New Articles for Early 2008

It has been a little while since my last trawl through the law journals, and a few articles and casenotes have been published in the intervening period that private international law enthusiasts may wish to add to their reading list:

J.M. Carruthers, "**De Facto Cohabitation: the International Private Law Dimension**" (2008) 12 *Edinburgh Law Review* 51 – 76.

P. Beaumont & Z. Tang, "**Classification of Delictual Damages – Harding v Wealands and the Rome II Regulation**" (2008) 12 *Edinburgh Law Review* 131 – 136.

G. Ruhl, "**Extending Ingmar to Jurisdiction and Arbitration Clauses: The End of Party Autonomy in Contracts with Commercial Agents?**" (2007) 6 *European Review of Private Law* 891 – 903. An abstract:

> *In the judgment discussed below, the Appeals Court of Munich (OLG München) deals with the question whether jurisdiction and arbitration clauses have to be set aside in the light of the Ingmar decision of the European Court of Justice where they cause a derogation from Articles 17 and 18 of the Commercial Agents Directive. The Court concludes that this question should be answered in the affirmative if it is 'likely' that the designated court or arbitral tribunal will neither apply Articles 17 and 18 nor compensate the commercial agent on different grounds. Thus, the Court advocates that Articles 17 and 18 be given extensive protection. This is, however, problematic because such extensive protection imposes serious restrictions on party autonomy, whereas these restrictions are not required by Community law in general or by the principle of effectiveness in particular. Therefore, it is very much open to doubt whether this decision is in the best interests of the Internal Market.*

F. Bolton & R. Radia, "**Restrictive covenants: foreign jurisdiction clauses**" (2008) 87 *Employment Law Journal* 12 – 14. The abstract:

> *Reviews the Queen's Bench Division judgment in Duarte v Black and Decker Corp and the Court of Appeal decision in Samengo-Turner v J&H Marsh & McLennan (Services) Ltd on whether restrictive covenants were enforceable*

under foreign jurisdiction clauses contained in the long-term incentive plan agreements of UK domiciled employees of multinational companies. Examines the conflict of laws and whether English law applied under the Convention on the Law Applicable to Contractual Obligations 1980 Art.16 and under Regulation 44/2001 Arts.18 and 20.

W. Tetley, "**Canadian Maritime Law**" *L.M.C.L.Q.* 2007, 3(Aug) Supp (*International Maritime and Commercial Law Yearbook* 2007), 13-42. The blurb:

Reviews Canadian case law and legislative developments in shipping law in 2005 and 2006, including cases on: (1) carriage of goods by sea; (2) fishing regulations; (3) lease of port facilities; (4) sale of ships; (5) personal injury; (6) recognition and enforcement of foreign judgments; (7) shipping companies' insolvency; (8) collision; and (9) marine insurance.

S. James, "**Decision Time Approaches – Political agreement on Rome I: will the UK opt back in?**" (2008) 23 *Butterworths Journal of International Banking & Financial Law* 8. The abstract:

Assesses the extent to which European Commission proposed amendments to the Draft Regulation on the law applicable to contractual obligations (Rome I) meet the concerns of the UK financial services industry relating to the original proposal. Notes changes relating to discretion and governing law, assignment and consumer contracts.

A. Onetto, "**Enforcement of foreign judgments: a comparative analysis of common law and civil law**" (2008) 23 *Butterworths Journal of International Banking & Financial Law* 36 – 38. The abstract:

Provides an overview of the enforcement of foreign judgments in common law and civil law jurisdictions by reference to a scenario involving the enforcement of an English judgment in the US and Argentina. Reviews the principles and procedures applicable to the recognition and enforcement of foreign judgments in the US and Argentina respectively, including enforcement expenses and legal fees. Includes a table comparing the procedures for the recognition and enforcement of foreign judgments in California, Washington DC and New York.

J. Carp, "**I'm an Englishman working in New York**" (2008) 152 *Solicitors Journal* 16 – 17. The abstract:

> *Reviews case law on issues arising where a national of one country works in another country. Sets out a step by step approach to ascertaining: the law governing the employment contract; the applicability of mandatory labour laws, including cases on unfair dismissal, discrimination, working time, and the transfer of undertakings; which country has jurisdiction; and public policy. Offers practical suggestions for drafting multinational contracts.*

J. Murphy – O'Connor, "**Anarchic and unfair? Common law enforcement of foreign judgments in Ireland**" 2007 2 *Bankers' Law* 41 – 44. Abstract:

> *Discusses the Irish High Court judgment in Re Flightlease (Ireland) Ltd (In Voluntary Liquidation) on whether, in the event that the Swiss courts ordered the return of certain monies paid by a Swiss airline, in liquidation, to an Irish company, also in liquidation, such order would be enforceable in Ireland. Considers whether: (1) the order would be excluded from enforcement under the common law on the basis that it arose from a proceeding in bankruptcy or insolvency; and (2) the order would be recognised on the basis of a "real and substantial connection" test, rather than traditional conflict of laws rules.*

V. Van Den Eeckhout, "**Promoting human rights within the Union: the role of European private international law**" 2008 14 *European Law Journal* 105 – 127. The abstract:

> *This article aims to contribute both to the 'Refgov' project, which is focused on the ambition to find ways of promoting human rights within the EU, but also, more in general and apart from the project, to an improved understanding of the crucial place conflict of law rules occupy in the building of a common Europe—a highly political question behind apparently technical issues. In the study the author deals with the parameters, points of interest, etc in relation to private international law which should be heeded if European Member States 'look at' each other's laws, and—in the context of the 'Refgov' project—if the idea is to exchange 'best practices' or harmonise substantive law, or to harmonise private international law, etc further through a type of open method of coordination. The contribution also shows that private international law*

issues are decisive in respect of every evaluation of the impact of European integration on human rights, both if this integration process takes place through 'negative' harmonisation (for example by falling back on the principle of mutual recognition) and through 'positive' harmonisation.

R. Swallow & R. Hornshaw, "**Jurisdiction clauses in loan agreements: practical considerations for lenders**" (2007) 1 *Bankers' Law* 18 – 22. Abstract:

Assesses the implications for borrowers and lenders of the Commercial Court judgment in JP Morgan Europe Ltd v Primacom AG on whether proceedings brought in Germany challenging the validity a debt facility agreement were to be treated as the first seised under Regulation 44/2001 Art.27 (Brussels I Regulation), despite the fact that the agreement contained an exclusive jurisdiction clause in favour of the English courts. Advises lenders on the drafting of loan agreements to help mitigate the risk of a jurisdiction clause being frustrated. Considers the steps that might be taken by the lender once a dispute has arisen.

A. Dutton, "**Islamic finance and English law**" (2007) 1 *Bankers' Law* 22 – 25. Abstract:

Reviews cases relating to Islamic finance, including: (1) the Commercial Court decision in Islamic Investment Co of the Gulf (Bahamas) Ltd v Symphony Gems NV on whether the defendant was liable to make payments under a Sharia compliant contract governed by English law that would contravene Sharia law; (2) the Court of Appeal ruling in Shamil Bank of Bahrain EC v Beximco Pharmaceuticals Ltd (No.1) interpreting a choice of law clause expressed as English law "subject to the principles" of Sharia law; and (3) the Commercial Court judgment in Riyad Bank v Ahli United Bank (UK) Plc on whether the defendant owed a duty of care to a Sharia compliant fund where it had contracted directly with its parent bank.

J. Burke & A. Ostrovskiy, "**The intermediated securities system: Brussels I breakdown**" (2007) 5 *European Legal Forum* 197 – 205. Abstract:

Presents a hypothetical case study of a dispute arising from a cross-border securities transaction involving parties from the UK, Sweden and Finland to

examine the application of the private international law regime under Regulation 44/2001 Art.5(1) (Brussels I Regulation), the Convention on the Law Applicable to Contractual Obligations 1980 Art.4 (Rome Convention) and the Hague Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary. Considers the extent to which commercial developments in the securities industry have outstripped the current conflicts of law rules.

M. Requejo, "**Transnational human rights claims against a state in the European Area of Freedom, Justice and Security: a view on ECJ judgment, 15 February 2007 – C292/05 – Lechouritou, and some recent Regulations**" (2007) 5 *European Legal Forum* 206 – 210. Abstract:

Comments on the European Court of Justice ruling in Lechouritou v Germany (C-292/05) on whether a private action for compensation brought against Germany with respect to human rights abuses committed by its armed forces during its occupation of Greece in the Second World War fell within the scope of the Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters 1968 Art.1, thus preventing the defendant from claiming immunity for acts committed during armed conflict. Examines the EC and US jurisprudential context for such private damages claims.

L. Osana, "Brussels I Regulation Article 5(3): German Law Against Restrictions on Competition" (2007) 5 *European Legal Forum* 211 – 212. Abstract:

Summarises the Hamburg Court of Appeal decision in Oberlandesgericht (Hamburg) (1 Kart-U 5/06) on whether the German courts had jurisdiction under Regulation 44/2001 Art.5(3) (Brussels I Regulation) to order a German tour operator not to incite Spanish hotels to refuse to supply contingents to a competitor German tour operator, behaviour that had been found to be anti-competitive.

C. Tate, "**American Forum Non Conveniens in Light of the Hague Convention on Choice of Court Agreements**" (2007) 69 *University of Pittsburgh Law Review* 165 – 187.

E. Costa, "**European Union: litigation – applicable law**" (2008) 19

International Company and Commercial Law Review 7 – 10. Abstract:

> *Traces the history of how both the Convention on the Law Applicable to Contractual Obligations 1980 (Rome I) and Regulation 864/2007 (Rome II) became law. Explains how Rome II regulates disputes involving non-contractual obligations and determines the applicable law. Notes areas where Rome II does not apply, and looks at the specific example of how Rome II would regulate a dispute involving product liability, including the habitual residence test.*

E.T. Lear, "**National Interests, Foreign Injuries, and Federal Forum Non Conveniens**" (2007) 41 *University of California Davis Law Review* 559 – 604 [**Full Text Here**]. Abstract:

> *This Article argues that the federal forum non conveniens doctrine subverts critical national interests in international torts cases. For over a quarter century, federal judges have assumed that foreign injury cases, particularly those filed by foreign plaintiffs, are best litigated abroad. This assumption is incorrect. Foreign injuries caused by multinational corporations who tap the American market implicate significant national interests in compensation and/or deterrence. Federal judges approach the forum non conveniens decision as if it were a species of choice of law, as opposed to a choice of forum question. Analyzing the cases from an adjudicatory perspective reveals that in the case of an American resident plaintiff injured abroad, an adequate alternative forum seldom exists; each time a federal court dismisses such a claim, the American interest in compensation is irrevocably impaired. With respect to deterrence, an analysis focusing properly on adjudicatory factors demonstrates that excluding foreign injury claims, even those brought by foreign plaintiffs, seriously undermines our national interest in deterring corporate malfeasance.*

I am sure that I have missed various articles or case comments published in the last couple of months. If you spot any that are not on this list (or, even better, if you have written one and it is not on this list), please let me know.

Article on the Economic Analysis of Choice of Law Clauses

Stefan Voigt (Marburg) has written an interesting article titled **"Are International Merchants Stupid? Their Choice of Law Sheds Doubt on the Legal Origin Theory"** which has been published originally in the *Journal of Empirical Legal Studies, March 2008, Vol. 5, Issue 1* and has been posted on SSRN.

The abstract reads as follows:

> *In economics, there is currently an important discussion on the role of legal origins or legal families. Some economists claim that legal origins play a crucial role even today. Usually, they distinguish between Common Law, French, Scandinavian and German legal origin. When these legal origins are compared, countries belonging to the Common Law tradition regularly come out best (with regard to many different dimensions) and countries belonging to the French legal origin worst.*
>
> *In international transactions, contracting parties can choose the substantive law according to which they want to structure their transactions. In this paper, this choice is interpreted as revealed preference for a specific legal regime. It is argued that the superiority-of-common-law view can be translated into the hypothesis that sophisticated and utility-maximizing actors would rationally choose a substantive law based on the Common Law tradition such as English or US American law. Although exact statistics are not readily available, the evidence from cases that end up with international arbitration courts (such as the International Court of Arbitration run by the International Chamber of Commerce in Paris) demonstrates that this is not the case. This evidence sheds, hence, some doubt on the superiority-of-the-common-law view.*

The article can be downloaded from SSRN as well as from Blackwell Synergy (with subscription).

(Many thanks to Prof. Dr. Jan von Hein (Trier) for the tip-off!)

Guest Editorials

Conflict of Laws .net will periodically play host to guest editors: distinguished scholars and practitioners in private international law, who have been invited to write a short article on a subject of their choosing. It is hoped that these guest editorials will provide a forum for discussion and debate on some of the key issues currently in the conflicts world. This page will list the editorials as they appear.

Trust and Confidence in the European Community Supreme Court **by Professor Andrew Dickinson**

Reflections on the Proposed EU Regulation on Succession and Wills **by Professor Jonathan Harris**

Reshaping Private International Law in a Changing World **by Professor Horatia Muir-Watt**

Recognition of a Recognition Judgment under Brussels I? **by Professor Peter Hay**

Should Arbitration and European Procedural Law be Separated or Coordinated? Some remarks on a recurrent debate of European lawmaking **by**

Professor Burkhard Hess

Private International Law and the Downturn by Richard Fentiman

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Choice of Law in the American Courts in 2007: Twenty-First Annual Survey

With the start of a new year, and the concomitant end of an old one, comes the twenty-first instalment of Symeon Symeonides' annual survey of US decisions relating to choice-of-law issues. It is, as always, both a rigorous piece of research and an excellent resource. Here's the abstract:

> *This is the Twenty-First Annual Survey of American Choice-of-Law Cases. It covers cases decided by American state or federal courts from January 1 to December 31, 2007, and reported during the same period. Of the 3,676 conflicts cases meeting both of these parameters, the Survey focuses on the cases that deal with the choice-of-law part of conflicts law, and then discusses those cases that may add something new to the development or understanding of that part. The Survey is intended as a service to fellow teachers and students of conflicts law, both within and outside the United States. Its purpose is to inform rather than to advocate. The following are among the cases reviewed in the Survey:*
>
> *A California Supreme Court decision involving recordings of cross border communications and another California case raising issues of cross-border discrimination in managing a web site; a product-liability decision of the New Jersey Supreme Court backtracking from its earlier pro-plaintiff decisions, and several other cases continuing to apply the pro-defendant law of the victim's home state and place of injury; several cases arising out of the events of*

> *September 11, 2001, and a few cases involving claims of torture (by them and us); the first guest statute conflict in years, as well as a case eerily similar to Schultz v. Boy Scouts of America, Inc.; two cases in which foreign plaintiffs succeeded, and many more cases in which US plaintiffs failed, to obtain certification of a nationwide class action; a case involving alienation of affections and one involving palimony between non-cohabitants; several cases involving deadly combinations of choice-of-law, choice-of-forum, and arbitration clauses; three cases involving the paternity or maternity of children born after artificial insemination, in three different combinations (known sperm donor, unknown sperm donor, and unknown egg donor); a case involving the child of a Vermont civil union and holding that DOMA does not trump the Parental Kidnapping Prevention Act; a case involving the constitutionality of a Missouri statute affecting out-of-state abortions of Missouri minors; and one US Supreme Court decision allowing federal courts to dismiss on forum non conveniens grounds without first affirming their jurisdiction, and another decision exonerating Microsoft from patent infringement charges arising from partly foreign conduct.*

The survey is available to download, free of charge, **from here**. **Highly recommended**.

West Tankers, and Worldwide Freezing Orders

There are two casenotes in the new issue of the *Cambridge Law Journal* worthy of mention. Firstly, Richard Fentiman (*Cambridge*) has written on "Arbitration and the Brussels Regulation" – discussing the recent House of Lords decision (and reference to the ECJ) in *West Tankers Inc v. RAS – Ras Riunione di Sicurata SpA* [2007] UKHL 4. The introduction reads:

> *WHEN, if at all, may English courts restrain claimants from suing in other Member States? The European Court of Justice has declared such relief to be*

inconsistent with the principle of mutual trust embodied in Regulation 44/2201, governing jurisdiction in national courts: Case C-281/02 Turner v. Grovit [2004] ECR I – 3565. But when does the Regulation engage, so that the ban imposed in Turner applies? Perhaps it does so whenever the foreign proceedings are within the Regulation's material scope. If so, civil proceedings in the courts of Member States can never be restrained. Alternatively, perhaps the Regulation only engages when it governs jurisdiction in both the foreign and the English proceedings. Judicial proceedings in other Member States could thus be restrained, provided relief is sought in English proceedings beyond the Regulation's reach.

Louise Merrett (*Cambridge*) has written a note on "Worldwide Freezing Orders in Europe" (C.L.J. 2007, 66(3), 495-498). Here's the abstract:

Examines the Court of Appeal decision in Banco Nacional de Comercio Exterior SNC v Empresa de Telecomunicationes de Cuba SA on whether the court had jurisdiction under Regulation 44/2001 Art.47 (Brussels Regulation) or the Civil Jurisdiction and Judgments Act 1982 s.25 to grant a worldwide freezing order over the defendant's assets where it was not connected to, nor resident in, England and the court had no jurisdiction over the subject matter of the proceedings.

Available to subscribers (both online and in print).

Fourth issue of 2007's Journal du Droit International

The fourth issue of the French *Journal du Droit International (Clunet)* has been released. It contains three articles dealing with private international law issues (the table of contents in French can be found here).

First, the *Journal* offers the end of the article of Ms Legros (the first part of which

was published in the third issue of the Journal) on Conflicts of Norms in the Field of International Contracts for Carriage of Goods (”*Les conflits de normes en matière de contrats de transport internationaux de marchandises*“). The second part of the study focuses on jurisdictional and enforcement issues.

The second article is authored by Professor Emmanuel Gaillard, who teaches at Paris XII university, and who is also a leading practionner of international commercial arbitration. It discusses the Representations of International Arbitration, Between Sovereignty and Autonomy (“*Souveraineté et autonomy: réflexions sur les représentations de l’arbitrage international*“). The English abstract reads:

> *The autonomy of international arbitration vis-à-vis national legal orders raises important question of legal theory. There are several representations of international arbitration: that assimilating the arbitrator to the courts of a single legal system; that perceiving the autonomy of international arbitration as detached of national legal systems; and that considering such autonomy as anchored in the entirety of the legal systems that accept, under certain conditions, to recognize the arbitral award. Significant practical consequences follow from these distinctions.*

The third is authored by Didier Lamethe, who is the *Secrétaire Général* of EDF International, a subsidiary of the French national electricity company. His article discusses the Languages of International Arbitration (“*Les langues de l’arbitrage international : liberté or contraintes raisonnées de choix ou contraintes réglementées ?*“). The English abstract reads:

> *As far as international contracts are concerned, language plays a key part beyond the negotiation and the signature, in the event of deviations of interpretation ending up in an arbitration. Thus arises the question of the choice an the backgrounds of the choice of the language(s) regarding not only the proceedings, but also some sides of the proceedings. This essays puts up the principles of a sharing-out between the feasible and the forbidden, the content of arbitration rules making up a reference for a comparative analysis of great interest. Such an approach outlines the areas of freedom for the choice to be made and gives a demonstration of the imprecise figure of the constraints.*

Available to suscribers.

Third Issue of 2007's Revue Critique de Droit International Privé

The latest issue of the French *Revue Critique de Droit International Privé* has been released. In addition to 9 comments of French and European cases, it contains two articles. The table of contents can be found here.

The first article is authored by Dr. A. Aldeeb Abu-Sahlieh, who teaches in Lausanne, Marseille and Palermo. It deals with Muslim Family and Inheritance Law in Swizterland (*Droit musulman de la famille et des successions en Suisse*). The English abstract reads:

> *The fundamental opposition between Coranic family law and the Swiss legal order concerns, on the one hand, the very conception of law, here the work of God, there the work of man, and on the other hand, the divisions of society, which on the one hand follow religious obedience, and on the other, territoriality or nationality. The resulting antagonisms are of daily and practical import, since they affect marriage, parent-child relationship or succession. They will find a solution only if, within the Arab world, sources of religious law are confined to the Coran, and indeed if social governance leaves room for reason, and, in the western world, if the concept of revelation reinvests its reason-liberating dynamic, and if there is a firm reaction to all violations of the principle of secularity and non-discrimination on the basis of race or religion.*

The second article is authored by Professor Hélène Chanteloup, who lectures at Amiens University. It addresses the issue of National Laws Being Taken into Account by EC Courts (*La prise en consideration du droit national par le juge communautaire. Contribution à la comparaison des méthodes et solutions du droit*

communautaire et du droit international privé). The English abstract reads:

> *Far from the difficulties raised by the question of the right and duty of national courts when foreign law is applicable, the question of the status of the national laws pleaded in European litigations seems to be sobed with coherence and a relative simplicity. Except the specific case of the arbitration clause (art. 238 CE), the national law cannot be applied by European judges. It is just taken into account like any other factual element of the situation. National law is treated as a question of fact. Therefore, it is not to be imputed to European judges and has to be proved by the party with evidence of all kinds. Furthermore, the European Court of Justice has always considered that this question of proof has to be solved in respect of the interests of the European law which contributes to the coherence and the stability of the procedural treatment of national law.*

Articles of the *Revue Critique* cannot be downloaded.

Fourth Issue of 2007's International and Comparative Law Quarterly

The fourth issue 2007 of the ICLQ (Volume 56, Number 4, October 2007) has been recently published. The full TOC is available here. Contents dealing with PIL include:

- *TD Grant*, International Arbitration and English Courts:

> *The Court of Appeal, Civil Division, Longmore LJ, on 24 January 2007 handed down a decision in Fiona Trust v Privalov which clarifies the relation between sections 9 and 72 of the Arbitration Act 1996; affirms, again, in strong terms the separability (or severability) of an arbitration clause from the contract in which it is included; and, apparently for the first time in English courts,*

establishes that allegations of bribery may be subject to the jurisdiction of an arbitrator. The decision therefore holds interest in relation to the enforcement in the United Kingdom of agreements to arbitrate and, more generally, supports the position that arbitration has a role to play in international efforts to combat corruption.

- *Gilles Cuniberti*, The Liberalization of the French Law of Foreign Judgments (see our dedicated post here);
- *Andrea Schulz*, The Accession of the European Community to the Hague Conference on Private International Law.

The articles are available for download to ICLQ and Westlaw subscribers.

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- **Andrew Dickinson**, a Consultant to the firm in London, is a member of the North Committee (the UK Ministry of Justice's advisory committee on private international law issues) and on the editorial board of the *Journal of Private International Law*.
- **Edwin Peel**, Fellow of Keble College and a Consultant to the firm in London, convenes the conflict of laws course for the Bachelor of Civil Law degree at Oxford University.
- Dr **Hendrik Verhagen**, Professor of private international law, comparative law and civil law at Radboud University, Nijmegen, is an Advocate at the firm's Amsterdam office.

For further information on Clifford Chance and its conflict of laws capability, please see **CliffordChance.com** or contact Audley Sheppard, partner in the Arbitration and International Law Groups (email) or Andrew Dickinson (email) or Hendrik Verhagen (email).

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Needless to say, this is a very exciting time for CONFLICT OF LAWS .NET,

and there is a lot more news to come in the next couple of weeks as a direct result of this new sponsorship. We're very pleased to be working with a world-class law firm *and* a world-class publishing house, and we will be utilising those relationships for the benefit of private international law scholars and students around the world.

Paying Here, Seeking Restitution There.

A negative consequence of the availability of multiple fora in international litigation is the risk of conflicting decisions. Several adjudicators can retain jurisdiction and then reach conflicting, if not opposite, results on the merits. Is it a problem? It could be argued that it is for two different reasons. The first is that the legitimacy of the legal process is undermined when inconsistencies are produced. This is certainly true when this happens in one given legal order. However, when it happens in different legal orders, it seems to be the sad consequence of the autonomy of the legal orders involved. Arguably, there is no real inconsistency when autonomous legal orders adopt different solutions. The second reason why conflicting decisions can be a problem is because the parties may be ordered to take inconsistent actions. If a party is enjoined to do something by one court and ordered to refrain from doing it by another court, the position of that party becomes unbearable.

An interesting example of this last hypothesis is the case of a party being ordered to pay a sum of money in one jurisdiction, but being also able to successfuly seek restitution of that sum of money in another jurisdiction. I am not aware of many cases where this actually happened. Here is an interesting one involving a court and an arbitral tribunal.

The debtor was the State of Congo, which had borrowed money from a Libanese construction company, Groupe Tabet. Congo did not make the instalments repayment itself but ask Elf Congo, the Congolese subsidiary of the French oil

company Elf, to do so, and to commit to do so to the lender. There were thus two different sets of contracts, the borrowing contracts between Congo and Tabet, and the repayment contract between Elf Congo and Tabet. There was certainly a third contractual relationship between Congo and Elf Congo, which explains why Elf Congo agreed to commit to the lender, but I do not have information on it, and it is not directly relevant.

Five years later, the State of Congo argued that the lender had received too much money and Elf Congo stopped paying back, probably after being instructed to do so by the State. The lender then decided to sue Elf Congo under the repayment contract before Swiss courts (I do not know whether this venue was chosen because the contract contained a clause providing for the jurisdiction of Swiss courts). A Geneva court ordered Elf Congo to pay 64 million Swiss francs (EUR 38 million) in 2001. The Swiss Federal Tribunal eventually confirmed the judgement in 2003. The Swiss decisions were declared enforceable in France in 2003 or in 2004. The State of Congo counter attacked by initiating arbitral proceedings under the borrowing contracts against the lender, as those contracts contained a clause providing for ICC arbitration in Paris, France. The arbitral tribunal did not rule completely in the State of Congo's favour, as it found in a first award that the State still owned EUR 16 million. But the tribunal found that the remaining EUR 22 million were not owned. In a second award made in 2003, it thus ordered the lender to enter into an escrow account agreement with Elf Congo, and to put on this account any monies that it would have to pay as a consequence of the Swiss judgment beyond EUR 16 million.

A dispute concerning the enforcement of the second award was then brought before French courts. On the one hand, the lender decided to challenge the second award and sought to have it set aside. On the other hand, the State of Congo was applying for a court order to comply with the same second award *sous astreinte*, i.e. for a judgement ordering the performance of the award and providing that the lender would have to pay a certain sum for each day of non-compliance. French courts refused to issue such order, as the proceedings challenging the award suspended its enforceability. A debate arose as to whether an exception existed in the case in hand, making the award immediately enforceable. The French supreme court for private and criminal matters (*Cour de cassation*) eventually ruled in a judgement of July 4th, 2007 that the enforcement of the award was suspended and that its performance could not be ordered

judicially.

The case raises many issues of international arbitration. As far as the conflict of laws is concerned, the issue is whether there is a way to prevent the two adjudicators involved (i.e. Swiss courts and the ICC arbitral tribunal) from further ruling the contrary of each other.