

CELEBRATING OUR 25th ANNIVERSARY

Resolving Ambiguities in the Arbitration Agreement



Hon. Abe Gafni

It is well-recognized that arbitration is a matter of contract, and that courts will rigorously enforce arbitration agreements in accordance with their terms. Yet, often, ambiguities require that courts apply basic principles of contract interpretation to ascertain the intent of the parties as to matters unclear in the agreement itself. Such a situation presented itself recently in the U.S. Court of Appeals for the Eleventh Circuit, where the appellate court overturned a lower court determination that an arbitration should be conducted in Florida rather than in London. *Internaves De Mexico s.a. DE C.V. v. Andromeda Steamship, No. 17-12164, 8/1/18., 2018 U.S. App.Lexis 21280*)

The dispute between the parties involved a shipping transaction. It was clearly understood that such disputes would be submitted to arbitration. The arbitration agreement, however, was confusing as to where the matter was to be arbitrated. When the parties turned to the federal district court in Florida to resolve this issue, the judge decided that he was unable to ascertain the appropriate venue for the arbitration from the agreement. Accordingly, he resorted to the default arbitration forum under the Federal Arbitration Act (FAA), 9 USC Section 4, as it related to international arbitration agreements under Chapter 2, which provides that "if the parties agreed to arbitrate but failed to 'provide for' a forum, then the court must compel arbitration, but only within its own district ..." On this basis it ordered arbitration in Florida, a venue neither mentioned in the agreement nor sought by either party.

The court's difficulty arose by reason of a seeming conflict between written markings contained in Part I, which contained terms specific to this particular transaction and Part II, which contained general boilerplate provisions typically incorporated in shipping transactions of this nature. [READ MORE..](#)

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