whether it had derived a “direct benefit” from the contract that contained the arbitration agreement, thereby making itself bound to that agreement. (The International News section begins on page 7.)

The Eleventh Circuit recently rejected the “knowing and voluntary” standard for determining the enforceability of arbitration clauses. It held that general contract principles should govern that question. In so holding, it joined the majority of federal circuits. (The case summary begins on page 3.)

The National Reports section includes a translation of the recent Chilean Arbitration Law, provided by Mary Mourra, an emerging expert on Latin American arbitration law. (The National Reports section begins on page 15.)

Baker & McKenzie provides a comprehensive analysis of Republic of Ecuador v. ChevronTexaco Corp., in which the U.S. District Court for the Southern District of New York held that the Act of State Doctrine does not apply when courts must examine whether to enforce an arbitration agreement between a signatory and non-signatory party. Therefore, the court must look to federal common law to decide the question. Here, the district court denied the non-signatory’s motion for summary judgment, stating that there was a genuine issue as to whether it had derived a “direct benefit” from the contract that contained the arbitration agreement, thereby making itself bound to that agreement. (The Perspectives section begins on page 11.)

In Stolt-Nielsen SA v. Celanese AG, the Second Circuit ruled that arbitrators have broad powers under the Federal Arbitration Act to compel testimony and documents from non-party witnesses at both preliminary and final hearings. The court found that, under FAA § 7, there are no time limits preventing arbitrators from issuing subpoenas for evidence that they deem material to the case. (Case summary begins on page 4.)

A California appeals court has held that arbitrators must comply with state law requirements of disclosure for conflicts of interest and that failure to do so may result in a vacatur of the arbitral award. (The case summary begins on page 5.)
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