

# No Surprise But Now Substantiated: Foreign Litigants Lose More in US Courts

As recently covered by the Financial Times, and forthcoming in the Journal of Law and Economics, a new study details an unsurprising yet still unsettling fact when it is substantiated: foreign litigants lose more in U.S. Courts. Here is the abstract:

*Using a comprehensive sample of 2,361 public U.S. corporate defendants and 715 public foreign corporate defendants in U.S. federal courts in the period 1995-2000, we find that the market reaction at the announcement of a U.S. federal lawsuit is less negative for U.S. corporate defendants. We find that this market reaction is rational; U.S. firms are less likely to lose than foreign firms controlling for year, industry, type of litigation, size and profitability. This may still reflect a sample selection bias. We control for this bias, and the results remain. We thus cannot rule out that U.S. firms have a home court advantage in U.S. federal courts.*

Opinio Juris notes that perhaps the most interesting claim is that judges may be more biased than juries are. As this sort of evidence mounts, I assume it will incrementally bolster the legitimacy of supranational and arbitral fora for dispute resolution.

The full study can be found [here](#).