

## Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

**SUPREME COURT OF THE UNITED STATES**

## Syllabus

**C & L ENTERPRISES, INC. v. CITIZEN BAND POTAWATOMI INDIAN TRIBE OF OKLAHOMA**

CERTIORARI TO THE COURT OF CIVIL APPEALS OF OKLAHOMA

No. 00–292. Argued March 19, 2001– Decided April 30, 2001

Respondent, a federally recognized Indian Tribe, proposed and entered into a standard form construction contract with petitioner C & L Enterprises, Inc. (C & L), for the installation of a roof on a Tribe-owned commercial building in Oklahoma. The property in question lies outside the Tribe's reservation and is not held by the Federal Government in trust for the Tribe. The contract contains two key provisions. First, a clause provides that "[a]ll . . . disputes . . . arising out of . . . the Contract . . . shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association . . . . The award rendered by the arbitrator . . . shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof." The referenced American Arbitration Association Rules provide: "Parties to these rules shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof." Second, the contract includes a choice-of-law clause that reads: "The contract shall be governed by the law of the place where the Project is located." Oklahoma has adopted a Uniform Arbitration Act, which instructs that "[t]he making of an agreement . . . providing for arbitration in this state confers jurisdiction on the court to enforce the agreement under this act and to enter judgment on an award thereunder." The Act defines "court" as "any court of competent jurisdiction of this state." After execution of the contract but before C & L commenced performance, the Tribe decided to change the roofing material specified in the contract. The Tribe solicited new bids and retained another company to install the roof. C & L, claiming that the Tribe had dishonored the contract, submitted an arbitration demand. The Tribe asserted sovereign immunity

and declined to participate in the arbitration proceeding. It notified the arbitrator, however, that it had several substantive defenses to C & L's claim. The arbitrator received evidence and rendered an award in favor of C & L. The contractor filed suit to enforce the award in the District Court of Oklahoma County, a state court of general, first instance, jurisdiction. The Tribe appeared in court for the limited purpose of moving to dismiss the action on the ground that, as a sovereign, it was immune from suit. The District Court denied the motion and entered a judgment confirming the award. The Oklahoma Court of Civil Appeals affirmed. While the Tribe's certiorari petition was pending here, this Court decided *Kiowa Tribe of Okla. v. Manufacturing Technologies, Inc.*, 523 U. S. 751, holding that an Indian tribe is not subject to suit in a state court— even for breach of contract involving off-reservation commercial conduct— unless “Congress has authorized the suit or the tribe has waived its immunity,” *id.*, at 754, 760. On remand for reconsideration in light of *Kiowa*, the Court of Civil Appeals held that the Tribe here was immune from suit on its contract with C & L. Although noting that the arbitration agreement and the contract language as to judicial enforcement seem to indicate the Tribe's willingness to expose itself to suit on the contract, the court concluded that the Tribe had not waived its suit immunity with the requisite clarity. The court therefore instructed the trial court to dismiss the case.

*Held:* By the clear import of the arbitration clause, the Tribe is amenable to a state-court suit to enforce an arbitral award in favor of C & L. Like *Kiowa*, this case arises out of the breach of a commercial, off-reservation contract by a federally recognized Indian Tribe. C & L does not contend that Congress has abrogated tribal immunity in this setting. The question presented is whether the Tribe has waived its immunity. To relinquish its immunity, a tribe's waiver must be “clear.” *Oklahoma Tax Comm'n v. Citizen Band Potawatomi Tribe of Okla.*, 498 U. S. 505, 509. The construction contract's arbitration provision and related prescriptions lead to the conclusion that the Tribe in this case has waived its immunity with the requisite clarity. The arbitration clause requires resolution of all contract-related disputes between the parties by binding arbitration; ensuing arbitral awards may be reduced to judgment “in accordance with applicable law in any court having jurisdiction thereof.” For governance of arbitral proceedings, the clause specifies American Arbitration Association Rules, under which “the arbitration award may be entered in any federal or state court having jurisdiction thereof.” The contract's choice-of-law clause makes it plain enough that a “court having jurisdiction” to enforce the award in question is the Oklahoma state court in which C & L filed suit. By selecting Oklahoma law (“the law of the

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place where the Project is located”) to govern the contract, the parties have effectively consented to confirmation of the award “in accordance with” the Oklahoma Uniform Arbitration Act, which prescribes that, when “an agreement . . . provid[es] for arbitration in” Oklahoma, jurisdiction to enforce the agreement vests in “any court of competent jurisdiction of this state.” On any sensible reading of the Act, the District Court of Oklahoma County, a local court of general jurisdiction, fits that statutory description. This Court rejects the Tribe’s contention that an arbitration clause is not a waiver of immunity from suit, but simply a waiver of the parties’ rights to a court trial of contractual disputes. Under the clause, the Tribe recognizes, the parties must arbitrate. The clause no doubt memorializes the Tribe’s commitment to adhere to the contract’s dispute resolution regime. That regime has a real world objective; it is not designed for regulation of a game lacking practical consequences. And to the real world end, the contract specifically authorizes judicial enforcement of the resolution arrived at through arbitration. Also rejected is the Tribe’s assertion that a form contract, designed principally for private parties who have no immunity to waive, cannot establish a clear waiver of tribal suit immunity. In appropriate cases, this Court applies the common-law rule of contract interpretation that a court should construe ambiguous language against the interest of the party that drafted it. That rule is inapposite here for two evident reasons. First, the contract is not ambiguous. Second, the Tribe did not find itself holding the short end of an adhesion contract stick: The Tribe proposed and prepared the contract; C & L foisted no form on the Tribe. Pp. 5–11.

Reversed and remanded.

GINSBURG, J., delivered the opinion for a unanimous Court.