The Case Against Maritime Class Arbitration: A Brief Policy Argument

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"The shipping and commodity trades of the world are unusual in that they do not regard... arbitration with abhorrence. On the contrary, they regard it as a normal incident of commercial life—a civilised way of resolving the many differences of opinion which are bound to arise."

~Lord Donaldson of Lymington

I. INTRODUCTION

On April 27, 2010, the United States Supreme Court decided a case that will have far-reaching implications for virtually all sectors within the arbitration industry, including the subject of this article—maritime arbitration. The question presented in Stolt-Nielsen v. AnimalFeeds International Corp. dealt with class arbitration and whether its imposition on parties whose arbitration clauses are silent on that issue is consistent with the Federal Arbitration Act (FAA).

The Court’s primary focus and concern in deciding Stolt-Nielsen was with the broader issues of class arbitration, as well as more complicated interpretations of contract law and the FAA. Although the parties to the case were privy to a maritime contract, this fact was more or less incidental to the Court’s discussion and focus. Indeed, some claim that even though...
the parties to the case were sophisticated maritime entities, "what [was] really at stake [was] the continued viability of class arbitration in consumer disputes."6

In contrast to the more generalized approach taken by the Court in deciding Stolt-Nielsen, this article will primarily examine the history and viability of class arbitration—and arbitration in general—in the far more narrow context of maritime and the admiralty. Stolt-Nielsen provides an excellent backdrop against which to explore the more maritime-specific aspects of the topic, an endeavor not often undertaken by the Court or legal scholars.7

Part II will briefly expound on the facts before the Court in Stolt-Nielsen. Part III will explore the rich and fabled history of maritime law and dispute resolution, and the benefits derived from submitting maritime disputes to arbitration rather than litigation. Part IV will focus briefly on the history of class arbitration and recent trends in the field. Part V will attempt to synthesize the various arguments made by the parties as to whether class arbitration should apply in maritime disputes regardless of contractual silence or express inclusion. Part VI will conclude the article by expounding on the Court's decision and what Stolt-Nielsen could mean for the maritime industry as well as for arbitration in general.

II. BRIEF FACTS

Stolt-Nielsen arose from disputes subject to international maritime arbitration agreements among multinational corporations involved in oceanic shipping.8 Stolt-Nielsen, a foreign corporation operating parcel tankers carrying bulk chemical and other specialty liquids in individual tanks,9 entered into bilateral shipping contracts with AnimalFeeds, a multinational

7. See William W. Park, Private Disputes and the Public Good: Explaining Arbitration Law, 20 AM. U. INT'L L. REV. 903, 906 (2005) ("[M]aritime arbitration ... [is] ... a richly variegated field that has been too often neglected in colloquia addressing international arbitration."). See also Fabrizio Marrella, Unity and Diversity in International Arbitration: The Case of Maritime Arbitration, 20 AM. U. INT'L L. REV. 1055, 1058 (2005) ("[D]espite the multi-secular existence of such an institution and its wide distribution in merchant trading, there has been limited scholarly review and investigation of maritime arbitration.").
9. Id. at 1764.
The terms of these contracts, known in the maritime community as "charter parties," called for disputes to be committed to arbitration but were silent as to the applicability of class arbitration. Subsequently, AnimalFeeds accused Stolt-Nielsen of price-fixing and filed an antitrust suit. The District Court held the claims were not arbitrable under the charter party, but the Second Circuit reversed and compelled arbitration. In arbitration, AnimalFeeds filed a putative class action against Stolt-Nielsen, seeking to arbitrate the anti-trust claims "of all direct purchasers of parcel tanker transportation services globally for bulk liquid chemicals, edible oils, acids, and other specialty liquids" from Stolt-Nielsen. Because the arbitration agreement was silent as to class arbitration, the arbitrators stayed the proceeding to allow the parties to seek judicial review.

III. MARITIME ARBITRATION

A. A Brief History

Maritime commerce and trade is ancient, with some of the earliest records of maritime commerce dating back to 1500 B.C. Maritime law also has a long and rich history, which some characterize as being "as long as mankind" itself. And for hundreds of years, the maritime industry has
also used "alternate dispute resolution in one form or another, most notably arbitration."19

Maritime arbitration most commonly arises from disputes involving contracts for the carriage of goods, insurance, or shipping20—disputes much like the one that arose between the parties in Stolt-Nielsen.21 According to the International Chamber of Shipping, "[a]round 90% of world trade is carried by the international shipping industry."22 Moreover, there are nearly 50,000 merchant ships, registered in over 150 nations, "trading internationally, transporting every kind of cargo."23 Historically, maritime commerce has "not [been] restricted to one country . . . ."24

It follows naturally, therefore, that disputes which arise from maritime activities almost always involve international contracts made between

19. Charles L. Measter & Peter Skoufalos, The Increasing Role of Mediation in Resolving Shipping Disputes, 26 TUL. MAR. L.J. 515, 517 (2002). See also Expert Declaration of Bruce Harris at ¶ 2 [hereinafter Harris Expert] (on file with author) (Harris, the proposed arbitrator in Stolt-Nielsen, explains: "International maritime arbitration has been established for a very long time . . . ."); 21 SAMUEL WILLISTON & RICHARD A. LORD, A TREATISE ON THE LAW OF CONTRACTS § 57:147 (4th ed. 2001) ("Among long established and time honored uses of arbitration in the various spheres of activity in trade and commerce, few can compare with charter parties."); Marrella, supra note 7, at 1057 ("[M]aritime arbitration has ancient origins, and . . . maritime arbitration preceded international commercial arbitration, with its roots dating back to the times of the ancient lex mercatoria."); Buffy D. Lord, Dispute Resolution on the High Seas: Aspects of Maritime Arbitration, 8 OCEAN & COASTAL L.J. 71 (2002) ("In the maritime industry, arbitration has served as a common tool for the settlement of disputes for several decades."); Society of Maritime Arbitrators, Inc., Maritime Arbitration in New York, http://www.smany.org/sma/about2.html ("[T]he origins of maritime arbitration can be traced as far back as the voyages of ships owned by ancient Phoenicians carrying the cargoes of Greek traders.").

20. See Marrella, supra note 7, at 1059.

Typically, issues center around: the investigation of damage to transported goods and ensuing liability attached to the maritime carrier; damages to the ship caused by the nature of the carried goods; issues of lay days and demurrage including damages resulting from late entry to port or late access to the operative quay; damages suffered by the carrier as a result of force majeure; issues relating to non-execution of charter parties (for example, non-payment of the charter fee, late return of the vessel or early collection of the ship); sale, construction and ship repairs; matters relating to salvage at sea; and maritime insurance.

Id.

23. Id.
parties who are often from different countries. When speaking about dispute resolution, “maritime” is practically synonymous with “international” and it is easy to understand why maritime arbitration is widely characterized as a type of international commercial arbitration.

B. Why Arbitration?

Some argue that this international nature of maritime commerce makes the industry ideal for arbitration, making the general benefits of international arbitration even more important and significant to entities engaged in maritime commerce. According to Bruce Harris, a prominent maritime arbitrator based in London, there are numerous benefits to resolving maritime disputes through arbitration rather than through litigation.

First, arbitration has traditionally been limited to the resolution of a dispute between only two parties, and maritime arbitration, accordingly, has historically been a bilateral affair. Second, arbitration gives the parties to a contract some certainty of a mutually acceptable, neutral forum. Because so much business in the maritime industry is done on an international level,


26. See id., at 1059 (“[M]aritime arbitration is a species belonging to the ‘genus’ of international commercial arbitration . . .”)


29. See generally S.I. Strong, Enforcing Class Arbitration In the International Sphere: Due Process and Public Policy Concerns, 30 U. PA. J. INT'L L. 1, 6, 84 (2008) (stating that “[I]nternational commercial arbitration developed primarily as a means of enforcing bilateral contracts, and the vast majority of its policies and procedures reflect that tradition.” Many arguments for the benefits of multiparty arbitration “have not been universally adopted as a means of overcoming the traditional view of arbitration as a bilateral, contractual construct.”). See also Harris Expert, supra note 19, ¶ 20.

30. See generally J. Michael Taylor, Evaluating the Continuing Gats Negotiations Concerning International Maritime Transport Services, 27 TUL. MAR. L.J. 129, 130 (2002) (stating that “[b]ecause of its importance to world trade, maritime transport has historically been the focus of international attention . . .”). The author goes on to state that “maritime transport already is one of the most internationally integrated service sectors in the world,” and that “maritime transport is undeniably global in its procedures and reach.” Id. at 150-51.
contracting entities seeking to resolve disputes through litigation may otherwise be subjected to biased courts or differing laws. In contrast to this potential for bias in litigation, the relative neutrality of an impartial third-party makes arbitration particularly well suited to the settlement of disputes arising in maritime commerce.

Third, the privacy and confidentiality of arbitration makes it a desirable method of resolving international maritime disputes. Maritime commerce usually involves sophisticated commercial entities, such as shipping companies like Stolt-Nielsen, and common carriers—not consumers. Such parties have a heightened interest in preventing the terms of their commercial relationship from being disclosed to third parties.

Fourth, parties in arbitration value the opportunity to select those who will decide the dispute, something which is advantageous to all sectors of arbitration. However, this is of particular significance in complex maritime disputes where most charter provisions provide for discretion of the parties to choose commercial persons with the unique and requisite maritime experience and knowledge to serve as arbitrators. Realizing that this

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31. See WILLISTON & LORD, supra note 19, § 57:147 ("The international nature of the maritime business makes arbitration more practicable . . . than litigation, which is subject to the vagaries of diverse courts, imposing differing legal standards dependent more on national history than on the realities of seafaring commerce.").


34. See generally Graydon S. Staring, The Admiralty Jurisdiction of Torts and Crimes and the Failed Search For Its Purposes, 38 J. MAR. L. & COM. 433, 463 (2007) (stating that "maritime commerce is traffic in vessels"). See also Amicus Curiae Br. of Ship Brokers And Agents, supra note 32, at 25 ("[M]aritime arbitration . . . is normally between two companies, not an individual consumer and a company.").

35. Harris Expert, supra note 19, ¶ 8.

36. See Marrella, supra note 7, at 1085 ("[I]n the maritime world, out of respect for a multisectional tradition, parties select arbitrators from among those who have a specific professional
aspect of arbitration is of such great importance in the context of maritime arbitration, the London Maritime Arbitration Association stated that "arbitrators must be specialists on maritime matters and not specialists of arbitration law..."53

Fifth, arbitration is often faster than litigation and can be conducted at a much lower cost. Although this is advantageous in all forms of arbitration, it is of particularly great importance in maritime commerce, where exigent circumstances often require a quick resolution of a dispute.38 The rapid speed of arbitration, as opposed to untimely and sluggish litigation, makes it readily apparent why alternative dispute resolution is particularly attractive to parties engaged in maritime commerce.

Recognition of these benefits among maritime entities has made arbitration in the maritime industry increasingly desirable and popular over the years39 and has led the overwhelming majority of maritime disputes to be relegated to arbitration.40 Indeed, most of the widely-used shipping contracts in existence today provide for arbitration.41 It is the continued reliance on these traditional and established benefits that has made arbitration of maritime disputes so wildly popular, and some argue that these
benefits are "an important, accepted[,] and acknowledged part of the maritime industry."

C. The Globalization of Maritime Arbitration

The trend away from litigation toward arbitration has generated an enormous demand for the establishment of more regional maritime arbitration organizations. In response to this demand, countries such as China and Singapore, among many others, have established local maritime arbitration organizations. Even though this trend has led major ports in most countries to establish organizations that handle maritime arbitration in some capacity, the two primary locales for international maritime arbitration are, and most likely will continue to be, London and New York.

According to the Society of Maritime Arbitrators of New York, the preeminent maritime arbitration authority in New York, New York has
been a center of international arbitration since the early twentieth century. As one of the primary hubs of international maritime arbitration in the world, proponents of New York maritime arbitration argue that New York arbitration is cheaper, more transparent, and more flexible than London maritime arbitration.

London shares a similarly long history in this regard, with "maritime arbitration in London becoming popular because of the existence of the Baltic Exchange..." Moreover, as one of the busiest financial and business hubs in all of Europe, London's "linguistic and geographical advantages... also make it an attractive venue." In London, the preeminent organization dealing with matters of international maritime arbitration is the London Maritime Arbitrators Association (LMAA).

Despite the perceived benefits of New York arbitration, as well as the traditional and continued popularity of the city as one of the primary centers for maritime arbitration in the world, there has actually been a notable shift...
away from New York in favor of London in recent years. According to Bruce Harris, “New York’s maritime arbitration practice has dwindled very substantially, such that there is now no real question that London has at least half and probably three-quarters—or more—of all the maritime arbitration that takes place in the world.”

Aside from the significant benefits of arbitration in settling maritime disputes, some commentators argue that arbitration, in general, has actually been losing its appeal, becoming more “costly and prolonged.” Regardless of such criticism, however, arbitration continues to be the preferred method of dispute resolution in maritime commerce.

IV. CLASS ARBITRATION AND THE ADMIRALTY

A. Brief Introduction to the Class Action

Although arbitration is a subject too often neglected in law school curricula, everyone who has been through law school has taken first-year civil procedure and has heard of something called the class action. “The class action is a . . . procedural device that allows a small number of individual plaintiffs to represent a larger group of plaintiffs in one [legal] proceeding against a single defendant who caused a similar injury to all of the plaintiffs.” The concept of the class action is one that is relatively exclusive to the legal system of the United States and is essentially an American creation.

Other common law countries have been slow to adopt the class action, and the concept is “still relatively rare and unknown in civil law

53. See Harris Speech, supra note 46 (stating that such a shift has occurred “[i]n the past [ten] years or so . . . ”). See also London Maritime Arbitrators Association, About Us, http://www.1maa.org.uk/about-us-Introduction.aspx (“[M]ore maritime disputes are referred to arbitration in London than to any other place where arbitration services are offered.”); Belknap, supra note 48, at 2 (“[T]he New York [international shipping] arbitration market has not exactly kept pace with London these last several years.”).

54. See Harris Speech, supra note 46.

55. See Measter & Skoufalos, supra note 19, at 520. See also Zekos, supra note 39, at 542 (stating that “[i]t is argued that arbitration is no faster than litigation . . . ”).

56. See WILLISTON & LORD, supra note 19, at 72 (“Despite any changes, maritime arbitration remains a popular way to resolve maritime disputes . . . ”).


58. See Daly, supra note 57, at 105 (stating that “the class action is a ‘uniquely American procedural device’ . . . ”).
countries." As a general rule, people fear what they do not understand, and the class action is no exception. Indeed, there has been a widespread wariness and distrust of the concept among foreign nations.

B. Class Actions in Arbitration

In recent years, the concept of the class action has seeped into the world of alternative dispute resolution, creating the unique animal before the Court in *Stolt-Nielsen*—the class arbitration. Class arbitration may most easily be described as "the coupling of the class action device with an arbitral proceeding to form a hybrid "class-wide arbitration." Although it has much in common with its counterpart in litigation, class arbitration has a much younger and less certain history than the class action, and has "not been universally or clearly accepted into U.S. jurisprudence." Indeed, the issue of class arbitration remains much-debated and is largely up in the air. Many have criticized the current state of limbo regarding class arbitrations, with one critic stating that "recent developments in class arbitration law have left 'defendants with the worst of all worlds—the threat of a class action in a forum without the procedural, evidentiary and appellate protections available through the judicial process.'"

60. See Daly, supra note 57, at 109 (stating that "[t]he U.S. class-action procedural device is viewed with 'admiration and suspicion' abroad").
63. See Daly, supra note 57, at 107 ("[C]lass arbitrations have existed as a procedural device in the United States since the 1980s . . . ").
64. See Maureen A. Weston, Universes Colliding: The Constitutional Implications of Arbitral Class Actions, 47 WM. & MARY L. REV. 1711, 1722 (2006) ("[T]he question of whether nonparticipatory class members' rights may be foreclosed in a private class arbitration is not entirely clear.").
65. Daly, supra note 57, at 107. See also Strong, supra note 33, at 1092 ("[C]lass arbitration has developed primarily as a domestic phenomenon, insulated by the policy values and legal principles of the different States in which it has appeared. Only recently have class disputes moved to the international sphere.").
66. P. Christine Deruelle & Robert Clayton Roesch, Gaming The Rigged Class Arbitration Game: How We Got Here And Where We Go Now—Part I, THE METROPOLITAN CORPORATE
One of the last major decisions to address class arbitration was *Green Tree Financial Corp. v. Bazzle.* In *Bazzle,* the issue presented to the Court was whether the Federal Arbitration Act permits the imposition of class arbitration when the parties' agreement is silent regarding class arbitration. Some felt that the Court, however, failed to adequately address the issue, sidestepping the problem instead by deciding that arbitrators, and not courts, should determine whether class arbitration is permissible under the terms of the contract. In the wake of *Bazzle,* however, there remained a split among circuits on the issue of class arbitration, and many felt that the Court did not adequately address the issue presented to it regarding class arbitration. Indeed, the petitioners in *Stolt-Nielsen* urged the Court to examine and resolve the basic issues underlying the issue presented but not answered in *Bazzle.*

C. Maritime Class Arbitration

Despite the decades-long existence of class arbitration and its use in other sectors of the United States arbitration industry, experts have argued that class arbitration is largely alien to maritime dispute resolution. Although *AnimalFeeds* maintained that mere testimony of the industry's leading experts does not establish an industry custom which opposes class arbitration, such testimony nevertheless sheds light on the fact that class arbitrations have practically never been instituted in the maritime arbitration industry, and that "there is no tradition of class arbitration under maritime law."
V. SYNTHESIS AND SUMMARY OF THE ARGUMENT

Various vigorous arguments have been made by the parties in Stolt-Nielsen, as well as by other commentators, as to the applicability of class arbitration in the maritime industry. At the outset, the Society of Maritime Arbitrators claimed that the use of class arbitration in maritime disputes would be contrary to the aforementioned aims and benefits of arbitration in maritime commerce, which have made arbitration so popular and reliable among maritime shippers. According to Bruce Harris, these established benefits "would be wholly undermined if one party could impose on another a U.S. style class action litigation." Moreover, another expert claimed that "many of [the] traditional advantages may be lost in class, as opposed to individual, arbitration proceedings."

In their reply brief, Petitioners argued that class arbitrations would be at odds with bilaterality, one of the key benefits of maritime arbitration. Class actions, by their very nature, require numerous parties. Petitioners further argued that "[s]uch substantially raised stakes make class proceedings different in kind from bilateral disputes, where each party's exposure is naturally circumscribed." The lack of a bilateral resolution resulting from the introduction of numerous parties would hinder, or perhaps even defeat, another cornerstone benefit of traditional maritime arbitration—speedy resolution.

75. See Amicus Curiae Br. of Society of Maritime Arbitrators, supra note 27, at 8 (stating that, by the arbitrators allowing class arbitration in Stolt-Nielsen, "the result was contrary to what has commonly been understood to be the position in the industry"). The SMA went on to argue that "because of the truly international application of maritime contracts, and because arbitration is the preferred means of dispute resolution, it is of the utmost importance that the parties feel comfortable with the process." Id.

76. Harris Expert, supra note 19, ¶ 21.

77. Deruelle & Roesch, supra note 66, at 9. See also Amicus Curiae Br. of Society of Maritime Arbitrators, supra note 27, at 4 (stating that there is a "total absence of a tradition for class arbitration in maritime disputes" and that the SMA "generally sees no place for class arbitration in maritime disputes").


79. See Fed. R. Civ. P. 23(a) (stating that "the class is so numerous that joinder of all class members is impracticable").

80. See Pet'r's Reply Br., supra note 78, at 18.

81. See Deruelle & Roesch, supra note 66, at 9 ("[E]ach of the interim phases related to class—and merits—arbitral awards will carry with them potential burdens relating to discovery,

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Respondents, on the other hand, argued that "[t]o the contrary, class arbitration captures efficiencies that often make the difference between fair recovery and none." Although class arbitrations are efficient at consolidating the claims of many against one, the Pacific Legal Foundation claimed that this is exactly the type of efficiency that maritime arbitration, at least historically, has sought to avoid. The Association of Ship Brokers and Agents argued, and rightfully so, that "[d]ue to the nature of class actions, there would be a multitude of parties, lawyers and expert witnesses, the very antithesis of the bilateral informality of maritime arbitrations."

Opponents argue that if a class procedure would be permitted, the maritime arbitration would not be private, while other commentators maintain that such transparency would actually be beneficial. Moreover, some critics believe that class arbitrations would pose a significant impediment to the ability of the parties to select a specialized arbitrator, one of the aforementioned key benefits of maritime arbitration. As one critic explained, "[t]he parties may choose, for example, an arbitrator with a class action background, instead of an arbitrator familiar with the substantive law governing the dispute, in a class arbitration proceeding." And with maritime arbitrations, selection of a specialized maritime arbitrator, as opposed to an arbitrator with class action expertise or even a judge with general legal knowledge, is paramount to the purposes of choosing to arbitrate maritime disputes in the first place.

82. See Resp't's Merits Br., supra note 73, at 46.
84. See Amicus Curiae Br. of Ship Brokers And Agents, supra note 32, at 31-32.
85. See Deruelle & Roesch, supra note 66, at 9 ("[T]he specter of class arbitration disposes of the presumption of privacy and confidentiality in arbitration.").
86. See Strong, supra note 33, at 1087 ("[T]ransparency is particularly important for class arbitration, since public interest exists in both the outcome and the process itself.").
88. Id.
89. See supra notes 36-37 and accompanying text.
A. The Stolt-Nielsen Decision

Some predicted *Stolt-Nielsen* to be closely decided, dividing the court and creating two main coalitions—those Justices who would oppose a finding of class arbitration in the absence of contractual silence, and those Justices who would find otherwise. In light of what took place at the oral arguments on December 9, 2009, however, other commentators believed that *AnimalFeeds* had the majority of the Court in its corner. The stances of some of the Justices became apparent from their questioning, but others, such as Justice Scalia, made their position ambiguous.

On April 27, 2010, however, any doubt was dismissed when the Supreme Court released its long-awaited decision in *Stolt-Nielsen*. In delivering the majority opinion, Justice Alito found for Stolt-Nielsen and against AnimalFeeds, broadly holding that imposing class arbitration on parties that have not agreed to authorize class arbitration is inconsistent with the FAA and the foundational principle that arbitration is a matter of consent, not coercion.


91. See Posting of Vivian Wang to SCOTUSblog, http://www.scotusblog.com/?p= 13795 (Dec. 11, 2009, 13:20 EST) (stating that "[i]ff the Justices’ questions are taken at face value, respondents have likely garnered the votes of a majority of the Court").

92. Id.


94. Id. Justice Alito was joined by Chief Justice Roberts and Justices Thomas, Kennedy, and Scalia. Justice Sotomayor took no part in the consideration or decision of this case.

95. Id. at 1768.
The Court went on to state that allowing otherwise would be contrary to established precedent, policy, and reaffirmed the truism that "there is no tradition of class arbitration under maritime law." The Court remarked that "class arbitration changes the nature of arbitration to such a degree that it cannot be presumed the parties consented to it by simply agreeing to submit their disputes to an arbitrator," which clearly reaffirmed the stated positions of opponents of class arbitration in maritime dispute resolution.

Furthermore, the Court expounded the advantages of arbitration, similar to those set forth above, and commented on the "fundamental changes brought about by the shift from bilateral arbitration to class-action arbitration." The Court emphasized that class arbitration changes the underlying, bargained-for benefits of bilateral dispute resolution, and that the privacy and confidentiality that make bilateral arbitration so enticing in the first place are lost when one moves to a class-wide arbitral process.

The Court noted, however, that its decision did not follow from its recent decision in Bazzle. The Court remarked that the parties misunderstood Bazzle and that Bazzle "did not control resolution of the question" in the instant case. Moreover, Justice Ginsburg, joined by

96. Id. at 1774 ("[I]t is also clear from our precedents and the contractual nature of arbitration that parties may specify with whom they choose to arbitrate their disputes.").
97. Id. at 1775.
98. Id.
99. See supra notes 75-89 and accompanying text.
100. Stolt-Nielsen, 130 S. Ct. at 1775 ("In bilateral arbitration, parties forgo the procedural rigor and appellate review of the courts in order to realize the benefits of private dispute resolution: lower costs, greater efficiency and speed, and the ability to choose expert adjudicators to resolve specialized disputes."). "By agreeing to arbitrate . . . [a party] trades the procedures and opportunity for review of the courtroom for the simplicity, informality, and expedition of arbitration." Id. at 1774 (quoting Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc., 473 U.S. 614, 628 (1985)). "Parties generally favor arbitration precisely because of the economics of dispute resolution." Id. at 1775 (quoting 14 Penn Plaza LLC v. Pyett, 129 S. Ct. 1456, 1464 (2009) (citing Circuit City Stores, Inc. v. Adams, 532 U.S. 105, 123 (2001))).
101. See supra notes 27-42 and accompanying text.
102. Stolt-Nielsen, 130 S. Ct. at 1775-76 ("But the relative benefits of class-action arbitration are much less assured, giving reason to doubt the parties' mutual consent to resolve disputes through class-wide arbitration.").
103. Id. at 1776 ("An arbitrator chosen according to an agreed-upon procedure . . . no longer resolves a single dispute between the parties to a single agreement, but instead resolves many disputes between hundreds or perhaps even thousands of parties."). "The arbitrator's award no longer purports to bind just the parties to a single arbitration agreement, but adjudicates the rights of absent parties as well." Id.
104. Id.
105. Id. at 1772.
106. Id. ("Bazzle did not establish the rule to be applied in deciding whether class arbitration is permitted.").

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Justices Stevens and Breyer, briefly expressed their belief that AnimalFeeds, not Stolt-Nielsen, should have prevailed.  

B. Impact and Quick Thoughts

Freedom to contract, one of the most basic and long-established principles of contract interpretation, dictates that parties that expressly and knowingly agree to arbitration on a class level are free to do so and should be bound to such an agreement. Although a maritime party, at least in the United States, most certainly can enter into a contract providing for class arbitration, it is readily apparent that by doing so, he would be defeating the very purposes and benefits of arbitrating maritime disputes in the first place. But this is not the type of party with whom the Court in Stolt-Nielsen was concerned.

The problem dealt with in Stolt-Nielsen, and in many contracts in general, is when agreements are silent on a disputed issue. If class arbitration was imposed on all arbitration clauses that are silent on the issue of class arbitration, maritime entities entering into contracts whose terms call for arbitration would be much more careful in crafting and entering into contracts with such clauses. Furthermore, with much of the maritime arbitration industry being opposed to the concept, if silence in the contract implied acceptance of class arbitration, it is possible that many maritime parties entering into such contracts would require explicit waiver of any class arbitration.

Moreover, although Stolt-Nielsen involves a dispute between parties engaged in maritime commerce, the decision in the case is clearly not limited to maritime entities. The arguments made in this article, although of clearly emphasized importance and specificity in the maritime context, are of equal applicability and significance to the general arbitration community.

107. Id. at 1777-83.
110. See supra notes 8-10 and accompanying text.
C. Brief Speculation and the Future of Maritime Arbitration

1. Brief Speculation

Some industries have rejected the usage of class arbitration, and the Association of Ship Brokers and Agents argued that class arbitrations are "wholly foreign to maritime practice," and that class arbitrations "have not been and would not be accepted by the maritime arbitral community." Considering the established and continuing usage of traditional, bilateral arbitration in settling maritime disputes, it does not seem unrealistic to think that the maritime industry would not embrace class arbitration. If Stolt-Nielsen had held otherwise, United States maritime arbitration may have taken a particularly hard hit.

As previously discussed, New York and London are the two principal locations where maritime arbitration occurs. Some believe, and logically so, that "imposing class actions in an international maritime arbitration ... would deter parties from selecting the United States as the dispute resolution situs." Parties would be likely to choose to arbitrate in a foreign locale, such as London, whose judicial and arbitral systems do not typically recognize class actions, much less class arbitrations in such settings.

Given that there has already been a notable shift away from New York in favor of London in recent years as a preferred situs for maritime arbitration, an adverse decision in Stolt-Nielsen could have brought this already significant trend full circle, and could very well have been a catalyst for the continued decline in popularity of selecting the United States as a forum for international maritime arbitration.

111. See Kilby, supra note 62, at 422-23 ("[T]he entire securities industry has rejected classwide arbitration as a dispute resolution mechanism.").

112. See Amicus Curiae Br. of Ship Brokers And Agents, supra note 32, at 32. See also Stolt-Nielsen v. AnimalFeeds Int'l Corp., 130 S. Ct. 1758, 1775 (2010)("[T]here is no tradition of class arbitration under maritime law . . . ").

113. See supra notes 45-54 and accompanying text.

114. Pet'r's Reply Br., supra note 78, at 42. See also Harris Expert, supra note 19, ¶ 20 ("[I]f reasonable charterers and owners were told that arbitration in New York meant exposure to class actions, they would almost always prefer another arbitral situs."); Kimball Expert, supra note 72, ¶ 16.

115. See supra notes 58-59 and accompanying text.

116. See supra notes 53-54 and accompanying text.

117. See Catherine Suh & Andrew Kaplan, Stolt-Nielsen S.A. v. AnimalFeeds International, LEGAL INFORMATION INSTITUTE, http://topics.law.cornell.edu/supct/cert/08-1198 ("The Supreme Court's decision will place an economic burden on the losing side and may affect international businesses decisions on whether to select a forum in the United States."). See also Amicus Curiae Br. of Ship Brokers And Agents, supra note 32, at 11 (stating that "there would be less fixing of
Critics, however, argue that such broad and sweeping negative implications were over-exaggerated. They argue that such criticisms and predictions of the impact of *Stolt-Nielsen* were merely general complaints about the concept of aggregate litigation in general, and were merely policy reasons for not accepting a new concept that many proponents believe to be more beneficial than harmful. Regardless of whether these complaints were "merely general," as proponents maintain, they are still valid and widely-recognized, and even more so in the context of maritime arbitration.

Many feared that, had the Court held otherwise, the arbitration Lord Donaldson spoke of, regarded by the shippers and commodity traders of the world as a "normal incident of commercial life," would become completely the opposite, and may very well have led such maritime entities to regard arbitration, at least American-based international maritime arbitration, with great abhorrence. However, it appears, for the time being at least, that the words of the great Lord Donaldson of Lymington stand true, as *Stolt-Nielsen* represents a crucial step forward in protecting the tradition and sanctity of bilateral United States maritime arbitration that this article and many others have argued so vigorously for. Regardless of such a ruling, however, the fact remains that class arbitration is a procedural and arbitral device in its infant stages, and it is more than certain that its maturity will stir much debate, both legally and scholarly, for some time to come.

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118. See generally Resp’t’s Merits Br., supra note 73, at 43.
119. See generally id.
120. See supra note 1 and accompanying text.