



News

Many of our engagements involve matters in which our clients face significant public attention. The following is a list of news stories about the firm, our clients, cases and the results we have achieved.

Kobre & Kim Wins Appellate Ruling over \$10 Billion Arbitration Award

March 14, 2022

Kobre & Kim has won an important jurisdictional ruling from a federal appeals court for the engineering firm Process & Industrial Developments (P&ID) in its petition to confirm an arbitral award, now valued at US \$10 billion, against the Federal Republic of Nigeria and its Ministry of Petroleum Resources.

In an opinion issued on Friday, the U.S. Court of Appeals for the District of Columbia affirmed a district court's ruling denying Nigeria's motion to dismiss P&ID's petition for lack of jurisdiction based on the Foreign Sovereign Immunities Act (FSIA).

The district court had ruled that Nigeria waived sovereign immunity by joining the New York Convention – an international treaty obligating member states to recognize and enforce arbitral awards in other member states – and then agreeing to arbitrate its dispute with P&ID in another Convention state (England). The appeals court upheld the district court's decision but on a different ground: because P&ID had brought an action to confirm an arbitration award governed by the New York Convention, the FSIA's arbitration exception to sovereign immunity applied. In so ruling, the appeals court rejected Nigeria's argument that the arbitration exception did not apply because a Nigerian court had purported to set aside the award. The appeals court concluded that the Nigerian order is relevant, if at all, only to the merits question of whether the award should be confirmed.

P&ID initiated arbitration proceedings in London in 2012 against Nigeria, alleging it breached a 20-year natural gas supplying and processing agreement. In 2016, the tribunal awarded P&ID nearly \$6.6 billion, plus interest in damage for lost profits.

Kobre & Kim lawyer and counsel for P&ID Jef Klazen said: "We are pleased that the appellate court sided with our client in ruling that Nigeria is not immune and that the district court may now proceed to hear our client's case to enforce its arbitration award."

The Kobre & Kim team representing P&ID includes Michael Kim, Darryl Stein, and Jef Klazen, who argued the appeal.

For more on this decision, [click here to see coverage in Thomson Reuters' Legal Update](#).