Blogs

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Supreme Court Limits Federal Courts' Jurisdiction to Enforce Arbitration Awards

A new U.S. Supreme Court decision holds that federal courts cannot enforce or vacate arbitration awards under Sections 9 and 10 of the Federal Arbitration Act unless they have an independent jurisdictional basis to consider the case.

Previously, many federal courts would "look through" an arbitration enforcement action to the subject of the underlying dispute when determining jurisdiction to enforce or vacate. However, the Supreme Court decided that an action to enforce an arbitral award is essentially a contractual interpretation case that belongs in state court, absent diversity of citizenship jurisdiction under 28 U.S.C. § 1332(a). As a result, most actions to enforce or vacate arbitration awards now must be brought in state courts.

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