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Appellate and Constitutional Law Update

May 14, 2026

Supreme Court Affirms Continued Federal Court Jurisdiction Over Post-Arbitration Proceedings

Jules v. Andre Balazs Properties, No. 25-83 – Decided May 14, 2026

Today, the Supreme Court held unanimously that federal courts retain jurisdiction to confirm or vacate arbitration awards in federal-court actions stayed for arbitration under the Federal Arbitration Act.

“A federal court with jurisdiction to stay claims pending arbitration under § 3 of the FAA has the same jurisdiction to resolve motions to confirm or vacate a resulting arbitral award.”

JUSTICE SOTOMAYOR, WRITING FOR THE COURT

Background:

Petitioner Adrian Jules sued his former employer and several related parties in federal court, alleging federal employment claims. The U.S. District Court for the Southern District of New York concluded that those claims were subject to an arbitration agreement between the parties, and stayed the case pending arbitration under Section 3 of the Federal Arbitration Act. After arbitration concluded, Respondents returned to federal court and sought to confirm the arbitration award, while petitioner sought to vacate it. Petitioner also raised a jurisdictional challenge,

asserting that because the application to confirm the award presented no federal question, and because complete diversity did not exist between the parties, the district court lacked subject matter jurisdiction to confirm or vacate the award.

The district court held that it retained jurisdiction to resolve those post-arbitration motions and confirmed the award. The U.S. Court of Appeals for the Second Circuit affirmed, holding that a federal court that stays a case pending arbitration retains jurisdiction to decide subsequent motions to confirm or vacate the award. The Second Circuit recognized that the Supreme Court had previously held in *Badgerow v. Walters*, 596 U.S. 1 (2022), that federal courts lack jurisdiction to confirm arbitration awards in suits initially brought in state court absent independent grounds for federal jurisdiction. The Second Circuit reasoned that this holding did not extend to Petitioner's case because it was initially filed in federal court rather than state court.

The Supreme Court granted certiorari, recognizing that the courts of appeals were divided on this jurisdictional issue. Most circuits had agreed with the Second Circuit, adopting the so-called "jurisdictional anchor" approach and reasoning that where parties initially file suit in federal court, the court retains jurisdiction to confirm or vacate an arbitration award after staying a case for arbitration. By contrast, the Fourth Circuit had held that federal courts must identify an independent basis for jurisdiction over post-arbitration applications, even where the case was previously filed in federal court.

Issue:

Whether a federal court that initially exercised jurisdiction, compelled arbitration, and stayed a case pending arbitration retains jurisdiction to resolve post-arbitration motions to confirm or vacate an arbitration award, even if no independent basis for federal jurisdiction exists.

Court's Holding:

Yes. When a federal court has properly exercised jurisdiction over an action, compelled arbitration, and stays the case pending arbitration, it retains authority to resolve post-arbitration motions to confirm or vacate the resulting award. These post-arbitration proceedings are part of the same case and therefore do not require an independent basis for federal jurisdiction.

What It Means:

- The decision confirms that federal courts can oversee arbitration-related disputes from beginning to end when a case starts in federal court. Parties may return to the same federal court to confirm or challenge arbitration awards, promoting efficiency and avoiding duplicative litigation in state court.
- Parties who anticipate arbitration, but wish to preserve the option of a federal forum for post-arbitration proceedings, should consider filing suit in federal court or removing suits filed against them to federal court where jurisdiction exists, as doing so creates a durable jurisdictional anchor through confirmation or vacatur.

Gibson Dunn Appellate Honors

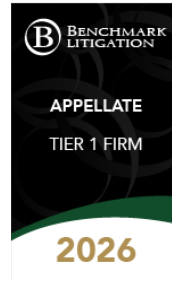


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The Court's opinion is available [here](#).

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding developments at the Supreme Court. Please feel free to contact the following practice group leaders:

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