
May 22, 2026

Supreme Court Clarifies Federal Jurisdiction to Enforce Arbitration Awards

On May 14, 2026, the Supreme Court held in *Jules v. Andre Balazs Properties*, 608 U.S. ___ (2026), that a federal court that had jurisdiction over a case when it was filed, but then stayed the matter pending arbitration, may later confirm or vacate the resulting arbitration award even if there is no independent basis for federal-court jurisdiction at that later stage.¹ The decision resolves a circuit split and will shape enforcement procedures and strategies for domestic arbitrations going forward.

Background of the Dispute

Our [prior memorandum](#) provides a fuller discussion of the background facts and the jurisdictional question at the certiorari stage. This dispute arose when Jules, a former employee of the Chateau Marmont hotel in Los Angeles, commenced litigation against hotelier André Balazs and related companies in federal court in New York for unlawful termination under federal and California law. Because Jules’s employment contract contained an arbitration clause, the district court stayed the lawsuit and sent it to arbitration. After the arbitrator ruled against Jules, defendants moved to confirm the award. Jules objected, arguing that under *Badgerow v. Walters*, 596 U.S. 1 (2022)—which held that the FAA does not itself confer federal jurisdiction over freestanding applications to confirm or vacate arbitration awards—the district court lacked jurisdiction. Both the district court and the Second Circuit disagreed, holding that a court that orders arbitration retains jurisdiction over subsequent motions involving the same arbitration agreement—an approach known as the “jurisdictional anchor.”

The Supreme Court granted certiorari in December 2025 to resolve a circuit split: the Second, Third, and Seventh Circuits endorsed the jurisdictional-anchor approach, while the Fourth Circuit, in *SmartSky Networks, LLC v. DAG Wireless, LTD.*, 93 F.4th 175 (4th Cir. 2024), required an independent jurisdictional basis for post-arbitration motions.

The Supreme Court’s Decision

Writing for a unanimous Court, Justice Sotomayor held that a federal court with jurisdiction over claims that it stays and refers to arbitration may later adjudicate a motion to confirm or set aside the resulting arbitral award, even if the motion does not, on its face, establish an independent basis for federal jurisdiction. In doing so, the Court distinguished two earlier cases involving freestanding FAA applications: *Badgerow* and *Vaden v. Discover Bank*, 556 U.S. 49 (2009). In *Vaden*, the Court held that, in a freestanding motion to compel arbitration, a federal court may “look through” the motion to the parties’ underlying dispute to determine whether it would have jurisdiction over that controversy. The Court grounded that approach in the statutory language authorizing a court to compel arbitration if it would have jurisdiction “save for [the arbitration] agreement” over the underlying suit.² In *Badgerow*, by contrast, the Court declined to extend the look-through approach to standalone motions to confirm or vacate an arbitral award, where the application did not, on its face, establish an independent basis for federal jurisdiction. The motions in *Jules* arose within a lawsuit already properly before the federal court and stayed pending arbitration. In that circumstance, no look-through analysis is required; the court assesses its authority by reference to the case already before it. As *Badgerow* explained, “[j]urisdiction to decide [a] case includes jurisdiction to decide [a] motion” within that case.³

Supreme Court Clarifies Federal Jurisdiction to Enforce Arbitration Awards

Applying that principle, the Court explained that the district court in *Jules* had federal-question jurisdiction before it stayed the claims and that this jurisdiction persisted during the stay pending arbitration. The post-arbitration motions were part of the same case and went to whether the arbitral award would operate as a defense to the claims, which remained pending in the district court until confirmation. The Court noted that, under *Smith v. Spizzirri*, the FAA requires a stay rather than dismissal so that a court may retain supervisory authority through confirmation or vacatur.⁴ *Badgerow* does not alter that framework. Rather, the Court made clear that the “look-through” approach applicable to motions to compel arbitration does not extend to motions to confirm or vacate, and that no independent basis for federal jurisdiction was present in that case.

Implications

The Court’s unanimous opinion abrogates the Fourth Circuit’s decision in *SmartSky* and eliminates the risk that parties in those jurisdictions could be forced into state court for enforcement of disputes that began in federal court. At the same time, the Court harmonized its ruling with *Badgerow*: the prohibition on look-through jurisdiction for freestanding motions to confirm or vacate remains intact, but no such inquiry is required where the case already rests on an independent jurisdictional basis. The decision also reinforces the supervisory role of federal courts, confirming that a stayed case remains on the federal docket through confirmation or vacatur.

The Court’s holding also leaves open the possibility that parties may, in some circumstances, “anchor” later enforcement proceedings in federal court by initially asserting federal claims subject to arbitration. The Court acknowledged that concern but treated it as conjectural, noting that filing a “precautionary” federal action may come at the cost of forfeiting the right to arbitrate.⁵ That trade-off may matter for parties that prefer arbitration, but it may be less consequential for those that favor a federal forum.

For practitioners, the decision provides greater certainty that commencing an action in federal court will allow the dispute to remain there through enforcement, reducing the risk of parallel proceedings. *Badgerow* nonetheless continues to govern freestanding applications, and parties whose disputes do not originate in federal court must still identify an independent basis for jurisdiction.

* * *

This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

H. Christopher Boehning
+1-212-373-3061
cboehning@paulweiss.com

Geoffrey R. Chepiga
+1-212-373-3421
gchepiga@paulweiss.com

Jaren Janghorbani
+1-212-373-3211
jjanghorbani@paulweiss.com

Gregory F. Laufer
+1-212-373-3441
glaufer@paulweiss.com

William T. Marks
+1-202-223-7314
wmarks@paulweiss.com

Daniel Reich
+1-212-373-3045
dreich@paulweiss.com

Associates Calum Agnew and César Rivière and law clerk Harini Peri contributed to this Client Memorandum.

¹ *Jules v. Andre Balazs Props.*, No. 25-83, 2026 WL 1336216 (U.S. May 14, 2026).

² 9 U.S.C. § 4.

³ *Badgerow v. Walters*, 596 U.S. 1, 15 (2022).

⁴ *Smith v. Spizzirri*, 601 U.S. 472 (2024).

⁵ *Jules*, 2026 WL 1336216, at *8 (citing *Morgan v. Sundance, Inc.*, 596 U.S. 411, 413, 418–19 (2022)).