Arbitration and the Brussels Convention

Legal Department du Ministère de la Justice de la République d'Irak c./ Stés Fincantieri, Finmeccanica et Armamenti E Aerospazio is the first French case to address the issue of whether the 1968 Brussels Convention applies to the enforcement of a foreign judgement declaring an arbitration clause void. The judgement was rendered by the Paris Court of Appeal on June 15th, 2006, and I understand that an appeal is now pending before the French Supreme court for civil, commercial and criminal matters (*Cour de cassation*). The dispute had arisen between the State of Iraq and three Italian companies. Of course, as any proper French judgement, not much is said on the facts. It is only stated that Iraq concluded a contract with each of the companies, and that each contract contained an ICC arbitration clause. At the beginning of the 1990s, arbitration proceedings were initiated pursuant to the clauses, while the Italian companies initiated proceedings in Italy to have the arbitration clauses declared void. In 1994, the Genoa Court of Appeal did declare the clause void as being contrary to the embargo established by the U.N. 661 Resolution of 1990, but did not go on to rule on the merits. For the following decade, the arbitration went on. In 2004, the Italian companies sought a declaration of enforceability of the 1994 Genoa judgement in France. The Paris Court of appeal noticed in its judgement that, interestingly enough, that was precisely at the time when the arbitral tribunal was getting close to make its award. The case before the Paris Court of appeal was whether the Italian judgement could be declared enforceable in France. The Court held that it could not. The first reason was that the Brussels Convention did not apply, because the case fell within the exclusion of article 1, d) of the Convention. One could maybe have expected the Court to rule that the Italian judgement was clearly dealing with an issue of arbitration, as it had only held that the arbitration clauses were void, and had not ruled on the merits. Instead, the Court held that the rationale behind the exclusion was to allow the contracting states to comply freely with their international undertakings under the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and that one of such undertaking was the obligation for courts of Contracting states to decline jurisdiction in presence of an arbitration clause, pursuant to article II of the New York Convention. The Court then went on to examine

whether the 1930 Franco-Italian Convention applied, and found that it did not either. Finally, and most interestingly, the Court held that the Genoa Court did not have jurisdiction from the French perspective. The reason why it lacked jurisdiction was that it had accepted to examine whether the arbitration clause was valid and applicable when, under French law, courts do not have such power unless the clause can be found prima facie void or inapplicable.

In order to fully appreciate the meaning of this judgement, it is important to appreciate how French law of arbitration differs from the law of arbitration of most jurisdictions. Under French law, arbitrators have a priority to rule on their own jurisdiction. The competence-competence principle entails not only that arbitrators may rule on their own jurisdiction, but also that they have a priority to do so over national (French) courts, and that such courts ought to decline jurisdiction to do so unless they find that the clause is prima facie void or inapplicable ("*manifestement nulle ou inapplicable*"). The French judgement projects this peculiar perception of the strength of the jurisdiction of arbitrators internationally. The Italian Court is found as lacking jurisdiction because it declared the arbitration clause void without finding that it was prima facie so, although Italian law may well have provided that (Italian) Courts do have the power to examine whether arbitration clauses are valid and applicable before declining jurisdiction.

Conference 2007 – Programme and Booking

We are delighted to announce that the **Programme** for the ***Journal of Private International Law Conference 2007***, to be held at the University of Birmingham on 26 – 27 June, is now available. Please see the Conference Homepage for more details. Here are all the relevant links:

- The Conference Homepage on the University of Birmingham website
- The Programme (you can also view it on this site – see the Conference

2007 page)
- Information on the Conference Fees, and Booking (you can register online or via the downloadable word document)
- Information on the state-of-the-art venue
- Contact details, if you have any questions or queries

There are a limited number of places available at the conference, so we do advise you to book as early as possible.

We very much hope to see you at the conference in June.

"Rome II" and the Choice of Law for Defamation Claims

There is a substantial note (some 41 pages) in the new issue of the *Brooklyn Journal of International Law* by Aaron Warshaw (Brooklyn Law School) entitled, "**Uncertainty from Abroad: Rome II and the Choice of Law for Defamation Claims**". The article can be downloaded **for free** from the Journal homepage. Here's some of the introduction:

> *Like many other areas of law, commentators have repeatedly noted that the Internet has wreaked havoc on the jurisdictional and choice-of-law aspects of international defamation claims. Much of this difficulty stems from substantive differences in national approaches to defamation law and the ease with which plaintiffs can bring their claims in foreign jurisdictions. Central to these differences is the fact that, compared to the United States, many countries "place much greater importance on the protection of personal reputation, dignity, and honor than they do on protecting the freedom of speech." While U.S. defamation law reflects the constitutional guarantees of freedom of speech and press under New York Times v. Sullivan and its progeny, Sullivan's impact abroad has been mixed. Instead, every country possesses a different legal standard for resolving defamation claims based on their particular histories, values, and political systems. For instance, while the*

United States and the United Kingdom share the same tradition of common-law defamation, both countries have developed divergent approaches to balancing free speech and reputation interests. This conflict-of-laws problem is exacerbated by the fact that foreign courts appear keen to adjudicate claims against U.S. publishers without regard for the free-press protections under U.S. law. As a result, publishers are now subject to new and unforeseen liabilities and are likely to begin constructing "virtual borders" around their Internet presence to avoid exposure to restrictive foreign defamation laws.

In assessing the current situation, one British government commentator noted that any substantive solution to the difficulty of international defamation law would come in the realm of international treaty accompanied by greater harmonization of substantive national laws. One such pending treaty that will perhaps encompass the problematic arena of international defamation law is "The law applicable to non-contractual obligations," known commonly as "Rome II." This agreement among the European Union's Member States will determine the choice of law for cross-border defamation claims as well as a variety of other crossborder claims based in non-contractual relationships. Rome II will determine which law is applicable to all defamation claims brought within a Member State's forum, although jurisdiction will continue to be available in any nation where a publication is read. As such, Rome II presents an opportunity for an international body of lawmakers to adopt a clearer and fairer standard of how to settle defamation claims against foreign publishers in the Internet age.

Yet, despite the possibility of creating a clearer choice-of-law standard, Rome II's defamation provision proved to be extremely difficult to resolve. In 2006, after over three years of work, the European Union found itself no closer to creating a rule that all members could agree upon. The European Commission eventually excised the defamation provision from Rome II, effectively forestalling a new framework for the choice of law for defamation claims within the European Union's Member States. Despite this setback, much can still be learned from Rome II, both in terms of its potential application as well as the issues raised and debated during the drafting process—issues that are emblematic of the broader complexities of defamation law in the Internet age. This Note will argue that the European Commission's parliamentary maneuver is by no means the end of the story, but rather it is one chapter in a slow, difficult struggle to achieve a workable solution that satisfies publishers,

national courts, and defamation plaintiffs. Part II of this Note examines the existing choice-of-law and jurisdictional rules for resolving defamation claims in Europe, the United States, and in other nations. Part III traces Rome II's legislative history, focusing on the opposing place-of-harm and place-of-publication approaches to defamation claims. Part IV examines Rome II through the lens of the modern American approach to conflicts of law. This Note concludes that while the drafters of Rome II attempted to create a rule to protect publishers, their inability to successfully adopt such a provision reflects the intractability of balancing publishing and reputational interests. This Note will argue that American conflicts law provides key insights into both the policy behind protecting press interests and also how to create a more workable choice-of-law framework.

Highly recommended. Download it from here.

The Debate on "Rome II" in the European Parliament

Following on from our news item on the European Parliament's adoption, in plenary session, of the proposed Regulation on the law applicable to non-contractual obligations ("**Rome II**"), the **debate that preceded the vote** has been published online. The opening by Diana Wallis MEP, the Rapporteur, is worth reproducing in full, for Ms Wallis appeals as much to the MEPs' collective conscience as she does to their sense of what is legally correct, and viable:

Madam President, Commissioner, ROME II has been a long journey for us all and, whilst we might have hoped that this was the end, it seems likely that we are just at another staging post.

Let me start by saying that we appreciate that the common position took on board some of our ideas from the first reading. Commissioner, I also want to emphasise the importance that we attach to this regulation, providing, as it will,

the ground plan, or roadmap, which will provide clarity and certainty for the basis of civil law claims across Europe. We need this, and we, here in Parliament, want to get it done, but it has to be done in the right way. This has to fit the aspirations and needs of those we represent. This is not just some theoretical academic exercise; we are making political choices about balancing the rights and expectations of parties before civil courts.

I am sorry that we have not reached an agreement at this stage. I still believe that it could have been possible, with more engagement and assistance. Perhaps it is because both the other institutions are not used to Parliament having codecision in this particular area – I am sorry, but you will have to get used to it!

I also want to thank all my colleagues in the political groups in the Committee on Legal Affairs, who have stuck together with me on this long journey and supported a common view, which, subject to sufficient presence in this Chamber today, will be clearly shown in our vote.

Now let me detail the points that still separate us. We have always made it clear that we prefer a general rule, with as few exceptions as possible. If we must have exceptions, they must be clearly defined. Thus, we have accepted the position on product liability. However, problems still remain in respect of unfair competition and the environment.

With unfair competition, we also face a simultaneous proposal from Commissioner Kroes. The two proposals must work together; currently they do not. We have tried to present a more acceptable formulation, which, sadly, I think is unlikely to succeed here at today's vote, and I would therefore urge colleagues to support the deletion, to allow us to return to this at conciliation and do the work properly.

It is the same with the environment. I know and deeply respect the fact that many would like a separate rule, but it should not be a rule just for the sake of a headline. It should be a rule that is clear in terms of what facts it applies to. Given that we already have several possible formulations, the safest course, again, I would urge, is the general rule. This would also allow us to delete the separate rule today and return to the definition at conciliation.

Now I come to the two big issues for this Parliament. The first is defamation.

Please understand that we know only too well how difficult an issue this is. However, we managed to get a huge majority at first reading across this House, and you will likely see a similar pattern repeated here today. That the Commission decided to exclude this issue before we could consider it again was disappointing, to say the least. That it did so on the basis of a clear two-year review clause, which has now been abandoned, is unacceptable. We know the issues surrounding this area of media and communication will only increase and continue to haunt us. Maybe we cannot deal with it now, but we will soon be looking at Brussels I again, and it is imperative that jurisdiction and applicable law remain in step. So, would we deprive ourselves of the opportunity to look at this again? Exclusion may truly be the only answer, but this Parliament wants to try a little bit more to see if we cannot resolve this.

I turn to the issue that my colleagues have been most tenacious in their support for (and I am very grateful for that): damages in road-traffic accidents. Commissioner, we have the support of insurers, the support of legal practitioners, the support of victims, the support of those we represent, but somehow we cannot transmit these concerns to the Commission or to the Council.

Even last week, I was confronted by a very senior justice ministry official who thought that what we were trying to do was the equivalent of applying German law to determine liability in respect of a road-traffic accident which had happened in the UK, where, of course, we drive on the 'wrong' side of the road. Do you really think we are that stupid? I wish people would have the courtesy to read and understand what we are suggesting: merely the accepted principle of restitutio in integrum – to put victims back in the position they were in before the incident. There should be nothing so fearful in this. Indeed, the illogical approach would be for a judge in the victim's country to be able to deal with the case by virtue of the Motor Insurance Directives and Brussels I, and then have to apply a foreign, outside law in respect of damages. This, indeed, would be illogical – and that is the situation we are currently in. Please look at what we are saying and appreciate that, given the even the greater mobility of our citizens on Europe's roads, this matter needs attention, sooner rather than later, and a four-year general review clause just will not do.

My last hope is that our debates will have brought the subject of private international law out of the dusty cupboards in justice ministries and expert

> *committees into the glare of public, political, transparent debate. Therefore, all we ask is that you bear with us a little longer so that, together, the institutions of Europe can get this right.*

Franco Frattini, Vice President of the European Commission, led the response to Ms Wallis in the ensuing debate. Other respondees include Barbara Kudrycka (PPE-DE), the Rapporteur for the Committee on Civil Liberties (LIBE) at an earlier stage of Rome II. You can read the full debate here (set out in the original language of each speaker).

(Many thanks to Giorgio Buono, University of Rome "La Sapienza", for the link. I'm also very pleased to announce that Giorgio has taken on the role of Editor for Italy of CONFLICT OF LAWS .NET, which brings our coverage of private international law around the world up to thirteen jurisdictions. Long may the growth continue.)

German Federal Supreme Court: Adversary Proceedings in the State of Origin necessary for Recognition under Brussels I Regulation

In its decision of 21 December 2006 (IX ZB 150/05) the German Federal Supreme Court held that provisional measures can only be recognised and enforced under the Brussels I Regulation if the judicial decision was the subject of an inquiry in adversary proceedings in the State of origin and thus declared the ECJ's case law (Denilauler) on the Brussels Convention to be applicable also with regard to the Brussels Regulation.

In the present case, the Federal Supreme Court had to deal with a Swedish order of attachment which had been declared enforceable in Germany even though the debtor had neither been heard nor been served with the document instituting the proceedings. The decision on the application for a declaration of enforceability has been appealed by the debtor according to Art. 43 Brussels I Regulation. However, the German appellate court, the Higher Regional Court Schleswig, dismissed the appeal by arguing that also provisional measures had to be recognised under the Brussels I Regulation and that the *Denilauler* judgment of the ECJ on Artt. 25, 27, 46 No. 2 Brussels Convention was not applicable with regard to Artt. 32 et seq. Brussels I Regulation. The appellate court argued, the fact that the European legislator did maintain the broad wording of the former Art. 25 Brussels Convention in Art. 32 Brussels I Regulation showed that the legislator did not aim to adhere to the ECJ's decision in *Denilauler* – otherwise provisional measures would have been excluded from Artt. 32 et seq. Brussels I Regulation.

This reasoning has been rejected by the Federal Supreme Court. The Court pointed out that provisional measures do – in general – fall within the scope of Art. 32 Brussels I Regulation. However, this was only the case if the judicial decision was subject of an adversary proceeding in the State of origin – which had been held by the ECJ in *Denilauler*. This could – under the Brussels Convention – be derived from Art. 27 no. 2, Art. 46 no. 2 and results now from Art. 34 no. 2 Brussels I Regulation (which corresponds to the former Art. 27 no. 2 Brussels Convention) as well as Art. 54 (in conjunction with Annex V) Brussels I Regulation.

Since the relevant provisions of the Brussels I Regulation correspond to the ones of the Convention, the ECJ's findings in *Denilauler* could be transferred to Artt. 32, 34 no. 2 Brussels I Regulation. Thus, provisional measures cannot be recognised and enforced under the Brussels I Regulation if the debtor has not been granted the right to be heard.

Patent Litigation in the EU – German Case Note on “GAT” and “Roche”

A recently published and very interesting case note by *Jens Adolphsen* (Gießen) deals critically with the two recent and much discussed ECJ decisions on patent litigation – "GAT" and "Roche" – by arguing both decisions illustrated that effective infringement proceedings in intellectual property matters are not possible on the basis of the Brussels I Regulation.

Adolphsen starts his annotation by an analysis of the ECJ's reasoning in "GAT". Here the ECJ has held that,

> *[a]rticle 16 (4) of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters […] is to be interpreted as meaning that the rule of exclusive jurisdiction laid down therein concerns all proceedings relating to the registration or validity of a patent, irrespective of whether the issue is raised by way of an action or a plea in objection.*

This leads to the result that the continuation of infringement actions with an indirect examination of the validity of the patent is inadmissible since this "would undermine the binding nature of the rule of jurisdiction laid down in Article 16 (4) of the Convention". (ECJ, para. 26).

This approach is criticised by *Adolphsen* – who favours a restrictive interpretation of Art. 16 (4) Brussels Convention – for obstructing an effective protection by patent.

Secondly, *Adolphsen* attends to the "Roche" decision where the ECJ has held that,

> *[a]rticle 6 (1) of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters [..] must be interpreted as meaning that it does not apply in European patent infringement proceedings involving a number of companies established in various Contracting States in respect of acts committed in one or more of those States*

> *even where those companies, which belong to the same group, may have acted in an identical or similar manner in accordance with a common policy elaborated by one of them.*

Adolphsen agrees with the ECJ regarding the first question referred for a preliminary ruling. Here, the ECJ has held that,

> *[…] in the case of European patent infringement proceedings involving a number of companies established in various Contracting States in respect of acts committed in one or more of those States, the existence of the same situation of fact cannot be inferred, since the defendants are different and the infringements they are accused of, committed in different Contracting States, are not the same.*

Adolphsen points out that the negation of a connection in this context makes allowance for the fact that national patents of a European patent are subject only to the national law of the State they have been granted for.

However, *Adophsen* criticises the point of view adopted by the ECJ with regard to the second question. Here the ECJ declined a connection even if companies are involved which belong to the same group and have acted in an identical or similar manner in accordance with a common policy elaborated by one of them.

The ECJ laid – according to the author – too much weight on the existence of the same situation of fact and law and adopted therefore an approach far too formalistic.

This criticism leads *Adolphsen* to questioning fundamentally whether it was appropriate to transfer the meaning of "closely connected" – which has now been incorporated into Art. 6 (1) and Art. 28 (3) Brussels I Regulation – from Art. 22 (3) to Art. 6 (1) Brussels Convention since both provisions are based on different considerations and goals.

The full annotation can be found in IPRax 2006, 15 et seq.

U.S. Supreme Court Hears One Case, Grants Two More, On Private International Law Issues

On Tuesday, January 9, the Supreme Court heard argument in Sinochem v. Malaysia Int'l Shipping, regarding the doctrine of forum non conveniens in U.S. Courts. The case was previewed on this site here, and the argument transcript can be found here. It provides an interesting dialogue among members of the Court regarding the efficacy and operation of the doctrine in U.S. federal courts.

On Friday, January 19, the Court granted certiorari in 05-85, Powerex Corp. v. Reliant Energy Services. The question presented in that case is whether a foreign company owned by a Canadian province and doing commercial business in the U.S. is to be treated as an organ of a foreign government, and thus entitled to have legal claims against it heard in federal rather than state court. The Court added to this review the question of the Ninth Circuit Court's jurisdiction to review a remand order by the District Court. Courtesy of the SCOTUSblog, the briefs can be found here: Petition, Brief in Opposition, Reply. Amici briefs from the government of Canada and British Columbia are expected to be filed, and it wouldn't be surprising if other sovereigns line-up as well.

On that same day, the Court also granted review in 06-134, India Permanent Mission to the United Nations v. New York City over the question whether foreign embassy properties used as diplomats' residence are immune to property taxes assessed by the local New York City government. Especially interesting is question 2 presented in the petition: "Is it appropriate for U.S. Courts to interpret U.S. statutes by relying on international treaties that have not been signed by the U.S. government and do not accurately reflect international practice because they have been signed only by a limited number of nations." The Court granted review over both questions. Again courtesy of the SCOTUSblog, the briefs can be found here: Petition, Brief in Opposition, Reply . This is also a case where one would expect numerous amici from other nations.

European Parliament Legislative Resolution on Rome II

As we reported recently, the Committee on Legal Affairs' Recommendation (see our summary here) for the European Parliament's second reading of the proposed regulation on the law applicable to non-contractual obligations ("Rome II") was due for adoption in plenary session today.

And adopt it they did. Most of the (controversial) amendments recommended by JURI in their draft report have been approved by the European Parliament. Here is a short summary of the European Parliament's key amendments to the Council's Common Position:

- the rules on violations of privacy and rights relating to the personality (Recital 25a and Article 7a) have been retained, which identifies the country where the most significant element(s) occur as:

the country to which the publication or broadcasting service is principally directed or, if this is not apparent, the country in which editorial control is exercised, and that country's law should be applicable. The country to which a publication or broadcast is directed should be determined in particular by the language of the publication or broadcast or by sales or audience size in a given country as a proportion of total sales or audience size or by a combination of those factors. Similar considerations should apply in respect of publication via the Internet or other electronic networks.

- Recital 29(a) and Article 21a, on quantifying damages, are retained:

It is appropriate to make it clear that, in quantifying damages in personal injury cases, the court seised should apply the principle of restitutio in integrum having regard to the victim's actual circumstances in his country of habitual residence. This should include, in particular, the actual cost of after-care and medical attention.

- Article 6, on unfair competition and acts restricting free competition, is deleted
- the seemingly procedural rules on the pleading and proof of foreign law have been kept, albeit in slightly more flexible form:

> *Any litigant making a claim or counterclaim before a national court or tribunal which falls within the scope of this Regulation may give consideration to any issues of applicable law raised by his claim or counterclaim and accordingly where appropriate notify the court or tribunal and any other parties of the law or laws which that litigant maintains are applicable to all or any parts of his claim (Recital 29b).*
>
> *As in the Rome Convention, the principle of 'iura novit curia' applies. The court itself should of its own motion establish the foreign law. For the purposes of establishing the foreign law the parties should be permitted to assist the court and the court should also be able to ask the parties to provide assistance (Recital 30a).*

The accompanying articles from the original draft report, however, have been removed (Articles 15a and 15b), and it is therefore somewhat unclear what the inclusion of the recitals *only* is meant to signify. Numerous minor amendments suggested by JURI were, in the event, rejected by the European Parliament. Details of the votes in plenary session, amendment by amendment, can be found here. You can find all of the proposed amendments to the Common Position of the Council by the European Parliament in this document, on pages 45-53.

A new draft of Rome II, based upon the results of today's discussion and votes, will almost certainly make its way to a Conciliation Committee. That Committee, it would seem, have an awful lot of work to do if Rome II is going to be acceptable to the Council and, ultimately, the Member States.

Update: Diana Wallis MEP, Rapporteur for Rome II, has posted this on her website:

> *The European Parliament adopted the second reading report with an overwhelming majority on Thursday 18 January. **MEPs** have decided again to underline their support for the original first reading position, again putting back in the Articles relating to defamation and road traffic accidents which had*

been excluded in the Member States Common Position. There will almost certainly have to be a conciliation process to iron out the final difficulties between the European law-making institutions.

Many thanks to Giorgio Buono, University of Rome "La Sapienza", for his initial tip-off and for hunting down some of the documents referred to above.

Open Letter to French President on the European Intrusion into French Private International Law

Some sixty leading French jurists (including Prof. Pierre Mayer of the Pantheon Sorbonne) have, controversially, signed an open letter to President Jacques Chirac on the alleged illegitimacy of the European Union's acitvities in the field of private international law.

Jacco Bomhoff (*of Leiden University and the Comparative Law Blog*) has very kindly forwarded to us a translation of the extraordinary letter's key claims:

In a democracy organised on the basis of the principles of the rule of law, a legal provision is legitimate only if emanating from an institution that has the authority to prescribe it. (…) Nevertheless, and despite ever louder objections from a growing number of leading jurists in Europe, the Community Institutions are relentless in taking liberties with this fundamental precept. Now, with the proposal for a Regulation on the law applicable to contractual obligations (Rome I), they seem resolved to ignore this notion definitively from now on.

The principal allegation by the signatories, Bomhoff writes,

…seems to be their fear that the new Regulation – in contrast to the existing 1980 Convention – will offer too little scope for the application of protective

> *mandatory rules of the forum (cf. art. 7 of the Convention). This, the professors suggest, is an element of the Commission's grand plan to get rid of the great majority of mandatory rules in contract law generally (for, they argue, if cross-border contracts are so liberated, purely internal contracts cannot stay behind). This aproach "constitutes a grave attack on democracy as it robs national legislatures of all power".*

That, however, is not the end of the story. Some eighty other French academics have signed a counter-letter (including Paul Lagarde, Hélène Gaudemet-Tallon and Catherine Kessedjian), stating that they denounce the

> *dramatic, even apocalyptic, and therefore totally disproportionate tone…adopted by their colleagues.*

Comments, especially by our French readers, are most welcome. Many thanks to Jacco Bomhoff for the tip-off. A rough translation of the original post on the Coullises de Bruxelles website can be found here.

Ontario Court Analyses Role of Parallel Proceedings in Application for Stay

In *Molson Coors Brewing Co. v. Miller Brewing Co.* (available here) the Ontario Superior Court of Justice stayed proceedings between two North American beer titans in favour of parallel litigation underway in Wisconsin. The dispute concerned a licence agreement that did not contain an express jurisdiction clause but that was expressly governed by Ontario law. The proceedings in Wisconsin were commenced first, but only three months earlier than the Ontario litigation. The Wisconsin court had refused to grant a motion by Molson to stay its proceedings, leading Miller to then seek to stay the Ontario proceedings.

The most interesting part of the decision addresses the role parallel proceedings should be accorded in the *forum non conveniens* analysis. The court states that the existence of parallel proceedings should not trump all other factors. But it goes on to note that "absent concerns of injustice to the individual parties, a court may rightly elevate the factors of international comity, judicial efficiency, distribution of resources, and the avoidance of inconsistent results when performing the *forum non conveniens* analysis."

The court also offers some interesting observations about the relationship between Canada and the United States of America. One such observation is that "A court system that permits or encourages the commencement and continuation of parallel proceedings as a litigation strategy works against the achievement of a more seemless continental economy and sensible approach to dispute resolution."