
TABLE OF CONTENTS

PREFACE.....	III
ACKNOWLEDGMENTS	V
TABLE OF CASES.....	XIX
Chapter 1. Overview of Arbitration	1
A. Private Adjudication.....	1
Christopher R. Drahozal & Stephen J. Ware, <i>Why Do Businesses Use (or Not Use) Arbitration Clauses?</i>	2
Lon Fuller, <i>Collective Bargaining and the Arbitrator</i>	4
Lisa Bernstein, <i>Merchant Law in a Merchant Court: Rethinking the Code’s Search for Immanent Business Norms</i>	6
William M. Landes & Richard A. Posner, <i>Adjudication As a Private Good</i>	9
In the Matter of the Arbitration Between Mikel and Scharf	11
Lisa Bernstein, <i>Opting out of the Legal System: Extralegal Contractual Relations in the Diamond Industry</i>	12
Questions to Review and Synthesize.....	16
B. Does Arbitration Only Resolve Disputes, or Can It Formulate Legal Rules?	16
William M. Landes & Richard A. Posner, <i>Adjudication As a Private Good</i>	16
Questions to Review and Synthesize.....	19
C. “Rights” (or “Grievance”) Arbitration and “Interest” Arbitration.....	20
Questions to Review and Synthesize.....	26
Chapter 2. Some Frequent Uses of Arbitration.....	27
A. Commercial Arbitration.....	28
1. History	28
William C. Jones, <i>Three Centuries of Commercial Arbitration in New York: A Brief Survey</i>	28
Soia Mentschikoff, <i>Commercial Arbitration</i>	29
2. Trade Association Arbitration vs. General Commercial Arbitration	32
Lisa Bernstein, <i>Private Commercial Law in the Cotton Industry: Creating Cooperation through Rules, Norms, and Institutions</i>	33
3. The AAA and Other General Commercial Arbitration.....	36
Idea Nuova, Inc. v. GM Licensing Group, Inc.....	37
4. Securities Arbitration	40
William A. Birdthistle & M. Todd Henderson, <i>Becoming A Fifth Branch</i>	41
Stephen J. Ware, <i>What Makes Securities Arbitration Different from Other Consumer and Employment Arbitration?</i>	43
Barbara Black & Jill I. Gross, <i>Investor Protection Meets the Federal Arbitration Act</i>	44
Teresa J. Verges, <i>Opening the Floodgates of Small Customer Claims in FINRA Arbitration: FINRA v. Charles Schwab & Co., Inc.</i>	45
Jill Gross, <i>The Customer’s Nonwaivable Right to Choose Arbitration in the Securities Industry</i>	47
Questions to Review and Synthesize	48
B. International Commercial Arbitration	49
1. Overview.....	49
2. Maritime Arbitration.....	52
Farnsworth v. Towboat Nantucket Sound, Inc.....	53

3.	Investment Arbitration	55
4.	Olympic and Other International Sports Arbitration	57
	Caster Semenya, <i>Athletics South Africa (ASA) v. International Association of Athletics Federations (IAAF)</i>	58
	Questions to Review and Synthesize	64
C.	Labor Arbitration.....	64
	United Steelworkers of America v. Warrior & Gulf Navigation Co.	65
	Questions to Review and Synthesize.....	69
D.	Employment Arbitration.....	69
	Mark D. Gough, <i>The High Costs of an Inexpensive Forum: An Empirical Analysis of Employment Discrimination Claims Heard in Arbitration and Civil Litigation</i>	70
	Stephen J. Ware, <i>The Centrist Case for Enforcing Adhesive Arbitration Agreements</i>	76
	Cynthia Estlund, <i>The Black Hole of Mandatory Arbitration</i>	77
	Questions to Review and Synthesize.....	81
E.	Consumer Arbitration.....	82
	David Horton & Andrea Cann Chandrasekher, <i>After the Revolution: An Empirical Study of Consumer Arbitration</i>	82
	Jeff Govern, Elayne E. Greenberg, Paul F. Kirgis & Yuxiang Liu, “Whimsy Little Contracts” <i>With Unexpected Consequences: An Empirical Analysis of Consumer Understanding of Arbitration Agreements</i>	84
	Stephen J. Ware, <i>The Centrist Case for Enforcing Adhesive Arbitration Agreements</i>	87
	Questions to Review and Synthesize.....	90
F.	Medical Arbitration	90
	1. Physicians	90
	David Allen Larson & Dr. David Dahl, <i>Medical Malpractice Arbitration: Not Business As Usual</i>	90
	Questions to Review and Synthesize	95
	2. HMOs	96
	Alan B. Morrison, <i>Can Mandatory Medical Malpractice Claims be Fair? The Kaiser Permanente System</i>	96
	Questions to Review and Synthesize	103
G.	Family and Religious Arbitration	104
	Mark L. Movsesian, <i>Fiqh and Canons: Reflections on Islamic and Christian Jurisprudence</i>	104
	Michael A. Helfand, <i>Religious Arbitration and the New Multiculturalism: Negotiating Conflicting Legal Orders</i>	106
	Judith Lieberman v. Issac Lieberman.....	110
	Sophia Chua-Rubinfeld & Frank J. Costa, Jr., <i>The Reverse-Entanglement Principle: Why Religious Arbitration of Federal Rights Is Unconstitutional</i>	114
	Questions to Review and Synthesize.....	117
	Chapter 3. Arbitration and the Courts	119
A.	Introduction	120
	Questions to Review and Synthesize.....	122
B.	The Growth of “Arbitrable” Claims	123
	1. Pre-1980s	123
	Wilko v. Swan	123

	Questions to Review and Synthesize	127
2.	1980s.....	127
	Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc.	127
	Questions to Review and Synthesize	137
	Questions to Review and Synthesize	139
3.	Labor and Employment.....	139
	a. Overview	139
	b. Pre- <i>Mitsubishi</i> Cases	140
	c. Post- <i>Mitsubishi</i> Cases	143
	14 Penn Plaza LLC v. Pyett.....	145
	Questions to Review and Synthesize.....	157
	Epic Systems Corp. v. Lewis.....	157
4.	Most Claims Are “Arbitrable”	168
	Questions to Review and Synthesize	169
C.	The Federal Arbitration Act and State Law.....	169
	1. Historical and Constitutional Context.....	169
	2. <i>Southland</i> and Its Progeny	170
	a. Broad FAA Preemption.....	170
	<i>Southland Corporation v. Keating</i>	170
	Stephen J. Ware, <i>A Short Defense of Southland, Casarotto, and</i> <i>Other Long-Controversial Arbitration Decisions</i>	179
	Questions to Review and Synthesize.....	180
	b. Adhesive Arbitration Agreements and Judges’ Politics	180
	Allied-Bruce Terminix Cos. v. Dobson.....	181
	Stephen J. Ware, <i>A Short Defense of Southland, Casarotto, and</i> <i>Other Long-Controversial Arbitration Decisions</i>	188
	Doctor’s Assocs. v. Casarotto	191
	AT&T Mobility LLC v. Concepcion.....	194
	Questions to Review and Synthesize.....	207
	c. The FAA Grants No Independent Federal Jurisdiction	208
	Vaden v. Discover Bank.....	209
	Questions to Review and Synthesize.....	216
3.	Federal Preemption of State Law in the Labor and Employment Contexts	216
	a. Labor	216
	b. Employment	218
	Circuit City Stores v. Adams.....	218
	Stephen J. Ware, <i>A Short Defense of Southland, Casarotto, and</i> <i>Other Long-Controversial Arbitration Decisions</i>	228
	Questions to Review and Synthesize.....	230
4.	Federal Preemption of State Law in the Insurance Context.....	230
	Citizens of Humanity LLC v. Applied Underwriters, Inc.	231
	Questions to Review and Synthesize	235
5.	Contracting out of FAA Preemption	235
	Stephen J. Ware, <i>Punitive Damages in Arbitration: Contracting Out of</i> <i>Government’s Role in Punishment and Federal Preemption of</i> <i>State Law</i>	235
	Mastrobuono v. Shearson Lehman Hutton.....	236
	Questions to Review and Synthesize	243

D.	The Agreement to Arbitrate.....	244
1.	Formation of Arbitration Agreements.....	244
	Cullinane v. Uber Technologies, Inc.	244
	Meyer v. Uber Techs., Inc.	254
	Questions to Review and Synthesize	259
	Questions to Review and Synthesize	261
2.	Contract-Law Defenses to Enforcement of Arbitration Agreements	262
a.	The “Severability” of the Arbitration Clause	262
	Prima Paint Corp. v. Flood & Conklin Mfg. Co.	262
	Buckeye Check Cashing, Inc. v. Cardegna	267
b.	The Further Severability of the Delegation Clause	271
	Rent-A-Center, W., Inc. v. Jackson.....	271
	David Horton, <i>Arbitration About Arbitration</i>	279
	Questions to Review and Synthesize.....	282
c.	Delegation and Unconscionability After <i>Rent-A-Center v. Jackson</i>	282
	Bowles v. OneMain Financial Group, L.L.C.	282
	Questions to Review and Synthesize.....	285
	State ex rel. Pinkerton v. Fahnestock	285
	Rent-A-Center, Inc. v. Ellis.....	294
	Questions to Review and Synthesize.....	309
3.	Scope of Arbitration Agreements	309
a.	Presumptively Decided by Courts.....	309
	AT & T Technologies, Inc. v. Communications Workers of America	310
b.	Agreements to Arbitrate Disputes About the Scope of the Agreement to Arbitrate.....	317
	Questions to Review and Synthesize.....	319
4.	Conditions to Arbitration	319
5.	Remedies in Arbitration.....	319
	Question to Review and Synthesize	321
E.	Judicial Supervision and Review of Arbitration.....	321
1.	Introduction.....	321
2.	Confirmation and Claim Preclusion (Res Judicata)	322
3.	Issue Preclusion (Collateral Estoppel)	323
	Questions to Review and Synthesize	324
4.	Vacatur of Arbitration Awards	324
a.	Deferential Review of Arbitration Awards Under the FAA.....	324
	Hall St. Assocs., L.L.C. v. Mattel, Inc.	325
	Questions to Review and Synthesize.....	334
b.	State Law Grounds for Vacatur.....	334
	Questions to Review and Synthesize.....	337
c.	Deferential Review of Labor Arbitration Awards	337
	Major League Baseball Players Ass’n v. Garvey	338
	Questions to Review and Synthesize.....	343
	Chapter 4. The Arbitration Proceeding	345
A.	Arbitration as “The Parties’ Dream”	345
B.	The Arbitrators	346
1.	Selection of Arbitrators.....	346
2.	Tripartite Arbitration.....	347

3.	Arbitrator Selection Under Institutional Rules—and the Impact of Jay-Z	348
	James A. Fanto, Jill I. Gross & Norman S. Poser, <i>Broker-Dealer Law and Regulation</i>	350
4.	Paying the Arbitrators and the Arbitration Organization	354
	Questions to Review and Synthesize	356
5.	Arbitrator Impartiality and Disclosure	357
a.	Legal Regulation vs. Consensual and Reputational Factors.....	357
	Commonwealth Coatings Corp. v. Continental Casualty Co.	357
	Questions to Review and Synthesize.....	364
b.	State Law, Particularly California	364
	Merrick T. Rossein & Jennifer Hope, <i>Disclosure and Disqualification Standards for Neutral Arbitrators: How Far to Cast the Net and What Is Sufficient to Vacate Award</i>	366
c.	Suing Arbitrators	370
	Questions to Review and Synthesize.....	372
C.	Conduct of the Arbitration Proceeding	372
1.	Introduction.....	372
2.	The Role of Lawyers.....	373
	Thomas J. Stipanowich, <i>Arbitration: The “New Litigation”</i>	375
3.	Discovery	377
4.	Privilege	381
5.	Evidence	383
	Questions to Review and Synthesize	386
D.	Multi-Party Disputes	387
1.	Introduction.....	387
2.	Claims by or Against Those Not Party to the Arbitration Agreement	387
a.	Party Plaintiff vs. Non-Party Defendant.....	387
	Arthur Anderson LLP v. Carlisle	388
b.	Non-Party Plaintiff vs. Party Defendant.....	392
3.	Consolidation of, and Stays Pending, Related Proceedings.....	393
a.	Introduction	393
b.	Consolidating Multiple Arbitrations.....	394
c.	Escaping Arbitration in Multi-Party Disputes	397
4.	Class Actions in Arbitration.....	399
	Questions to Review and Synthesize	402
	Chapter 5. International Arbitration	405
A.	Commercial Arbitration and Public Law Arbitration	405
B.	International Commercial Arbitration: Sources of Law	407
1.	Treaties, Primarily the New York Convention	407
a.	Basic Provisions	407
b.	U.S. Ratification and Implementation of the New York and Panama Conventions	408
c.	U.S. Exceptions from New York Convention	410
i.	Not “Considered as Commercial”	410
ii.	Arbitration Between U.S. Parties.....	411
d.	Awards Made in the U.S. but “Not Considered as Domestic”	413
	Questions to Review and Synthesize.....	415
2.	National Law.....	415
a.	Implementing Legislation.....	415

b.	Which State’s Arbitration Law?: The “Seat” of Arbitration	416
	Gabrielle Kaufmann-Kohler, <i>Identifying and Applying the Law</i> <i>Governing the Arbitration Procedure: The Role of the Law</i> <i>of the Place of Arbitration</i>	418
	Questions to Review and Synthesize.....	424
C.	Formation of Enforceable International Commercial Arbitration Agreements.....	424
1.	Courts Refer the Parties to Arbitration	424
2.	Arbitration Agreement That Is “Null and Void, Inoperative or Incapable of Being Performed”	425
3.	“Agreement in Writing”.....	427
	Freaner v. Valle	428
	Questions to Review and Synthesize	438
D.	Conduct of International Commercial Arbitration	438
1.	Overview	438
2.	Pre-Hearing.....	439
a.	Selection of Arbitrators	439
b.	Pleadings	439
c.	Discovery	440
3.	Hearing	440
a.	General Comparison with Trial.....	440
b.	Rules of Evidence	441
c.	No Hearing; Dispositive Motions.....	441
d.	Written Awards; Reasoned Opinions	442
4.	Remedies	442
	Questions to Review and Synthesize	442
E.	Enforcement and Vacatur of International Commercial Arbitration Awards	442
1.	Enforcement of International Commercial Arbitration Awards.....	442
2.	Vacating (Setting Aside) International Commercial Arbitration Awards.....	444
a.	Only the Seat Can Vacate (Set Aside) the Award	445
	William Laurence Craig, <i>Uses and Abuses of Appeal from</i> <i>Awards</i>	445
b.	Effect of Vacatur by Seat	450
	Chromalloy Aeroservices v. Arab Republic of Egypt	451
	Questions to Review and Synthesize.....	458
3.	Non-Enforcement of International Commercial Arbitration Awards	458
a.	Arbitration Agreement Invalid	458
b.	Inadequate Opportunity to Present Case	459
c.	Arbitrators Exceeded Their Jurisdiction.....	459
d.	Improper Arbitral Procedure or Composition of Arbitral Authority	460
e.	Set Aside by Court at Seat of Arbitration.....	461
f.	Non-Arbitrability.....	462
g.	Public Policy	462
	Questions to Review and Synthesize.....	463
F.	Drafting an International Commercial Arbitration Clause	463
	Margaret L. Moses, <i>The Principles and Practice of International Commercial</i> <i>Arbitration</i>	463
	Eric S. Sherby, <i>A Checklist for Drafting an International Arbitration</i> <i>Clause</i>	465

Claudia T. Salomon and J.P. Duffy, <i>Enforcement Begins when the Arbitration Clause is Drafted</i>	466
Questions to Review and Synthesize	467
G. International Public Law Arbitration	467
1. Overview of International Public Law Arbitration	467
2. Investment Arbitration	468
BG Group PLC v. Republic of Argentina	469
3. Treaties Focused on Arbitration of Future Public Law Disputes	490
4. Public International Arbitration Tribunals Arising out of Post-Dispute Arbitration Agreements	491
Questions to Review and Synthesize	491
Chapter 6. Processes Similar to Arbitration	493
A. Private Judging (“Rent-a-Judge”) and the “Short Trial”	493
Questions to Review and Synthesize	497
B. Business Courts	497
Delaware Coalition for Open Government, Inc. v. Strine	499
West Virginia Investment Management Board v. Variable Annuity Life Insurance Company	511
Questions to Review and Synthesize	522
C. Non-Contractual Arbitration	522
1. General Rule That Non-Contractual Arbitration Must Be Non-Binding to Avoid Violating Constitutional Right to Jury Trial	522
Jersey Cent. Power & Light Co. v. Melcar Utility Co.	524
2. Exceptions to the General Rule That Non-Contractual Arbitration Must Be Non-Binding to Avoid Violating Constitutional Right to Jury Trial	531
a. Engaging in a Licensed Occupation as Consent to Non-Contractual, yet Binding, Arbitration	531
Biotechpharma, LLC, et al. v. Ludwig & Robinson, PLLC	531
b. Equitable Rights Subject to Non-Contractual, yet Binding, Arbitration	538
c. Public Rights Subject to Non-Contractual, yet Binding, Arbitration	539
Questions to Review and Synthesize	541
Appendix A. Federal Arbitration Act 9 U.S.C. §§ 1–16 (1925)	543
Appendix B. United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards	551
Appendix C. Inter-American Convention on International Commercial Arbitration	557
INDEX	561