this question, but a forthcoming petition for *certiorari* will soon provide another opportunity for the court to do so.<sup>100</sup>

Where an award is rendered inside the U.S., the domestic provisions of the FAA apply.<sup>101</sup> A party that opposes the confirmation of an award rendered inside the U.S. can thus seek to vacate or modify the award under FAA sections 10 and 11, as discussed above. Recently, the Court of Appeals for the Second Circuit confirmed an award that had been set aside in the seat of arbitration, which was Mexico.<sup>102</sup> The Second Circuit's decision discussed the competing principles of comity owed to a foreign court's ruling and a U.S. court's discretion to confirm arbitral awards. The court ultimately ruled in favour of a U.S. court's discretion based largely on certain exceptional circumstances, *i.e.* Mexico's introduction of retroactive legislation that barred claimants from recovery.

Because of the public policy favouring arbitration, particularly international arbitration,<sup>103</sup> U.S. courts "must confirm an award unless it is vacated, modified, or corrected".<sup>104</sup>

### Investment arbitration

As a signatory to the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States, the United States is a member of ICSID.<sup>105</sup> The United States is also a signatory to the United States-Mexico-Canada Agreement, which replaced the North American Free Trade Agreement ("NAFTA") and is committed to "protect[ing] cross-border investors and facilitat[ing] the settlement of investment disputes".<sup>106</sup> The United States enjoys observer status to the Energy Charter Conference, but is not a signatory to the Energy Charter Treaty.<sup>107</sup>

Finally, the United States is a party to dozens of bilateral investment treaties ("BITs") and multi-party investment treaties ("MITs"). Each BIT is structured on the basis of a standard model, which is periodically updated by the U.S. Department of State and the Office of the United States Trade Representative ("USTR"). The current version was completed in 2012.<sup>108</sup> A full list of each BIT currently in effect is maintained by the Department of State.<sup>109</sup>

\* \* \*

### Endnotes

1. Investor-state arbitration is governed by a different statutory regime, most importantly the International Convention on the Settlement of Investor Disputes, which has been

ratified by the United States and enacted into its federal law. (See Convention on the Settlement of Investment Disputes Act of 1966 (Pub.L 89-532; 80 Stat. 344; 22 U.S.C. section 1650–1650a, Aug. 11, 1966); Executive Order designating certain Public International Organizations entitled to enjoy certain privileges, exemptions and immunities (Exec. Order 11966; 42 Fed. Reg. 4331 (1977))).

2. 9 U.S.C. § Ch. 2.
3. 9 U.S.C. § Ch. 3.
4. *Rent-A-Ctr., W., Inc. v. Jackson*, 561 U.S. 63, 67–68 (2010).
5. Further, the Ninth Circuit recently held that even though federal law provides for an exception to this principle under which state insurance law pre-empts conflicting federal law, the New York Convention is not subject to such “reverse pre-emption” by state law because the Convention is “self-executing”, and not an “act of Congress”. *CLMS Mgmt. Servs. Ltd. P’ship v. Amwins Brokerage of Georgia, LLC*, 8 F.4th 1007, 1016-17 (9th Cir. 2021), *cert. denied*, 142 S. Ct. 862 (2022).
6. For statutory reasons explained below, most legal actions concerning international arbitration are heard in the federal, not state, courts.
7. 9 U.S.C. § 1.
8. *Rent-A-Ctr., W., Inc.*, 561 U.S. at 67.
9. *See WorldCrisa Corp. v. Armstrong*, 129 F.3d 71, 75 (2d Cir. 1997) (“[t]he arbitration clause at issue here does not contain the typically broad language that makes arbitrable all disputes “arising out of” or “related to” the contract or its breach”); *Genesco, Inc. v. T. Kakiuchi & Co., Ltd.*, 815 F.2d 840, 848 (2d Cir. 1987), *abrogated on other grounds by Rodriguez-Depena v. Parts Auth., Inc.*, 877 F.3d 122, 124 n.1 (2d Cir. 2017) (requiring arbitration where the arbitration clause contained “relating to” language); *Sedco v. Petroleos Mexicanos Mexican Nat’l Oil*, 767 F.2d 1140, 1144–45 (5th Cir. 1985) (requiring arbitration where “arising out of” language was used).
10. *Collins & Aikman Prods. Co. v. Building Sys., Inc.*, 58 F.3d 16, 19 (2d Cir. 1995) (citation and internal quotation marks omitted).
11. 517 F.3d 1240, 1246–47 (11th Cir. 2008), *abrogated on other grounds by Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc.*, 845 F.3d 1351, 1355 n.1 (11th Cir. 2017).
12. *See, e.g., Negrin v. Kalina*, 2010 WL 2816809, at \*5–6 (S.D.N.Y. July 15, 2010) (finding that where an arbitration clause limited covered disputes to disputes over profit distributions or non-compliance with bylaws, claims for breach of fiduciary duty, unjust enrichment, tortious interference with contract, fraud, and conversion were not covered by the arbitration clause and thus could be litigated in court); *In re TFT-LCD (Flat Panel) Antitrust Litig.*, 2013 WL 3784938, at \*3 (N.D. Cal. Jul. 18, 2013) (finding that where an arbitration clause limited covered disputes to disputes concerning “the terms of this Agreement”, antitrust claims related to price determination were not covered by the Agreement’s arbitration clause, even where the agreement stated that prices would be set forth in one party’s pricing guidelines).
13. *See, e.g., Contec Corp. v. Remote Solution Co.*, 398 F.3d 205, 208 (2d Cir. 2005) (holding that where parties adopt rules that empower the arbitrators to decide arbitrability, “the incorporation serves as clear and unmistakable evidence of the parties’ intent to delegate such issues to an arbitrator”).
14. *Henry Schein, Inc. v. Archer & White Sales, Inc.*, 139 S. Ct. 524, 527–28 (2019).
15. *First Options of Chi., Inc. v. Kaplan*, 514 U.S. 938 (1995). *But see Beijing Shougang Mining Invest v. Mongolia*, 11 F.4th 144, 147 (2d Cir. 2021) (even though the

arbitral agreement did not explicitly delegate questions of venue to the arbitrator, the parties consented to delegate those questions to the arbitrator when they agreed to a jurisdictional phase of the arbitration).

16. See *Chesapeake Appalachia, LLC v. Scout Petroleum, LLC*, 809 F.3d 746, 755–56 (3d Cir. 2016), cert. denied, 137 S. Ct. 40 (2016); *Catamaran Corp. v. Towncrest Pharmacy*, 864 F.3d 966, 973 (8th Cir. 2017). But see *Wells Fargo Advisors, LLC v. Sappington*, 884 F.3d 392, 398 (2d Cir. Mar. 7, 2018) (declining to require more explicit language to delegate the question of class arbitrability to an arbitrator).
17. See *Contec Corp. v. Remote Solution, Co.*, 398 F.3d 205, 211 (2d Cir. 2005) (considering the relationship between the parties and the arbitration clause at issue); see also *Ross v. Am. Express Co.*, 547 F.3d 137, 144 (2d Cir. 2008) (noting that signatories failing to avoid arbitration against a non-party generally “had some sort of corporate relationship to a signatory party”).
18. *Brittania-U Nigeria, Ltd. v. Chevron USA, Inc.*, 866 F.3d 709, 715 (5th Cir. 2017).
19. See *Mohamed v. Uber Techs., Inc.*, 848 F.3d 1201, 1214 (9th Cir. 2016).
20. *Arthur Andersen LLP v. Carlisle*, 556 U.S. 624, 631 (2009).
21. *Thomson-CSF, S.A. v. Am. Arbitration Ass’n*, 64 F.3d 773, 777 (2d Cir. 1995).
22. *Everett v. Paul Davis Restoration*, 771 F.3d 380, 383 (11th Cir. 2014) (internal quotation marks omitted).
23. *Thomson-CSF, S.A. v. Am. Arb. Ass’n*, 64 F.3d 773, 779 (2d Cir. 1995).
24. See *GE Power Conversion France SAS, Corp. v. Outokumpu Stainless USA, LLC*, 139 S. Ct. 2776 (June 1, 2020) (New York Convention does not prohibit application of domestic equitable estoppel doctrine permitting non-signatories to enforce arbitration agreements).
25. *Waymo LLC v. Uber Technologies, Inc.*, 870 F.3d 1342, 1347 (Fed. Cir. 2017); *White v. Sunoco, Inc.*, 870 F.3d 257 (3d Cir. 2017); *In re Henson*, 869 F.3d 1052 (9th Cir. 2017) (all rejecting application of the estoppel doctrine against a signatory where the signatory’s claims against a non-signatory were insufficiently related to the agreement containing an arbitration clause).
26. See *Variable Annuity Life Ins. Co. (VALIC) v. Dull*, 2009 WL 3064750, at \*4 (S.D. Fla. Sept. 22, 2009).
27. *Barton Enterprises, Inc., v. Cardinal Health, Inc.*, 2010 WL 2132744, at \*4 (E.D. Mo. May 27, 2010).
28. *Apple Inc. v. BYD Co. Ltd.*, 2016 WL 1212638, at \*8 (N.D. Cal. Mar. 2, 2016).
29. *Buckeye Check Cashing, Inc. v. Cardegna*, 546 U.S. 440, 445 (2006) (holding that “an arbitration provision is severable from the remainder of the contract”).
30. *Beletsis v. Credit Suisse First Boston, Corp.*, 2002 WL 2031610, at \*6 (S.D.N.Y. Sept. 4, 2002).
31. *Casa del Caffè Vergnano S.P.A. v. ItalFlavors, LLC*, 816 F.3d 1208, 1214 (9th Cir. 2016).
32. Dept. of Commerce, *International Arbitration, Ad Hoc Arbitration* (Mar. 2005) (stating that parties engaging in *ad hoc* arbitration may choose the rules under which their arbitration will be carried out).
33. Parties should agree to use the rules of the organisation they designate to administer the case, except when using arbitration rules, such as the UNCITRAL Rules, that are not associated with an arbitral institution.
34. See American Arbitration Association, ICDR, *International Dispute Resolution Procedures* (Jun. 1, 2014) (“ICDR Rules”).

35. ICC Rules of Arbitration (Jan. 1, 2012) (“ICC Rules”).
36. *See, e.g.*, Ariz. Rev. Stat. §§ 12-1501-1518 (2019); Tex. Civ. Prac. & Rem §§ 171.041–171.055 (2019); Cal. Code. Civ. Proc. §§ 1280–1284.3 (2019).
37. *Compare, e.g., Servotronics, Inc. v. Boeing Co.*, 954 F.3d 209 (4th Cir. 2020) (arbitral panel qualified as a “foreign or international tribunal” under 28 U.S.C. § 1782) *with In Re Guo*, 965 F.3d 96 (2d Cir. 2020), *as amended* (July 9, 2020) (arbitral panel did not qualify as a “foreign or international tribunal”).
38. The Supreme Court consolidated two appeals from different federal circuit courts, *Luxshare, Ltd. v. ZF Automotive US, Inc.*, 15 F.4th 780 (6th Cir. 2021), and *Fund for Prot. of Inv. Rts. in Foreign States Pursuant to 28 U.S.C. § 1782 for Ord. Granting Leave to Obtain Discovery for use in Foreign Proceeding v. AlixPartners, LLP*, 5 F.4th 216 (2d Cir.), *cert. granted sub nom. AlixPartners, LLP v. The Fund for Prot. of Investors’ Rts. in Foreign States*, 142 S. Ct. 638 (2021). The *AlixPartners* appeal will also allow the Supreme Court to consider whether investment treaty arbitrations should be treated differently from commercial arbitrations for purposes of Section 1782.
39. The parties are well advised not to stipulate a particular arbitrator in their clause. Doing so can create problems of enforceability if the arbitrator is unavailable or unwilling to hear the case when the dispute arises. The parties should also agree that the case will be decided by an uneven number of arbitrators so as to avoid deadlock.
40. ICDR Rules Art. 5.
41. FAA § 9 USC § 5 (2018).
42. *Nishimura v. Gentry Homes, Ltd.*, 338 P.3d 524, 534–35 (Haw. 2014) (finding an arbitration-selection provision fundamentally unfair where one party exercised exclusive control over the pool of potential arbitrators from which the arbitrator would be selected).
43. *Id.* at 532; *Doctor’s Assocs., Inc. v. Stuart*, 85 F.3d 975, 981 (2d Cir. 1996) (finding that where the defendants challenged the selected arbitrator based on bias, the defendants would not be able to present credible evidence of bias where the case had not yet gone to arbitration).
44. NY CPLR § 7502(c); *see, e.g., Rockwood Pigments NA, Inc. v. Elementis Chromium LP*, 2 N.Y.S.3d 94, 96–97 (N.Y. App. Div. 2015) (finding relief appropriate).
45. Tex. Civ. Prac. & Rem. Code § 172.175 (2020); Fla. Stat. § 684.0028 (2019).
46. *See, e.g.*, ICDR Rules Art. 6 (7).
47. ICC Rules Art. 28.1.
48. ICC Rules Art. 29. ICC Rules Art. 29 and Appendix V, however, permit the parties to “opt out” of the ICC emergency procedures.
49. ICDR Rules Art. 24.
50. NY CPLR § 7507; Fla. Stat. Ann. § 684.0042; Tex. Civ. Prac. & Rem. Code Ann. § 172.141.
51. Fla. Stat. Ann. § 684.0042; Tex. Civ. Prac. & Rem. Code Ann. § 172.141.
52. *See* ICC Rules Art. 32; *see also* ICDR Rules Art. 30.
53. *Am. Centennial Ins. Co. v. Global Int’l Reinsurance Co., Ltd.*, 2012 WL 2821936, at \*8 (S.D.N.Y. July 9, 2012) (“[a]n arbitrator may also exceed her authority by failing to provide an award in the form required by an arbitration agreement”) (quoting *Cat Charter, LLC v. Schurtenberger*, 646 F.3d 836, 843 (11th Cir. 2011)) (internal quotation marks omitted).
54. *See Am. Laser Vision v. The Laser Vision Inst., L.L.C.*, 487 F.3d 255, 258–59 (5th Cir. 2007), *overruled on other grounds by Hall Street Assocs., L.L.C. v. Mattel, Inc.*,

- 552 U.S. 576 (2008); *Executone Info. Sys., Inc. v. Davis*, 26 F.3d 1314, 1320 (5th Cir. 1994); *Anderman/Smith Operating Co. v. Tennessee Gas Pipeline Co.*, 918 F.2d 1215, 1219 (5th Cir. 1990) (“arbitrators have traditionally enjoyed broad leeway to fashion remedies”).
55. Tex. Civ. Prac. & Rem. Code § 172.144 (permitting an award of interest); AAA Commercial Rules Art. R-47(d)(i) (permitting an award of interest).
56. The parties are free to agree to a different rule in their contract. Moreover, certain statutes provide for an award of legal fees to the prevailing party for claims based on the statute.
57. *Painewebber, Inc. v. Bybyk*, 81 F.3d 1193, 1202 (2d Cir. 1996); *Turnberry Assocs. v. Serv. Station Aid, Inc.*, 651 So. 2d 1173, 1175 (Fla. 1995) (“[a]bsent a clear directive from the legislature, we see no reason why the parties may not also voluntarily agree to allow the collateral issue of attorney’s fees to be decided in the same forum as the main dispute”); see also *Stone & Webster, Inc. v. Triplefine Int’l Corp.*, 118 F. App’x 546, 550 (2d Cir. 2004); *IBK Enters., Inc. v. One Key, LLC*, 19 Misc.3d 1131(A), at \*5 (Sup. Ct. N.Y. County May 13, 2008), *aff’d*, 70 A.D.3d 948 (N.Y. App. Div. 2010); *Cassedy v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 751 So. 2d 143, 145, 149 (Fla. 1st DCA 2000) (emphasis added).
58. *Kamakazi Music Corp. v. Robbins Music Corp.*, 684 F.2d 228, 231 (2d Cir. 1982) (“[t]he statute does not bar the award of attorney’s fees; it merely does not grant authority to do so”); Fla. Stat. Ann. § 682.11 (“[u]nless otherwise provided in the agreement or provision for arbitration, the arbitrators’ and umpire’s expenses and fees, together with other expenses, not including counsel fees, incurred in the conduct of the arbitration, shall be paid as provided in the award”); Tex. Civ. Prac. & Rem. Code Ann. § 172.145(b). The Fifth Circuit has held that this statute authorises an arbitrator to award costs and legal fees in an international arbitration seated in Texas. *Saipem America v. Wellington Underwriting Agencies Ltd.*, 335 F. App’x 377, 381 (5th Cir. 2009).
59. *Shaw Grp., Inc. v. Triplefine Int’l Corp.*, 2003 WL 22077332, at \*2 (S.D.N.Y. Sept. 8, 2003), *aff’d*, 322 F.3d 115 (2d Cir. 2003) (confirming an arbitrator’s award of attorneys’ fees because the contract provided for arbitration under the ICC Rules, which authorised award of legal fees to the prevailing party); *IBK Enters., Inc.*, 19 Misc.3d 1131(A), at \*5 (declining to vacate an award where the parties had incorporated the American Arbitration Association’s Construction Arbitration Rules (“AAA Construction Rules”) into their contract, and such rules expressly empowered the arbitrator to awarded attorneys’ fees); *aff’d*, 70 A.D.3d 948 (N.Y. App. Div. 2010); *Cassedy*, 751 So. 2d at 145, 149 (directing trial court to reinstate an arbitrator’s award of attorneys’ fees on the grounds that the arbitrator was authorised to award such fees by virtue of the parties’ NASD submission agreement – which committed to arbitration “the present matter in controversy, as set forth in the attached statement of claim, answers and *all related counterclaims and/or third party claims which may be asserted*”) (emphasis added).
60. *Hall Street Assocs., L.L.C.*, 552 U.S. at 578; *Scandinavian Reinsurance Co. Ltd. v. Saint Paul Fire & Marine Ins. Co.*, 668 F.3d 60, 71 (2d Cir. 2012).
61. The moving party cannot predicate jurisdiction on its own presence in the state.
62. See *Ins. Corp. of Ireland, Ltd. v. Compagnie des Bauxites de Guinee*, 456 U.S. 694, 704 (1982) (noting that “lower federal courts have found such consent [to personal jurisdiction] implicit in agreements to arbitrate”); *Reed & Martin, Inc. v. Westinghouse Electric Corp.*, 439 F.2d 1268, 1276–77 (2d Cir. 1971); *Harch Hyperbarics, Inc. v. Martinucci*, 2010 WL 3398884, at \*5 (E.D. La. Aug. 20, 2010).

63. See generally Charles A. Wright & Arthur R. Miller, *Federal Practice and Procedure: Civil* § 1069 (3d ed. 2010) (discussing federal personal jurisdiction).
64. See generally Fed. R. Civ. P. 4.
65. *Int'l Ship. Co., S.A. v. Hydra Offshore, Inc.*, 875 F.2d 388, 391 n.5 (2d Cir. 1989) (affirming the district court's holding that a motion to vacate a Convention award did not have subject matter jurisdiction); *Yusuf Ahmed Alghanim & Sons, W.L.L. v. Toys "R" Us, Inc.*, 126 F.3d 15, 23 (2d Cir. 1997); *Banco De Santander Central Hispano, S.A. v. Consalvi Int'l Inc.*, 425 F. Supp. 2d 421, 425 n.2 (S.D.N.Y. 2006), *abrogated on other grounds by Albaniabeg Ambient Sh.p.k. v. Enel S.p.A.*, 169 F. Supp. 3d 523, 528 (S.D.N.Y. 2016) (collecting cases showing that district courts do not have original jurisdiction over motions to vacate arbitral awards under the New York Convention); see also *Baltin v. Alaron Trading Corp.*, 128 F.3d 1466, 1469 (11th Cir. 1997) ("FAA sections 10 and 11, which allow courts to vacate, modify, or correct arbitration awards, do not confer federal subject matter jurisdiction"); *Smith v. Rush Retail Ctrs., Inc.*, 360 F.3d 504, 506 (5th Cir. 2004) (FAA section 10 does not confer federal subject matter jurisdiction); see, e.g., *Ingaseosas Int'l Co. v. Aconcagua Investing Ltd.*, 2011 WL 500042, at \*3–4 (S.D. Fla. Feb. 10, 2011) (dismissing motion to vacate arbitration award after finding court had not been granted subject matter jurisdiction under the New York Convention), *aff'd*, 479 F. App'x 955 (11th Cir. 2012).
66. 28 U.S.C. § 1331; 28 U.S.C. § 1332. The Supreme Court's decision in *Vaden v. Discover Bank* enables parties seeking to compel arbitration under FAA section 4 to "look through" the petition and establish subject matter jurisdiction if the underlying dispute implicates federal law. 556 U.S. 49 (2009). However, a circuit split has emerged as to the permissibility of a "look through" under FAA sections 9 and 10 in confirmation and *vacatur* proceedings. Compare *Doscher v. Sea Port Group Securities, LLC*, 832 F.3d 372, 388 (2d Cir. 2016) (applying *Vaden* to permit court to "look through" to the underlying subject matter of the dispute to establish federal question jurisdiction on a petition to vacate under section 10) with *Goldman v. Citigroup Glob. Mkts. Inc.*, 834 F.3d 242, 255 (3d Cir. 2016) (rejecting "look through" for section 10 motions to vacate); see also *Ortiz-Espinosa v. BBVA Securities of Puerto Rico, Inc.*, 852 F.3d 36, 45 (1st Cir. 2017) (discussing circuit split and siding with Second Circuit to apply the "look through" approach to sections 9 and 10); see also *Quezada v. Bechtel OG & C Constr. Servs., Inc.*, 946 F.3d 837 (5th Cir. 2020) (joining First, Second, and Fourth Circuits in applying the "look through" analysis).
67. *Reid v. Doe Run Resources Corp.*, 701 F.3d 840, 843–44 (8th Cir. 2012); *Infuturia Global Ltd. v. Sequus Pharmaceuticals, Inc.*, 631 F.3d 1133, 1138 (9th Cir. 2011); *Besier v. Weyler*, 284 F.3d 665, 669 (5th Cir. 2002). But see *Albaniabeg Ambient Sh.p.k. v. Enel S.p.A.*, 169 F. Supp. 3d 523, 528 (S.D.N.Y. 2016).
68. *Hall St. Assocs., L.L.C.*, 552 U.S. at 578.
69. FAA § 10(a)(1)–(4).
70. See, e.g., *Goldgroup Resources v. Dynaresource De Mexico et al.*, 994 F.3d 1181, 1188–89 (10th Cir. 2021) (siding with majority of federal circuit courts holding that FAA defences are available in these proceedings).
71. *Houston Gen. Ins. Co. v. Certain Underwriters at Lloyd's London*, 2003 WL 22480058, at \*1 (S.D.N.Y. Oct. 31, 2003) (citation omitted).
72. *Bauer v. Carty & Co., Inc.*, 246 F. App'x 375, 378 (6th Cir. 2007); *Natl. Cas. Co. v. First State Ins. Grp.*, 430 F.3d 492, 499 (1st Cir. 2005); *PaineWebber Group, Inc.*, 187 F.3d at 991. ("[O]ther circuits have uniformly construed the term *undue means* as requiring proof of intentional misconduct.")

73. *Morelite Const. Corp. v. New York City Dist. Council Carpenters Ben. Funds*, 748 F.2d 79, 84 (2d Cir. 1984).
74. *Scandinavian Reinsurance Co. Ltd.*, 668 F.3d at 72.
75. *Id.* See also *Peoples Security Life Ins. Co. v. Monumental Life Ins. Co.*, 991 F.2d 141, 146 (4th Cir. 1993); *Health Services Management Corp. v. Hughes*, 975 F.2d 1253, 1264 (7th Cir. 1992).
76. *Tempo Shain Corp. v. Bertek, Inc.*, 120 F.3d 16, 20 (2d Cir. 1997); *Hoteles Condado Beach v. Union De Tronquistas Local 901*, 763 F.2d 34, 39 (1st Cir. 1985) (an arbitrator “must give each of the parties to the dispute an adequate opportunity to present its evidence and argument”).
77. FAA § 10(a)(3); *Fairchild v. Alcoa, Inc.*, 510 F. Supp. 2d 280, 287 (S.D.N.Y. 2007) (“[t]hat provision applies to cases where an arbitrator, to the prejudice of one of the parties, rejects consideration of relevant evidence essential to the adjudication of a fundamental issue in dispute, and the party would otherwise be deprived of sufficient opportunity to present proof of a claim or defense”).
78. *Tube & Steel Corp. of Am. v. Chicago Carbon Steel Prods.*, 319 F. Supp. 1302, 1304 (S.D.N.Y. 1970).
79. *Tempo Shain Corp.*, 120 F.3d at 20.
80. *Rai v. Barclays Capital, Inc.*, 739 F. Supp. 2d 364, 372 (S.D.N.Y. 2010), *aff’d*, 456 F. App’x 8 (2d Cir. 2011).
81. FAA § 10(a)(4).
82. *Westerbeke Corp. v. Daihatsu Motor Co., Ltd.*, 304 F.3d 200, 220 (2d Cir. 2002) (citation omitted).
83. *Stolt–Nielsen S.A. v. AnimalFeeds Int’l Corp.*, 559 U.S. 662, 671 (2010).
84. *Westerbeke Corp.*, 304 F.3d at 220.
85. *Hall St. Assocs., L.L.C.*, 552 U.S. at 578.
86. *Sotheby’s Int’l Realty Inc. v. Relocation Grp. LLC*, 588 Fed. App’x 64, 65 (2d Cir. 2015) (internal citation omitted).
87. *Id.* at 65–66.
88. *Daesang Corp. v. Nutrasweet Co.*, 55 Misc.3d 1218(A), \*5 (N.Y. Sup. Ct. 2017) (ordering partial *vacatur* on basis of manifest disregard and remanding back to Tribunal for redetermination), *rev’d*, *Matter of Daesang Corp. v. NutraSweet Co.*, 167 A.D.3d 1 (N.Y. App. Div. 2018)); see also *The “Manifest Disregard of Law” Doctrine and International Arbitration in New York*, Report by the Committee on International Commercial Disputes of the New York City Bar Association (Aug. 2012) at 6.
89. *DigiTelCom, Ltd. v. Tele2 Sverige AB*, 2012 WL 3065345, at \*7–8 (S.D.N.Y. July 25, 2012) (issuing sanctions against law firm and requiring reimbursement of attorneys’ fees for frivolous motion to vacate arbitral award); *Ingram v. Glast, Phillips & Murray*, 196 F. App’x 232, 233 (5th Cir. 2006) (upholding sanctions of attorneys’ fees, costs, and expenses against attorneys for their bad-faith conduct, which included the pursuit of post-arbitration litigation “knowing that it was a ‘complete sham’”); *B.L. Harbert Int’l, LLC v. Hercules Steel Co.*, 441 F.3d 905, 914 (11th Cir. 2006), *abrogated on other grounds by Frazier v. Citifinancial Corp., LLC*, 604 F.3d 1313 (11th Cir. 2010) (expressing future intention to issue sanctions for frivolous petitions to vacate arbitral award).
90. FAA § 6.
91. NY CPLR § 7510.
92. FAA § 207.



93. Recent developments highlight the effect of U.S. foreign policy on the enforcement of judgments. In *Crystallex Int'l Corp. v. Bolivarian Republic of Venezuela*, 932 F.3d 126 (3d Cir. 2019), defendant Venezuela and third party PDVH, a holding company for Citgo, contested the attachment of Petroleos de Venezuela's shares of PDVH on jurisdictional and equitable grounds. The Third Circuit upheld the district court's attachment of the shares of PDVH but noted that given recent sanctions against the government of Venezuela by the U.S. Department of Treasury, "any attachment and execution against PDVSA's shares of PDVH would likely need to be authorized by the Treasury Department". *Id.* at 151.
94. See *Sonera Holding B.V. v. Çukurova Holdings A.Ş.*, 750 F.3d 221, 223 (2d Cir. 2014); *First Inv. Corp. of Marshall Islands v. Fujian Mawei Shipbuilding, Ltd.*, 703 F.3d 742, 750–51 (5th Cir. 2012); *Frontera Resources Azerbaijan Corp. v. State Oil Company of the Azerbaijan Republic*, 582 F.3d 393, 397 (2d Cir. 2009); *S & Davis Int'l, Inc. v. Republic of Yemen*, 218 F.3d 1292, 1303–05 (11th Cir. 2000).
95. FAA § 207 (incorporated by FAA § 302 so as to apply to Panama Convention awards).
96. *Encyclopaedia Universalis S.A. v. Encyclopaedia Britannica, Inc.*, 403 F.3d 85, 90 (2d Cir. 2005).
97. *New York Convention Art. V; Yusuf Ahmed Alghanim & Sons*, 126 F.3d at 19. The public policy exception applies where the final award violates public policy, and "cannot be used to simply question the merits of the underlying award". *Vantage Deepwater Co. v. Petrobras Am., Inc.*, 966 F.3d 361, 371 (5th Cir. 2020) (citation and internal quotation marks omitted) (district court properly deferred to arbitrators regarding question whether underlying contract violated public policy), *cert. denied sub nom. Petrobras America Inc., et al. v. Vantage Deepwater Co., et al.*, No. 20-1032, 2021 WL 666498 (U.S. Feb. 22, 2021).
98. *Gulf Petro Trading Co., Inc. v. Nigerian Nat. Petroleum Corp.*, 512 F.3d 742, 747 (5th Cir. 2008).
99. The D.C. Circuit has held that there is no adequate alternative forum for a petitioner seeking enforcement of a foreign arbitral award concerning assets in the United States, because "only a court of the United States (or of one of them) may attach the commercial property of a foreign nation located in the United States". *TMR Energy Ltd. v. State Prop. Fund of Ukraine*, 411 F.3d 296, 303 (D.C. Cir. 2005). By contrast, the Second Circuit rejected the D.C. Circuit's analysis and held that whether an alternative forum is adequate depends on whether some of the defendant's assets are located in that foreign forum. *Figueiredo Ferraz E Engenharia de Projeto Ltda. v. Republic of Peru*, 665 F.3d 384, 391 (2d Cir. 2011).
100. Following the D.C. Circuit's ruling in *Tatneft v. Ukraine*, 21 F.4th 829 (D.C. Cir. 2021), Ukraine has stated in a filing that it intends to file a petition for a writ of *certiorari* with the U.S. Supreme Court on this issue.
101. *Commercial Risk Reinsurance Co. Ltd. v. Security Ins. Co. of Hartford*, 526 F. Supp. 2d 424, 427 (S.D.N.Y. 2007) ("[h]owever, because the arbitration occurred in the United States, the Award as to the Commercial Risk Bermuda company is also governed by the FAA provisions applicable to domestic arbitration awards") (citing *Zeiler v. Deitsch*, 500 F.3d 157, 164 (2d Cir. 2007)).
102. *Corporación Mexicana De Mantenimiento Integral v. Pemex-Exploración Y Producción*, 832 F.3d 92 (2d Cir. 2016).
103. *Deloitte Noredit A/S v. Deloitte Haskins & Sells, U.S.*, 9 F.3d 1060, 1063 (2d Cir. 1993) (citing *Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc.*, 473 U.S. 614, 629–631 (1985)); see, e.g., *Crescendo Maritime Co. v. Bank of Commc'ns Co.*, 2016 WL 750351, at \*10 (S.D.N.Y. Feb. 22, 2016) (confirming foreign arbitral award).

104. *Hall Street Assocs., L.L.C.*, 552 U.S. at 577 (citations and internal quotation marks omitted).
105. See ICSID, Database of ICSID Member States, available at: <https://icsid.worldbank.org/about/member-states/database-of-member-states>.
106. See U.S. Department of State, NAFTA Investor-State Arbitrations, available at: <http://www.state.gov/s/l/c3439.htm>.
107. See Energy Charter Conference, Members and Observers, available at: <http://www.energycharter.org/who-we-are/members-observers/>.
108. Available at: <https://2009-2017.state.gov/documents/organization/188371.pdf>.
109. Available at: <https://www.state.gov/investment-affairs/bilateral-investment-treaties-and-related-agreements/united-states-bilateral-investment-treaties/>.

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