

Memorandum 2016-44

**Recognition of Tribal and Foreign Court Money Judgments
(Draft Recommendation)**

In this study, the Commission¹ is responsible for reviewing “the standards of recognition of a tribal court or foreign court judgment” under:

- (1) California’s enactment of the 2005 Uniform Foreign-Country Money Judgments Recognition Act (hereafter, “California’s Uniform Act”),² and
- (2) The Tribal Court Civil Money Judgment Act (hereafter, “Tribal Court Judgment Act”).³

For both foreign and tribal court judgments, California’s recognition standards are derived from the 2005 Uniform Foreign-Country Money Judgments Recognition Act (hereafter, “Uniform Act” or “2005 Uniform Act”).⁴ The Commission is to report its findings by January 1, 2017, along with any recommendations for improvement of California’s standards.⁵

To meet that deadline, the Commission approved a tentative recommendation in June, which has since been circulated for public comment. There was only one comment on the tentative recommendation,⁶ from James Acres of Acres Bonusing. This memorandum discusses his comment, which is attached as an Exhibit.

1. Any California Law Revision Commission document referred to in this memorandum can be obtained from the Commission. Recent materials can be downloaded from the Commission’s website (www.clrc.ca.gov). Other materials can be obtained by contacting the Commission’s staff, through the website or otherwise.

The Commission welcomes written comments at any time during its study process. Any comments received will be a part of the public record and may be considered at a public meeting. However, comments that are received less than five business days prior to a Commission meeting may be presented without staff analysis.

2. Code Civ. Proc. §§ 1713-1724.

3. Code Civ. Proc. §§ 1730-1742.

4. The 2005 Uniform Act is a revision of the earlier 1962 Uniform Foreign Money-Judgments Recognition Act (hereafter, “1962 Uniform Act”). In general, the relevant provisions of the 2005 and 1962 Acts are quite similar. The text of the Acts and the associated commentary is available on the Uniform Law Commission’s website: <http://uniformlaws.org/>.

5. 2014 Cal. Stat. ch. 243, § 1 (SB 406 (Evans)).

6. The staff has also responded to inquiries about the proposal from the California Newspaper Publishers Association and the Judicial Council’s Tribal Court-State Court Forum.

The memorandum also discusses two minor follow-up issues. One concerns declaratory relief from a foreign defamation judgment; the other concerns a recent United States Supreme Court decision on tribal court jurisdiction.

A draft of a final recommendation is attached for the Commission's review. **The Commission will need to decide whether to approve the attached draft as a final recommendation, either as is or with revisions, for printing and submission to the Governor and the Legislature.**

COMMENTS OF JAMES ACRES

James Acres is currently involved in litigation in the tribal court of the Blue Lake Rancheria. This litigation relates to a dispute about an experimental gaming platform that Mr. Acres' company provided to the Tribe's casino.

Mr. Acres' comment on the tentative recommendation provides a detailed account of his experience responding to the litigation and interacting with the tribal court.⁷ In addition, he presents several concerns and suggestions pertaining to the Tribal Court Judgment Act. Those points are discussed below. In considering them, **the Commission should be mindful of the pending litigation.**

Preserving an Objection to Judgment Recognition

Mr. Acres suggests that the Tribal Court Judgment Act essentially compels a defendant in a tribal court proceeding to participate and litigate in the tribal court, in order to preserve a challenge to recognition of the tribal court judgment in a subsequent state court proceeding. Specifically, Mr. Acres states:

I do believe that ultimately the mandatory non-recognition factors in 1737(b)(1)+(2) [lack of personal and subject matter jurisdiction] will apply in my case. I also think that 1737(b)(3) [systemic failure of due process or impartiality] probably applies...

But I'll face tens of thousands to hundreds of thousands of dollars in legal fees to argue those points, with the burden of proof against me, to defend an action that would, in state court, be defeated on demurrer. This is especially true since, *in the practical nature of things*, it seems I must co-operate with the tribal court proceedings to whatever extent is necessary to create a record to challenge enforcement under 1737(b) or 1737(c).⁸

7. See generally Exhibit pp. 1-5.

8. *Id.* at 3 (emphasis added).

Mr. Acres appears to acknowledge that nothing in California’s Uniform Act or the Tribal Court Judgment Act *expressly* compels a litigant to participate in a foreign or tribal court proceeding to preserve objections to judgment recognition. To the contrary, several of the exceptions to recognition could be established and serve as grounds for nonrecognition, regardless of whether the defendant participated in the foreign or tribal court proceeding.⁹ However, other exceptions might be difficult to establish unless the defendant participated in the foreign or tribal court proceeding to some degree.¹⁰ In either of these situations, if there were any doubt about the applicability of an exception, it would be risky as a practical matter for a defendant to decline to participate in a foreign or tribal court proceeding, while planning on contesting recognition of the judgment. That appears to be the point that Mr. Acres is making.

Setting aside Mr. Acres’ concerns about the court’s jurisdiction, his reluctance to participate in the tribal court proceeding seems to reflect a distrust of the tribal court forum.¹¹ If he had confidence in that forum, the practical pressure to participate in the tribal court proceeding probably would not be of concern to him.

Rather than reflecting distrust of foreign and tribal courts, both the Uniform Act and Tribal Court Judgment Act codify principles of comity.¹² They are based on a fundamental policy judgment that California courts should generally respect the rulings of a foreign or tribal court. Thus, these Acts are structured to create a presumption in favor of recognition, absent a demonstrated reason *not* to recognize a judgment.¹³ Further, the opponent to recognition has the burden of establishing that an exception applies.¹⁴

Reversing the existing burdens would seem to require a significant departure from California’s current law and policy governing judgment recognition. There is no indication that the Legislature wanted the Commission to reexamine the fundamental policy of comity when it tasked the Commission with this study.

9. A number of cases under the Uniform Act involve a foreign judgment that was issued in default. See, e.g., *Bank Melli Iran v. Pahlavi*, 58 F.3d 1406 (9th Cir. 1995).

10. This seems particularly true of the discretionary exceptions for lack of due process in the individual proceeding and lack of court integrity with respect to the individual judgment. See Code Civ. Proc. §§ 1716(c)(7), (c)(8); 1737(c)(7), (c)(8).

11. See Exhibit, pp. 3, 4.

12. See generally Memorandum 2015-17.

13. See Code Civ. Proc. §§ 1716(d), 1737(d).

14. *Id.*

The Commission's work thus far has been consistent with that longstanding policy choice. **It seems wise to stick to that approach.**

Additional Mandatory Exception

Mr. Acres suggests that the Tribal Court Judgment Act should contain an "explicit bar against a tribe from using its own court to sue others."¹⁵ In particular, Mr. Acres proposes the following language creating an additional mandatory exception to recognition of a tribal court judgment:

The judgment was rendered in an action in which the plaintiff was either the tribe [that established] the tribal court, or an entity controlled by the tribe that established the tribal court.¹⁶

Under this proposed exception, California would be precluded from recognizing any tribal court judgment where the tribe is itself a plaintiff.¹⁷ Mr. Acres contends that this exception is needed because the relatively small populations of the individual tribes in California could lead to "abuse of a self-interested polity prosecuting non-members for personal gain."¹⁸

As a general matter, it may well be the case that smaller population sizes pose a challenge with regard to ensuring separation of government functions. However, codifying the proposed rule presumes that tribes are unable to achieve the necessary separation of functions for governance, a principle that seems counter to state¹⁹ and federal²⁰ policy that encourages tribal self-government.

Regardless, if the type of abuse that Mr. Acres is concerned about were to occur, it seems likely that an affected litigant could demonstrate that the judicial system either "does not provide impartial tribunals or procedures compatible with the requirements of due process of law."²¹ In such a case, the Act already mandates nonrecognition.²² **Thus, the staff believes that an additional exception is not necessary.**

15. Exhibit, p. 3.

16. *Id.* at 4.

17. Mr. Acres indicates that the Navajo Nation could perhaps, due to its size, be excepted from such a rule. See *id.* at 4, n. 8.

18. *Id.* at 4.

19. See generally, e.g., Cal. Exec. Order No. B-10-11 (Sept. 19, 2011).

20. See generally, e.g., Exec. Order No. 13,175, 65 Fed. Reg. 67,249 (Nov. 9, 2000).

21. See Code Civ. Proc. §§ 1716(b)(1), 1737(b)(3).

22. Code Civ. Proc. § 1737(b)(3).

Appropriateness and Purpose of Discretion

Mr. Acres also indicates that “it would be a tremendous comfort if 1737(c)(7) [lack of integrity of the rendering court] and 1737(c)(8) [proceeding not compatible with due process] were mandatory reasons to deny recognition.”²³ Mr. Acres expresses concern that, even if one of these exceptions applies, the resulting judgment “might be enforced anyway if I fail to avail myself of the tribal appeals process.”²⁴ Mr. Acres’ recommended change and concern about failure to appeal are addressed separately below.

Eliminating Discretion for Certain Exceptions

Mr. Acres specifically suggests that the discretionary exceptions for lack of due process or court integrity in the individual proceeding be made mandatory.

Similarly, concerns about whether these exceptions should be mandatory were raised in the legislative process for the bill enacting the Tribal Court Judgment Act.²⁵ These concerns seem related to the somewhat barebones nature of the Act, which lists these exceptions as discretionary without any explanation as to why the court has discretion or how the court should exercise its discretion.

In Memorandum 2015-38, the Commission considered these issues in detail.²⁶ The conclusion in that memorandum was that the discretionary character of these exceptions “allows a court to evaluate the level of harm, the parties’ conduct in the foreign [or tribal] court system, and any other factors the court deems relevant in determining whether recognition of an individual foreign [or tribal court] judgment is appropriate.”²⁷ In conjunction with its consideration of Memorandum 2015-38, the Commission declined to make changes to the discretionary character of these exceptions.²⁸

Does the Commission want to revisit that decision?

Considerations for Recognition Notwithstanding Applicable Discretionary Exception

Mr. Acres is especially concerned that if a defendant fails to appeal in the tribal court system, a California court might recognize a tribal court judgment notwithstanding the existence of grounds for nonrecognition under an applicable

23. Exhibit, p. 4.

24. *Id.*

25. See, e.g., Assembly Committee on Judiciary Analysis of SB 406 (June 13, 2014), p. 7.

26. See Memorandum 2015-38, pp. 4-8.

27. Memorandum 2015-38, p. 7.

28. Minutes (Oct. 2015), p. 3; see also Memorandum 2015-38, pp. 9-12.

discretionary exception.²⁹ Although he is particularly concerned about the consequences of failing to appeal, it is worth discussing more generally when recognition of a judgment might be appropriate despite an applicable discretionary exception.

The tentative recommendation addresses that matter. In particular, the Commission's proposed Comment to the Tribal Court Judgment Act explains:

Subdivision (c) of Section 1737 lists grounds on which the court may decline to recognize a tribal court money judgment. ... [T]he court has discretion to recognize the tribal court judgment in the *unusual case where countervailing considerations outweigh the seriousness of the defect* underlying the applicable ground for nonrecognition. Such countervailing considerations could include, for instance, situations in which the opponent failed to raise an objection in the tribal court or the opponent's own misconduct was the primary cause of the harm suffered.³⁰

The tentative recommendation also reproduces relevant commentary from the Uniform Law Commission, which says:

[Paragraphs (c)(7) and (8) of Section 1737] both are discretionary grounds for denying recognition, while [paragraph (b)(3) of Section 1737] is mandatory. Obviously, if the [tribe's] entire judicial system ... fails to satisfy the requirements of impartiality and fundamental fairness, a judgment rendered in that [judicial system] would be so compromised that the forum court should refuse to recognize it as a matter of course. On the other hand, if the problem is evidence of a lack of integrity or fundamental fairness with regard to the particular proceeding leading to the [tribal court] judgment, then there may or may not be other factors in the particular case that would cause the forum court to decide to recognize the [tribal court] judgment. For example, a forum court might decide not to exercise its discretion to deny recognition despite evidence of corruption or procedural unfairness in a particular case because the party resisting recognition failed to raise the issue on appeal from the [tribal court] judgment ..., and the evidence establishes that, if the party had done so, appeal would have been an adequate mechanism for correcting the transgressions of the lower court.

The Uniform Law Commission's commentary specifies that failure to appeal, *where appeal would have been an adequate mechanism for correcting the error*, could be

29. Exhibit, p. 4. ("The way the law stands now, California is explicitly telling me that if a tribal court judgment is rendered against me by an admittedly corrupt or biased tribal court, then that judgment might be enforced anyway if I fail to avail myself of the tribal appeals process.")

30. Emphasis added.

a reason that the court would decide to recognize a judgment in spite of a defect. The caveat is important — if the circumstances demonstrate that appeal would, for instance, be futile, then appeal presumably would not be an adequate mechanism for correcting the error.

As a general matter, it seems reasonable to expect a party to pursue available remedies to correct an error. Broadly, this will promote finality, judicial economy, and the orderly administration of justice.³¹ Simply seeking to defeat a judgment in an ancillary recognition proceeding, rather than get the error corrected, could require the entire matter to be relitigated in a different court system.

In a judgment recognition proceeding, a California court is not in a position to correct the error of a foreign or tribal court. Instead, the California court has a binary decision — recognition or not. Presumably, when such a proceeding is contested, one party is contending that it would be harmed by recognition, while the other party is contending that it would be harmed by nonrecognition. Faced with such a situation, a California court might conclude that, on balance, a party who claims a defect in the prior proceeding, but never sought to correct that defect, sat on its rights and that nonrecognition would now harm the rights of the other party. It seems appropriate for the California court to consider the different harms of recognition and nonrecognition and seek to do justice on the facts before it.

For the foregoing reasons, the staff recommends no change to the Commission’s commentary on matters a court should take into account in deciding whether to recognize a judgment when a discretionary exception applies.

MINOR FOLLOW-UP ISSUES

In addition the comments from Mr. Acres, the Commission needs to consider the following minor follow-up issues:

- Whether third parties should be authorized to seek declaratory relief from foreign defamation judgments.

31. See generally, e.g., Tory Weigand, *Raise or Lose: Appellate Discretion and Principled Decision Making*, 17 Suffolk J. Trial & App. Adv. 179, 182-87 (2012) (discussing waiver of arguments not raised before the trial court); *Andrade v. Lauer*, 729 F.2d 1475, 1484 (D.C. Cir. 1984) (discussing exhaustion of administrative remedies).

- Whether to make any revisions in response to the U.S. Supreme Court’s decision in *Dollar General v. Mississippi Band of Choctaw Indians*.

These issues are discussed in order below.

Persons Authorized to Seek Declaratory Relief Regarding Foreign Defamation Judgment

As discussed in a previous memorandum,³² California’s Uniform Act contains a provision — Code of Civil Procedure Section 1717(c) — that authorizes a California court to issue declaratory relief in specified circumstances where a foreign defamation judgment is *not* recognizable in California. Currently, the provision grants such authority where “declaratory relief ... is sought.”³³ The provision does not specify *who* is authorized to seek declaratory relief.

The tentative recommendation proposes to clarify this point. It would revise the law to specify that the person against whom the foreign defamation judgment was rendered can seek such declaratory relief.³⁴

The tentative recommendation requested comment on whether interested third parties should also be permitted to seek this relief.³⁵ The Commission received no comment on this issue.

In the absence of comment on this proposed provision, the staff conducted some additional research into whether third parties are authorized to seek declaratory relief under California law more generally. Significantly, Code of Civil Procedure Section 1060 contains a general authorization for declaratory relief:

Any person interested under a written instrument, excluding a will or a trust, or under a contract, or who desires a declaration of his or her rights or duties with respect to another, or in respect to, in, over or upon property, or with respect to the location of the natural channel of a watercourse, may, in cases of actual controversy relating to the legal rights and duties of the respective parties, bring an original action or cross-complaint in the superior court for a declaration of his or her rights and duties in the

32. See Memorandum 2015-50, pp. 11-13.

33. Code Civ. Proc. § 1717(c).

34. See proposed Code Civ. Proc. § 1725.

35. See Note to Proposed Code Civ. Proc. § 1725 in Tentative Recommendation on *Recognition of Tribal and Foreign Court Money Judgments* (June 2016).

premises, including a determination of any question of construction or validity arising under the instrument or contract. ...

While this provision does not clearly specify whether a third party may seek declaratory relief, case law interpreting it suggests that a party must have a direct or legal interest in the issue to seek relief under this provision.³⁶

For instance, a recent appellate case involved a request by a parent company, controlling shareholder, and subsidiary corporation for declaratory relief regarding an insurance company's duty to defend the subsidiary. The court concluded that, while the parent company may have a "practical interest" or "indirect interest" in the litigation, the parent company lacked sufficient interest to seek declaratory relief.

In reaching that conclusion, the court of appeal reviewed the case law offered for the proposition that a party can have a sufficient interest in a matter to seek declaratory relief, even though the party is not directly affected. The court was not persuaded; it concluded that all the cases involved parties who "*had a legal interest in, or would be directly affected by, any interpretation of the terms of the insurance policies or regulation in question.*"³⁷

Thus, it appears that third parties would largely be foreclosed from seeking declaratory relief under Section 1060. It seems appropriate to include a similar limit in Section 1717(c) — i.e., the only persons authorized to seek declaratory relief from a foreign defamation judgment should be the parties to that judgment.

Accordingly, the staff recommends **no change to the proposed provision on declaratory relief from foreign defamation judgments.**

United States Supreme Court Decision in *Dollar General v. Mississippi Band of Choctaw Indians*

Earlier in this study, the staff noted that a case on tribal court jurisdiction was pending in the United States Supreme Court.³⁸ At the time, the staff was unsure whether the decision in this case might modify or supplement the law on tribal court jurisdiction in a way that would require additional analysis or discussion in this study.

36. See, e.g., *D. Cummins Corp. v. U.S. Fidelity and Guaranty Co.*, 2016 DJDAR 4132 (2016) (order certifying opinion for publication and reproducing the opinion).

37. *Id.* at 4135 (emphasis added).

38. First Supplement to Memorandum 2016-6, p. 4.

That case, *Dollar General v. Mississippi Band of Choctaw Indians*, has been decided. The Supreme Court issued a 4-4 per curiam decision, affirming the Fifth Circuit's judgment by an equally divided court.³⁹

Given this result, the Court's decision does not require any additional analysis, nor does it change staff's earlier assessment of the judgment recognition exceptions pertaining to jurisdiction in the Tribal Court Judgment Act.⁴⁰ **There is no need to revise the Commission's proposal in response to *Dollar General*.**

CONCLUSION

The attached staff draft recommendation is largely the same as the tentative recommendation, with a few minor wording changes and corrections.

The Commission needs to decide whether to approve the attached draft as a final recommendation, either as is or with revisions, for printing and submission to the Governor and the Legislature.

Respectfully submitted,

Kristin Burford
Staff Counsel

39. See 579 U.S. ____ (2016).

Regarding the legal effect of such a decision, "when the justices evenly divide, the resulting decision ("affirmed by an equally divided Court"):

- affirms the decision of the court below;
- binds the parties under the principle of res judicata; and
- carries no precedential weight."

Ryan Black & Lee Epstein, Recusal on Appeal: Recusals and the "Problem" of an Equally Divided Supreme Court, 7 J. App. Prac. & Process 75, 81 (2005).

40. See generally First Supplement to Memorandum 2016-6.

Commissioners,

I write you today in order to share my experiences in the Blue Lake Rancheria Tribal Court. These experiences have practical relevance to the Tribal Court Civil Money Judgment Act.

In my specific instance, the Blue Lake Rancheria is acting as plaintiff against me in its own tribal court. When one considers that the Blue Lake Rancheria comprises 72 acres and fifty-odd members, it seems unreasonable to believe Blue Lake can simultaneously act as plaintiff and impartial arbiter.

Below I'll share with you the details of my tribal court experience.

But first, my main point is to suggest that the State of California forbid recognition of judgments from tribal court actions in which the tribe itself was the plaintiff, or controlled the plaintiff.

Absent such a rule, an aggressive and unscrupulous tribe is able to use the federal tribal exhaustion doctrine, combined tribal sovereign immunity from counter-suit, and the deference given to the tribal court proceeding itself in evaluating whether or not a judgment is unenforceable under the discretionary grounds in 1737(c),¹ to derive advantageous settlements from bogus claims.

I want to stress that this is not a hypothetical fear on my part, but is in fact what I am experiencing now as a business-person and as an individual. And with that I'll begin to share my story.

Back in 2010, my company entered into an agreement to distribute an experimental gaming platform to the Blue Lake Rancheria's Casino. This was a high-risk project that involved allowing patrons in the casino to gamble on (then new) iPads connected via wifi to a server. The agreement provided that Blue Lake would pay \$250k, and that the money would be refundable "if and only if" the product wasn't delivered by Oct 1st of 2010.

The product was delivered in a timely fashion to Blue Lake and several other tribal casinos. Ultimately, the product was not commercially successful, and I do believe everyone, including my company, lost money on the project.

Fast-forward to January of 2016, and Blue Lake filed suit in their tribal court naming both my company and myself as defendants. The company was sued under various breach of contract theories, and I personally was sued for fraudulent inducement. The fraudulent inducement tort contained none of the specificity required under federal or state law, and was simply a recitation of the elements of that tort.

¹ For instance, in the Staff's Tentative Recommendation at pp 20-21 suggests that the failure of a party to avail itself a tribal court appeals process might be grounds to enforce a judgment rendered without due process.

The tribal summons itself required that an answer be made within five days, under pain of default judgment.

My initial instinct was simply to ignore the suit. Were it filed in state court, I felt it would certainly be thrown out, and possibly open plaintiff's counsel to sanctions for frivolity. And I felt the extremely short timeline was further evidence that the tribe knew its case was non-existent, and that it hoped to intimidate me into a settlement. However some quick research introduced me to the Tribal Court Civil Money Judgment Act.

Reading the act for the first time as a non-lawyer, unacquainted with the *Montana* rule, or *Wilson v Marchington*, was frankly terrifying. It seemed to me that the legal system had somehow been hacked, that Blue Lake could manufacture a fraudulent judgment against me for its own benefit, and then I would have to fight uphill to block the tribe from using the state's justice system to take my home and everything else I'd built for my family.

The stress of this was so intense in fact, that it caused such extreme chest pain that I had to spend a night in the hospital. I have actually suffered a heart attack in my past, and I know from personal experience what a heart attack feels like. Fortunately, I was not in fact having a heart attack, and the pains were simply the interaction of the injury I'd suffered before and the extreme stress of the tribal lawsuit.

After leaving my hospital bed, I devoted the remainder of the week to making a response to the tribal complaint. Specifically filing special appearance motions to dismiss for lack of jurisdiction. I filed these without benefit of counsel because of the sheer impossibility of finding an attorney within the time frame allotted, and a suspicion that the tribe would simply use my hiring of an attorney to inflict legal fees upon me through its control of its court.²

The tribal court clerk summarily rejected these initial filings for formatting errors. I fixed what I could and resubmitted. The tribal court was then silent for about a month, refusing to acknowledge receipt of my submissions, and refusing to indicate if default judgment had been entered against me.

The tribal court judge ultimately rejected my filings and threatened me with sanctions for failing to comply with tribal court rules. Ironically, the same order bade me the impossible task of answering the tribal complaint in compliance with tribal rules about plaintiff dismissals.

I decided to seek federal relief from tribal jurisdiction, and filed suit in federal court. While federal courts are the ultimate arbiters of tribal jurisdiction over non-members, tribal courts are generally given first crack at determining their

² The preceding three paragraphs comprise a very emotional argument against the act as written today. While perhaps improper to raise as an argument in court, descriptions of the human misery inflicted by an act seem properly addressed to the legislature during its deliberations about the act.

own jurisdiction. Exceptions exist to this “tribal exhaustion doctrine,” but they are difficult to obtain. And while the federal court sympathized with my frustration, it found I could not be excused from needing to exhaust tribal remedies.³

There have been similar actions involving Blue Lake Tribal Court. *Admiral Insurance v Blue Lake Tribal Court* details a chaotic tribal court process in which the court refused to acknowledge filings or resolve questions of its jurisdiction.⁴ And in *UCIC v Blue Lake Tribal Court*, UCIC’s complaint detailed how the tribal court’s clerk issued a default judgment against UCIC, despite UCIC’s counsel’s timely service of a motion to dismiss.⁵

In both UCIC and Admiral’s case, the ultimate plaintiff in the tribal action was Mainstay Business Solutions, which was a Blue Lake tribal company dedicated to circumventing state employment insurance laws.⁶

My case along with these two others establishes a pattern by Blue Lake of using its tribal court to inflict disproportionate legal expenses on defendants in order to drive settlements.

I do believe that ultimately the mandatory non-recognition factors in 1737(b)(1)+(2) will apply in my case. I also think that 1737(b)(3) probably applies, since Blue Lake’s executive government dominates its tribal court.

But I’ll face tens of thousands to hundreds of thousands of dollars in legal fees to argue those points, with the burden of proof against me, to defend an action that would, in state court, be defeated on demurrer.⁷ This is especially true since, in the practical nature of things, it seems I must co-operate with the tribal court proceedings to whatever extent is necessary to create a record to challenge enforcement under 1737(b) or 1737(c).

All this because under the Tribal Court Civil Money Judgment Act, there is no explicit bar against a tribe from using its own court to sue others. It seems a fundament of our sense of justice that no single party should be allowed to be plaintiff, judge, and jury in a single action . . . but my experience shows that the Tribal Court Civil Money Judgment Act allows for exactly this to happen.

This problem could be fixed by adding another mandatory non-recognition element to 1737(b) providing that no judgment shall be recognized from a tribal court where the tribe itself, or entities controlled by it, act as plaintiff. Such a

³ *Acres v Blue Lake Rancheria Tribal Court*, 3:16-cv-02622-WHO, (ND Cal 2016)

⁴ *Admiral Insurance v Blue Lake Tribal Court*, (5:12-cv-01266-LHK (ND Cal, 2012))

⁵ *UCIC v Blue Lake Tribal Court*, (LA CV11-10161 JHK (CD Cal, 2012)

⁶ See <http://www.northcoastjournal.com/humboldt/mainstay-unraveled/Content?oid=2132755> for a general news piece on Mainstay.

⁷ Being that this is public record, and being that Blue Lake sponsored the Tribal Court Civil Money Judgment Act and will probably review this record, I feel constrained to point out that I bear my burdens cheerfully.

provision might simply read:

1737(b)(4): The judgment was rendered in an action in which the plaintiff was either the tribe established which the tribal court, or an entity controlled by the tribe that established the tribal court.

While a counter argument might be made that California can act as plaintiff in state courts, this is ultimately unpersuasive. Scale matters, and California is a polity of nearly 40,000,000 people. California tribes number in the thousands, or the hundreds, or the dozens. The scale of California prevents the abuse of a self-interested polity prosecuting non-members for personal gain, but scale allows such self-interested prosecution in the case of tribes.⁸

This difference in scale is also apparent when considering the difference between enforcements of tribal judgments and foreign judgments. Blue Lake Rancheria is a tribe of fifty-odd individuals. There is no comparably sized foreign government.

There is little danger that refusing to enforce monetary judgments a tribe awards itself in its own court will deprive tribes of a remedy against wrongdoers. In the case of actions by a tribe against non-members, state courts or federal courts will have concurrent jurisdiction. In the case of actions by a tribe against its own members, the tribal government should have sufficient means to enforce its own judgments within its own jurisdiction, without needing the assistance of another sovereign.

Additionally, I can testify from personal experience that it would be a tremendous comfort if 1737(c)(7) and 1737(c)(8) were mandatory reasons to deny recognition. The way the law stands now, California is explicitly telling me that if a tribal court judgment is rendered against me by an admittedly corrupt or biased tribal court, then that judgment might be enforced anyway if I fail to avail myself of the tribal appeals process.

But of course if the tribe dominates the trial court to a sufficient degree to warp due process, then there is every reason to believe it also dominates any tribal appellate court. And then specifically, in Blue Lake's instance, recourse to the appellate court requires posting of security sufficient to satisfy judgment. This, combined with the doctrine of tribal sovereign immunity from suit, means that one might be compelled to irrevocably pay a tribal judgment before challenging that judgment in the tribal appellate court. Since you can't sue a tribe for restitution of funds, once you pay a security for appeal, the tribe has no need to seek enforcement in state court.

⁸ Similar arguments of scale apply to other states and tribes. The sole exception would seem to be the Navajo Nation, whose reservation numbers 300,000 residents and is of a similar scale to say, the state of Vermont. However the Navajo Nation is entirely without California, and it would seem to have little need to have its judgments enforced here. However if this remains a concern, an exception could certainly be made to specifically allow for the enforcement of judgments from Navajo Nation courts in actions where the Navajo Nation itself is plaintiff.

Again, because of the scale involved, these considerations apply to tribal judgments in a way they don't apply to foreign judgments.

I plan to attend September 22nd Commission meeting, and hope to share my experiences with you in person then.

Sincerely,



James Acres

1106 2nd #123
Encinitas, CA 92024

#D-1200

STATE OF CALIFORNIA

CALIFORNIA LAW REVISION COMMISSION

STAFF DRAFT

RECOMMENDATION

Recognition of Tribal and Foreign
Court Money Judgments

September 2016

California Law Revision Commission
c/o King Hall Law School
Davis, CA 95616
650-494-1335
<commission@clrc.ca.gov>

SUMMARY OF RECOMMENDATION

California law includes substantive standards governing the recognition of foreign country and tribal court money judgments. These substantive standards are derived from the 2005 Uniform Foreign-Country Money Judgments Recognition Act. The Legislature directed the Commission to study these standards and report its findings and any recommendations for improvement to the standards.

As discussed in this recommendation, the Commission has reviewed the individual, substantive standards of recognition in detail. For the most part, the Commission found that the standards are operating appropriately in practice. Where the Commission identified the potential for confusion, the recommendation proposes minor reforms or commentary to provide clarification. The Commission's proposed reforms and commentary provide clarification on the following issues:

- Exercises of discretion to recognize a foreign or tribal court judgment in spite of a defect in the foreign or tribal court proceeding.
- Assessment of whether a foreign or tribal court lacked personal jurisdiction over the defendant.
- Defects in notice that could lead to nonrecognition of a foreign or tribal court judgment.
- Types of fraud that could lead to nonrecognition of a foreign or tribal court judgment.
- Resolving a situation of conflicting judgments.
- Recognition of foreign defamation judgments.

This recommendation was prepared pursuant to Section 1 of Chapter 243 of the Statutes of 2014.

RECOGNITION OF TRIBAL AND FOREIGN COURT MONEY JUDGMENTS

1 In 2014, the Legislature enacted Senate Bill 406, establishing the Tribal Court
2 Civil Money Judgment Act (hereafter, “Tribal Court Judgment Act”) and directing
3 the Commission to study “the standards for recognition of a tribal court or a
4 foreign court judgment, under the Tribal Court Civil Money Judgment Act (Title
5 11.5 (commencing with Section 1730) of Part 3 of the Code of Civil Procedure)
6 and the Uniform Foreign-Country Money Judgments Recognition Act (Chapter 2
7 (commencing with Section 1713) of Title 11 of Part 3 of the Code of Civil
8 Procedure).”¹

9 The substantive rules governing the recognition of judgments under the Tribal
10 Court Judgment Act and California’s Uniform Foreign-Country Money Judgments
11 Recognition Act (hereafter, “California’s Uniform Act”) are fundamentally the
12 same. Under either Act, a judgment that falls within the scope of the Act is entitled
13 to recognition, unless an exception to recognition applies. The Acts, collectively
14 referred to hereafter as “Judgment Recognition Acts,” each list essentially the
15 same set of exceptions to recognition.²

16 As the Legislature considered Senate Bill 406, interested persons raised
17 concerns about the exceptions to recognition in the Judgment Recognition Acts.
18 Presented with these concerns, the Legislature chose to amend the bill, adding an
19 automatic repeal (i.e., “sunset”) provision and directing the Commission to study
20 the exceptions to recognition in advance of the law’s repeal.³

21 The Commission has reviewed the exceptions to recognition in the Judgment
22 Recognition Acts in detail. For the most part, the Commission did not find
23 problems with the operation of the exceptions. However, the Commission found
24 that certain exceptions could benefit from clarifying amendments or commentary.
25 This recommendation includes proposed legislation that would provide additional
26 clarity as to how these exceptions are intended to operate in practice.

27 As noted above, the lists of exceptions to recognition in the Judgment
28 Recognition Acts are largely the same. For that reason, the discussion generally
29 focuses on the Judgment Recognition Acts collectively. In some instances, the
30 California Uniform Act and Tribal Court Judgment Act are discussed separately to
31 identify differences between the Acts or differences in other laws that would affect
32 the interpretation and understanding of the Acts.

1. 2014 Cal. Stat. ch. 243.

2. Compare Code Civ. Proc. § 1716(b), (c) with Code Civ. Proc. § 1737(b), (c).

3. See Assembly Committee on Judiciary Analysis of Senate Bill 406 (June 13, 2014), p. 8 (hereafter, “SB 406 Assembly Judiciary Analysis”).

1 BACKGROUND

2 In order to understand the Judgment Recognition Acts, it is helpful to briefly
3 consider the history of judgment recognition law, the policy rationale underlying
4 judgment recognition law, and how judgment recognition law operates generally.
5 Each of these issues is discussed briefly, in turn, below.

6 **History of Judgment Recognition Law**

7 In California, most of the statutory exceptions to recognition applicable to tribal
8 and foreign court money judgments have been largely unchanged since 1967,
9 when California adopted the 1962 Uniform Foreign Money-Judgments
10 Recognition Act (hereafter, “1962 Uniform Act”).⁴

11 The 1962 Uniform Act set forth substantive standards governing the recognition
12 of both foreign country and tribal court civil money judgments.⁵ The 1962
13 Uniform Act codified “the most prevalent common law rules with regard to the
14 recognition of money judgments rendered in other countries.”⁶ Thus, the
15 exceptions to recognition, although newly codified, had previously been
16 recognized under the common law.⁷

17 In 2005, the Uniform Law Commission revised the 1962 Uniform Act,
18 preparing the Uniform Foreign-Country Money Judgments Recognition Act
19 (hereafter, “2005 Uniform Act”). The 2005 Uniform Act:

20 continues the basic policies and approach of the 1962 Act. Its purpose is not to
21 depart from the basic rules or approach of the 1962 Act, which have withstood
22 well the test of time, but rather to update the 1962 Act, to clarify its provisions,
23 and to correct problems created by the interpretation of the provisions of that Act
24 by the courts over the years since its promulgation.⁸

25 California enacted the 2005 Uniform Act in 2007.⁹ From that time until the
26 Tribal Court Judgment Act took effect, the recognition of both tribal and foreign
27 court money judgments was governed by California’s enactment of the 2005
28 Uniform Act.¹⁰

4. 1967 Cal. Stat. ch. 503, § 1.

5. See 1962 Uniform Act §§ 1 (defining “foreign state” and “foreign judgment”), 3 (default rule of recognition for foreign judgments), and 4 (grounds for nonrecognition).

6. Uniform Foreign-Country Money Judgments Recognition Act (2005) Prefatory Note.

7. See generally *Hilton v. Guyot*, 159 U.S. 113 (1895).

8. 2005 Uniform Act Prefatory Note. Given the relationship between the Acts, the Commission’s study included case law arising under the 1962 Uniform Act. See *infra* note 21.

9. 2007 Cal. Stat. ch. 212, § 2.

10. See former Code Civ. Proc. § 1714, as enacted by 2007 Cal. Stat. ch. 212, § 2 (defining “foreign country” and “foreign-country judgment”); see also Code Civ. Proc. § 1741.

1 In 2014, the Tribal Court Judgment Act was enacted to specify a detailed
2 procedure for seeking recognition of a tribal court judgment, while retaining the
3 substantive rules that already governed the recognition of tribal court money
4 judgments.¹¹

5 **Policy Rationale for Judgment Recognition**

6 As a general matter, there are a number of policy rationales supporting
7 recognition of judgments from other jurisdictions. These rationales include
8 respecting state sovereignty, promoting international relations (between
9 sovereigns), avoiding international conflicts, facilitating the transnational
10 operations of businesses and individuals, promoting judicial efficiency, providing
11 predictability, providing finality, and avoiding the intra-jurisdictional conflicts and
12 inconsistencies that would invariably crop up in the absence of judgment
13 recognition.¹²

14 **Operation of Judgment Recognition Law**

15 Under the Judgment Recognition Acts, a foreign or tribal court judgment is
16 entitled to recognition unless an exception applies.¹³

17 The Acts have two different categories of exceptions: mandatory exceptions
18 (requiring nonrecognition of the judgment) and discretionary exceptions
19 (permitting nonrecognition of the judgment).¹⁴ If a mandatory exception applies,
20 the court *must* deny recognition of the judgment. If a discretionary exception
21 applies, the court *may* deny recognition of the judgment.

22 The Acts list all of the permissible exceptions to recognition. Unless one of the
23 listed exceptions to recognition applies, the judgment would be entitled to
24 recognition.

25 COMMISSION'S STUDY

26 **Scope**

27 In Senate Bill 406, the Commission was directed to review only the “standards
28 of recognition” under the Judgment Recognition Acts. The Commission

11. See SB 406 Assembly Judiciary Analysis, *supra* note 3, at 6.

12. See generally Donald Earl Childress III, *Comity as Conflict: Resituating International Comity as Conflict of Laws*, 44 U.C. Davis L. Rev. 11, 14 (2010); Joel R. Paul, *Comity in International Law*, 32 Harv. Int'l L.J. 1, 54-56 (1991); Alan Reed, *A New Model of Jurisdictional Propriety for Anglo-American Foreign Judgement Recognition and Enforcement: Something Old, Something Borrowed, Something New?*, 25 Loy. L.A. Int'l & Comp. L. Rev. 243, 274-275 (2003); Kevin J. Christensen, *Of Comity: Aerospatiale as Lex Maritima*, 2 Loy. Mar. L.J. 1, 2-3, 23 (2003).

13. See Code Civ. Proc. §§ 1716(a); 1736(a); 1737(a), (d).

14. See 2005 Uniform Act § 4 Comment 3.

1 understood “standards of recognition” to mean the substantive exceptions to
2 recognition contained in the Judgment Recognition Acts.¹⁵ For the most part, the
3 Commission did not examine the definitions¹⁶ or general scope¹⁷ provisions of the
4 Acts.

5 In conducting this study, the Commission focused on the exceptions to
6 recognition and the related provisions.¹⁸

7 The Commission did not assess and takes no position on the procedure for
8 seeking tribal court judgment recognition established by the Tribal Court
9 Judgment Act.

10 **Analytical Approach**

11 In conducting this study, the Commission reviewed each exception to
12 recognition in detail to determine whether the exception has been cause for
13 confusion or has led to problematic results. Further, the Commission considered
14 why, as a general matter, certain exceptions were deemed discretionary (i.e., are
15 there justifications for recognizing a judgment when these exceptions apply?).

16 The Commission paid particular attention to the specific concerns discussed in
17 the analysis of Senate Bill 406 prepared by the Assembly Committee on the
18 Judiciary.¹⁹

19 This research included a close review of the language of the Uniform Acts, the
20 associated commentary of the Uniform Law Commission, relevant Restatements
21 of Law,²⁰ judgment recognition case law,²¹ and, as needed, other legal analysis and
22 commentary.

15. The 2005 Uniform Act refers to the exceptions to recognition as “standards of recognition.” See 2005 Uniform Act § 4.

16. See Code Civ. Proc. §§ 1714, 1732. The Commission did review the definition of “due process” in the Tribal Court Judgment Act, as that definition pertains to the substance of the standards of recognition. See Code Civ. Proc. §§ 1732(c) (defining “due process”); 1737(b)(3), (c)(8) (exceptions pertaining to due process).

17. See Code Civ. Proc. §§ 1715, 1731.

18. Code Civ. Proc. §§ 1716, 1717, 1732(c) and 1737.

19. See SB 406 Assembly Judiciary Analysis, *supra* note 3.

20. See, e.g., Restatement (Third) of Foreign Relations Law of the United States §§ 421, 482 (1987) (hereafter, “Third Restatement”); Restatement of the Law Fourth: The Foreign Relations Law of the United States: Jurisdiction §§ 403, 404 (Tentative Draft No. 1, April 1, 2014) (hereafter, “Draft Fourth Restatement”).

21. This case law includes cases arising under both the 1962 and 2005 Uniform Acts.

Twenty-two jurisdictions, including California, are currently operating under an enactment of the 2005 Uniform Act, while fourteen jurisdictions are currently operating under an enactment of the 1962 Uniform Act. See Uniform Foreign-Country Money Judgments Recognition Act (2005), 13, pt. II U.L.A. 2015 Cumulative Annual Pocket Part p. 19 (Arizona and Georgia, which are not listed, have also enacted the 2005 Uniform Act); Uniform Foreign Money-Judgments Recognition Act (1962), 13, pt. II U.L.A. 2015 Cumulative Annual Pocket Part p. 43. (Delaware,

1 Unless otherwise noted, the analysis and recommendations that follow apply to
2 both foreign and tribal court judgment recognition proceedings.

3 **Recommendations**

4 The Commission largely concluded that the exceptions were working well in
5 practice.

6 In a few cases, the Commission identified possibilities for confusion. To address
7 those issues, the Commission proposes legislative changes to clarify the statutory
8 language²² and, where appropriate, comments to provide additional guidance about
9 the law.²³

10 Given that the exceptions to recognition in both of California’s Judgment
11 Recognition Acts derive from the 2005 Uniform Act, the Commission’s proposed
12 legislation includes relevant commentary from the Uniform Law Commission that
13 provides additional explanation about the operation and effect of the exceptions to
14 recognition.²⁴

15 DISCRETION TO RECOGNIZE

16 As discussed previously, the Judgment Recognition Acts each contain a set of
17 discretionary exceptions to recognition. When a discretionary exception applies,
18 the court must decide whether or not to recognize the judgment.

19 Many of the discretionary exceptions relate to issues of due process or fairness
20 in the foreign or tribal court proceeding.²⁵ The fairness-related exceptions from
21 California’s Uniform Act are reproduced below:

22 A court of this state is not required to recognize a foreign-country judgment if
23 any of the following apply:

24 (1) The defendant in the proceeding in the foreign court did not receive notice
25 of the proceeding in sufficient time to enable the defendant to defend.

26 (2) The judgment was obtained by fraud that deprived the losing party of an
27 adequate opportunity to present its case.

Georgia, and Illinois, which are listed as jurisdictions that have adopted the 1962 Act, have all enacted the 2005 Uniform Act); see also Ariz. Rev. Stat. §§ 12-3251 to 12-3254; Ga. Code Ann. §§ 9-12-110 to 9-12-119.

22. See, e.g., discussion of “Personal Jurisdiction under California’s Uniform Act” *infra*; see also proposed Code Civ. Proc. § 1717 *infra*.

23. See, e.g., proposed Code Civ. Proc. § 1716 Comment *infra*.

24. See, e.g., proposed Code Civ. Proc. § 1716 Comment (Background from the 2005 Uniform Act) *infra*.

25. See Code Civ. Proc. §§ 1716(c)(1), 1737(c)(1) (lack of notice to defendant); 1716(c)(2), 1737(c)(2) (fraud); 1716(c)(5), 1737(c)(5) (contrary to parties’ dispute resolution agreement); 1716(c)(6), 1737(c)(6) (seriously inconvenient forum); 1716(c)(7), 1737(c)(7) (lack of court integrity); 1716(c)(8), 1737(c)(8) (due process failure); but see, e.g., Code Civ. Proc. §§ 1716(c)(4), 1737(c)(4) (conflicting judgments).

1
2
3
4
5
6
7
8
9
10
11

- ...
- (5) The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be determined otherwise than by proceedings in that foreign court.
- (6) In the case of jurisdiction based only on personal service, the foreign court was a seriously inconvenient forum for the trial of the action.
- (7) The judgment was rendered in circumstances that raise substantial doubt about the integrity of the rendering court with respect to the judgment.
- (8) The specific proceeding in the foreign court leading to the judgment was not compatible with the requirements of due process of law.
- ...²⁶

In some cases, the phrasing of the exception seems to require that the defect be prejudicial (e.g., the defendant “did not receive notice of the proceeding in sufficient time to enable the defendant to defend”²⁷).

A committee analysis of Senate Bill 406 questions whether recognition would ever be appropriate when one of these exceptions applies. The analysis calls for further study of this issue:

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

Even a cursory review of the grounds for discretionary nonrecognition raise legitimate questions as to the fairness and due process provided in the underlying action and what should the appropriate standard be for recognition in state court. For example, the bill (and [California’s Uniform Act]) allows a court, in its discretion, to recognize and enforce a tribal court money judgment even when the specific proceedings in the tribal court leading to the judgment were not compatible with due process of law. Currently the bill – and [California’s Uniform Act] – require mandatory nonrecognition of a tribal order if it was rendered under a judicial system that does not provide procedures compatible with the requirements of due process. However, if the system provides procedures that, at least on paper, provide due process of law, but the actual procedures used in a particular case do not, the defendant has not been afforded due process of the law and thus, the proceeding would not, under the Ninth Circuit decision in *Wilson v. Marchington* [127 F.3d 805 (9th Cir. 1997)], be entitled to recognition in federal court. Is it reasonable policy – under both this bill and [California’s Uniform Act] – to permit such an order to be enforced by a California court? This is obviously a very important question calling for further study.²⁸

The Commission reviewed the Uniform Law Commission’s commentary for the rationales for discretionary recognition. The commentary suggests one situation in which it might be proper to recognize a foreign or tribal court judgment when a discretionary exception applies.

26. Code Civ. Proc. § 1716(c); see also *id.* § 1737(c).
27. Code Civ. Proc. §§ 1716(c)(1), 1737(c)(1).
28. SB 406 Assembly Judiciary Analysis, *supra* note 3, at 7.

1 For example, a forum court might decide not to exercise its discretion to deny
2 recognition despite evidence of corruption or procedural unfairness in a particular
3 case because the party resisting recognition failed to raise the issue on appeal
4 from the foreign-country judgment in the foreign country, and the evidence
5 establishes that, if the party had done so, appeal would have been an adequate
6 mechanism for correcting the transgressions of the lower court.²⁹

7 The Commission identified other equitable issues that might similarly justify
8 recognition of a judgment despite unfairness in the foreign or tribal court
9 proceeding. For example, the court could conclude that recognition was
10 appropriate if the party opposing recognition was somehow responsible for
11 bringing about the problem in the foreign or tribal court (i.e., had unclean hands).
12 Or, the court might find that the defendant had effectively waived the right that is
13 the basis for the objection. In practice, the Commission expects that instances
14 where equitable considerations will warrant recognition in spite of an applicable
15 exception will be rare, but a court should not be precluded from recognizing a
16 judgment when those circumstances exist.

17 Treating the fairness-related exceptions as discretionary allows a court to
18 evaluate the level of harm, the parties' conduct in the foreign or tribal court
19 system, and any other factors the court deems relevant in determining whether an
20 individual foreign or tribal court judgment should be recognized.

21 The Commission concludes that the statutory language, permitting discretionary
22 recognition for specified exceptions, is appropriate as drafted. However, the
23 Commission believes it would be helpful to provide guidance on when a court
24 might exercise its discretion to recognize a judgment, consistent with the
25 discussion above. The proposed legislation includes a comment providing such
26 guidance.³⁰

27 MANDATORY EXCEPTIONS TO RECOGNITION

28 The Judgment Recognition Acts each include three mandatory exceptions to
29 recognition. These exceptions require that a judgment be denied recognition in
30 situations where:

- 31 • The foreign or tribal judicial system, as a whole, does not provide impartial
32 tribunals or procedures compatible with due process.
- 33 • The foreign or tribal court lacked subject matter jurisdiction.
- 34 • The foreign or tribal court lacked personal jurisdiction over the defendant.

35 Each of these mandatory exceptions is discussed, in turn, below.

29. 2005 Uniform Act § 4 Comment 12.

30. See proposed Code Civ. Proc. § 1716 Comment *infra*.

1 Tribal Court Judgment Act defines “due process” as including, but not limited to
2 “the right to be represented by legal counsel, to receive reasonable notice and an
3 opportunity for a hearing, to call and cross-examine witnesses, and to present
4 evidence and argument to an impartial decisionmaker.”³⁶ This definition
5 effectively establishes certain minimal requirements that must be satisfied in all
6 cases. In other words, the Act would preclude recognition of a judgment from a
7 tribal court system unless that system provides all of the listed due process rights.
8 However, the list of due process rights is not exhaustive. A court could thus find
9 that a tribal court system failed to provide due process on some other grounds.

10 The Commission has not identified problems with how the systemic due process
11 exception has been applied in practice, nor do the court decisions suggest
12 confusion about how this exception is intended to operate.³⁷

13 The Commission concludes that this exception is appropriate and sufficiently
14 clear as drafted.

15 Lack of Subject Matter Jurisdiction

16 Under the Judgment Recognition Acts, a court must decline to recognize a
17 foreign or tribal court judgment if the rendering court “did not have jurisdiction
18 over the subject matter.”³⁸

19 This seems proper. Generally, where a court lacks subject matter jurisdiction
20 over a case, the resulting judgment would be invalid and should not be
21 recognized.³⁹

36. Code Civ. Proc. § 1732(c).

37. See, e.g., *Bank Melli Iran v. Pahlavi*, 58 F.3d 1406, 1413 (9th Cir. 1995) (applying this exception to deny recognition to an Iranian judgment against the former shah’s sister on the grounds that she “could not expect fair treatment from the courts of Iran, could not personally appear before those courts, could not obtain proper legal representation in Iran, and could not even obtain local witnesses on her behalf.”).

38. Code Civ. Proc. §§ 1716(b)(3), 1737(b)(2).

39. See generally 46 Am. Jur. 2d. Judgments § 22 (“In order for a judgment to be valid and enforceable, the court which renders it must have jurisdiction of the parties, as well as jurisdiction of the subject matter. A judgment rendered without jurisdiction may be attacked and vacated at any time, either directly or collaterally.”) (citations omitted); see also *Carr v. Kamins*, 151 Cal. App. 4th 929, 933, 60 Cal. Rptr. 3d 196 (2007) (“‘A judgment is void on its face if the court which rendered the judgment lacked personal or subject matter jurisdiction or exceeded its jurisdiction in granting relief which the court had no power to grant.’ An order after judgment that gives effect to a judgment that is void on its face is itself void and subject to appeal even if the judgment itself is not appealed.”) (citations omitted); but see *Fireman’s Fund Ins. Co. v. Workers’ Comp. Appeals Bd.*, 181 Cal. App. 4th 752, 767, 104 Cal. Rptr. 3d 641 (2010) (“However, a court does not necessarily act without subject matter jurisdiction merely by issuing a judgment going beyond the sphere of action prescribed by law. Speaking generally, any acts which exceed the defined power of a court in any instance, whether that power be defined by constitutional provision, express statutory declaration, or rules developed by the courts and followed under the doctrine of stare decisis, are in excess of jurisdiction The distinction is critical, because action

1 For foreign country judgments, subject matter jurisdiction would be governed by
2 the foreign country's own law.⁴⁰ For tribal court judgments, subject matter
3 jurisdiction would be governed by the tribe's own law and, where the matter
4 involves persons who are not tribe members, federal law.⁴¹

5 The Commission concludes that this exception to recognition is appropriate and
6 sufficiently clear as drafted.

7 Lack of Personal Jurisdiction

8 Under the Judgment Recognition Acts, a court must decline to recognize a
9 foreign or tribal court judgment if the rendering court "did not have personal
10 jurisdiction over the defendant."⁴²

11 The provisions governing personal jurisdiction in California's Uniform Act and
12 the Tribal Court Judgment Act are materially different. For that reason, the Acts
13 are discussed separately below.

14 Personal Jurisdiction under California's Uniform Act

15 As noted above, California's Uniform Act provides for mandatory
16 nonrecognition of a judgment where the foreign court lacked personal jurisdiction
17 over the defendant.⁴³

in excess of jurisdiction by a court that has jurisdiction in the fundamental sense (i.e., jurisdiction over the subject matter and the parties) is not void, but only voidable. Errors of substantive law are within the jurisdiction of a court and are not typically acts beyond the court's fundamental authority to act. For example, a failure to state a cause of action, insufficiency of evidence, abuse of discretion, and mistake of law, have been held nonjurisdictional errors for which collateral attack will not lie.") (citations, emphasis, and quotation marks omitted).

40. See Draft Fourth Restatement, *supra* note 20, § 403 Comment g ("A court in the United States will not recognize a judgment of a court of a foreign state if the court that rendered the judgment did not have jurisdiction over the subject matter of the dispute. A court that lacked the capacity under its national law to render a judgment cannot expect that judgment to gain recognition elsewhere. The assignment of designated subjects to the jurisdiction of particular foreign courts is, however, solely a matter of foreign law, and the consequences of a mistaken assertion of subject-matter jurisdiction also must depend on foreign law."); see also Third Restatement, *supra* note 20, § 482 Comment a ("[J]urisdiction of the rendering court over the subject matter is normally presumed...").

41. See Cohen's Handbook of Federal Indian Law § 7.02[1][a] (Nell Jessup Newton Editor-in-Chief, Lexis Nexis 2012) (hereafter, "Cohen's Handbook").

Tribal court subject matter jurisdiction over tribal members is first and foremost a matter of internal tribal law. There is no general federal statute limiting tribal jurisdiction over tribal members, and federal law acknowledges this jurisdiction.

A tribe's exercise of adjudicative jurisdiction over non-Indians or nonmembers does raise questions of federal law, however, reviewable in federal court.

Id. (citations omitted).

42. Code Civ. Proc. § 1716(b)(2); see also *id.* § 1737(b)(1) (same with minor differences in phrasing).

1 When considering a foreign court’s exercise of personal jurisdiction, a court in
2 this state may have two separate and distinct concerns:

- 3 (1) Whether the foreign court’s basis for personal jurisdiction over the
4 defendant is consistent with principles of personal jurisdiction in this state.
- 5 (2) Whether the foreign court’s exercise of personal jurisdiction was permitted
6 under its own law.

7 Each of these concerns is discussed, in turn, below.

8 *California Principles of Personal Jurisdiction*

9 If a foreign court’s exercise of personal jurisdiction over the defendant offends
10 California’s principles of personal jurisdiction, then, as a matter of policy,
11 California may want to decline to recognize the resulting judgment.

12 For the most part, the judgment recognition case law on personal jurisdiction
13 addresses whether the foreign court’s exercise of personal jurisdiction is consistent
14 with principles of personal jurisdiction where recognition is sought.⁴⁴ This result
15 seems to be suggested by a separate section of California’s Uniform Act, Code of
16 Civil Procedure Section 1717, which provides a list of bases for personal
17 jurisdiction that are sufficient for the purposes of the Act. That section is
18 reproduced in relevant part below:

19 (a) A foreign-country judgment shall not be refused recognition for lack of
20 personal jurisdiction if any of the following apply:

- 21 (1) The defendant was served with process personally in the foreign country.
- 22 (2) The defendant voluntarily appeared in the proceeding, other than for the
23 purpose of protecting property seized or threatened with seizure in the proceeding
24 or of contesting the jurisdiction of the court over the defendant.
- 25 (3) The defendant, before the commencement of the proceeding, had agreed to
26 submit to the jurisdiction of the foreign court with respect to the subject matter
27 involved.
- 28 (4) The defendant was domiciled in the foreign country when the proceeding
29 was instituted or was a corporation or other form of business organization that had
30 its principal place of business in, or was organized under the laws of, the foreign
31 country.
- 32 (5) The defendant had a business office in the foreign country and the
33 proceeding in the foreign court involved a cause of action or claim for relief
34 arising out of business done by the defendant through that office in the foreign
35 country.

43. Code Civ. Proc. § 1716(b)(2).

44. See generally Draft Fourth Restatement, *supra* note 20, § 403 Reporters’ Note 5 (“U.S. courts will not enforce a foreign judgment if the court rendering the judgment would have lacked personal jurisdiction over the person opposing recognition of the judgment under the minimum requirements of due process imposed by the U.S. Constitution.”); see also *id.* § 403 Comment f; Commission Staff Memorandum 2016-6, pp. 14-16.

1 (6) The defendant operated a motor vehicle or airplane in the foreign country
2 and the proceeding involved a cause of action or claim for relief arising out of that
3 operation.

4 (b) The list of bases for personal jurisdiction in subdivision (a) is not exclusive.
5 The courts of this state may recognize bases of personal jurisdiction other than
6 those listed in subdivision (a) as sufficient to support a foreign-country judgment.

7 ...

8 In drafting this list of bases for personal jurisdiction, the Uniform Law
9 Commission “adopt[ed] the policy of listing bases accepted generally today and
10 preserv[ed] for the courts the right to recognize still other bases.”⁴⁵

11 Generally, the personal jurisdiction provisions of the Uniform Act have been
12 understood to permit a court to recognize bases of personal jurisdiction that are
13 consistent with the U.S. Constitution or, in states with additional restrictions on
14 personal jurisdiction, the state’s own standards.⁴⁶ For instance, in a Ninth Circuit
15 case, the court concluded that the personal jurisdiction provisions of California’s
16 Uniform Act “seem[] to us intended to leave the door open for the recognition by
17 California courts of foreign judgments rendered in accordance with American
18 principles of jurisdictional due process.”⁴⁷

19 With respect to ensuring that a foreign court’s exercise of personal jurisdiction is
20 consistent with California’s jurisdictional principles, the Commission concluded
21 the personal jurisdiction provisions of California’s Uniform Act are operating
22 appropriately in practice.

23 ***Foreign Law***

24 If a foreign court lacks personal jurisdiction under its own laws, then the foreign
25 court would have no legal authority to assert jurisdiction over the defendant. The
26 resulting foreign court judgment would presumably be invalid.⁴⁸

27 The Commission found some authority suggesting that, in a judgment
28 recognition proceeding, a court may consider whether the foreign court lacked
29 personal jurisdiction under foreign law.⁴⁹ However, the existing language of

45. 1962 Uniform Act Prefatory Note.

46. See Commission Staff Memorandum 2016-6, pp. 13-16.

47. *Bank of Montreal v. Kough*, 612 F.2d 467, 471 (9th Cir. 1980). California’s long-arm jurisdiction statute extends the jurisdictional reach of the California courts to the limits of the state and federal Constitutions. See Code Civ. Proc. § 410.10.

48. See *supra* note 39.

49. See, e.g., *Monks Own, Ltd. v. Christ in the Desert*, 168 P.3d 121, 125-27 (N.M. 2007) (finding that personal jurisdiction under foreign law was not in dispute); *Dart v. Balaam*, 953 S.W.2d 478, 481-82 (Tex. App. 1997) (discussing appearance as a waiver of jurisdictional objections under both Texas and Australia law); *Sung Hwan Co., Ltd. v. Rite Aid Corp.*, 850 N.E.2d 647, 651 (N.Y. 2006) (“Thus, the inquiry turns on whether exercise of jurisdiction by the foreign court comports with New York’s concept of personal jurisdiction, and if so, whether that foreign jurisdiction shares

1 California’s Uniform Act appears to preclude an objection to personal jurisdiction
 2 under foreign law in certain cases. In particular, Code of Civil Procedure Section
 3 1717, reproduced above, provides that a judgment “shall not be refused
 4 recognition for lack of personal jurisdiction” if any of the listed bases apply,
 5 without permitting any assessment of whether jurisdiction is adequate under
 6 foreign law.

7 The Commission notes that, in most cases, objections to personal jurisdiction
 8 would likely have been resolved in the foreign court proceeding, either by the
 9 foreign court deciding the issue or through waiver where the defendant appears
 10 without raising a jurisdictional objection. In such cases, a California court should
 11 not permit re-litigation of the issue.⁵⁰ As a general matter, the Commission
 12 believes that objections to personal jurisdiction under foreign law would likely
 13 only arise in the context of a default judgment where the defendant did not appear
 14 at all before the foreign court.

15 The Commission concluded that permitting objections to personal jurisdiction
 16 under foreign law seems to reflect the predominant practice under the Uniform
 17 Act, as well as the best policy result (i.e., avoiding recognition of invalid foreign
 18 court judgments).⁵¹ To that end, the Commission concluded that minor reforms are
 19 needed to make clear that, in appropriate circumstances, a court is not precluded
 20 from considering whether the foreign court’s exercise of personal jurisdiction was
 21 authorized by foreign law.

22 **Conclusion**

23 In accordance with the foregoing discussion, the Commission recommends
 24 amendments to Code of Civil Procedure Section 1717 making clear that a foreign
 25 court lacks personal jurisdiction if either (1) the foreign court’s basis for personal
 26 jurisdiction violates California’s jurisdictional principles or (2) the foreign court’s
 27 exercise of personal jurisdiction was not permitted under foreign law.⁵²

our notions of procedure and due process of law.”); *Canadian Imperial Bank of Commerce v. Saxony Carpet Co.*, 899 F. Supp. 1248, 1253 (S.D.N.Y. 1995) (“According to the standards articulated in both New York law and the proof of Quebec law offered by Plaintiff CIBC, the Canadian court obtained valid in personam jurisdiction over Defendant Saxony.”); see also Draft Fourth Restatement, *supra* note 20, § 403 Reporters’ Note 7.

50. Draft Fourth Restatement, *supra* note 20, § 403 Reporters’ Note 7 (“There is authority, however, for the proposition that a U.S. court generally will not look behind a foreign court’s finding of personal jurisdiction under its own law.”).

51. See Commission Staff Memorandum 2016-6, pp. 11-13.

52. The Commission’s commentary also specifies that a defect in the service of process could support a finding that the foreign court lacks personal jurisdiction, where that defect is sufficient to defeat personal jurisdiction under foreign law. See proposed Code Civ. Proc. § 1717 Comment *infra*. Where defective service of process does not defeat jurisdiction, the defective service may nonetheless be grounds for nonrecognition under other exceptions. See, e.g., Code. Civ. Proc. § 1716(c)(1) (defendant did not receive sufficient notice).

1 **Personal Jurisdiction under Tribal Court Judgment Act**

2 The Tribal Court Judgment Act states the general rule that a court must decline
3 recognition of a tribal court judgment where the tribal court lacked personal
4 jurisdiction over the defendant.⁵³ The Tribal Court Judgment Act differs from
5 California’s Uniform Act in that the Tribal Court Judgment Act does not include
6 an analog to Code of Civil Procedure Section 1717, listing sufficient bases for
7 personal jurisdiction.⁵⁴

8 The omission of such a provision is reasonable. There are significant, material
9 differences in the jurisdictional laws governing states and tribes. In particular, the
10 federal case law assessing tribal court jurisdiction combines concepts that are
11 traditionally associated with both subject matter jurisdiction (a court’s authority to
12 hear a matter) and personal jurisdiction (a court’s ability to adjudicate as to a
13 particular party).⁵⁵ The federal case law describes a test for tribal court subject
14 matter jurisdiction that focuses on the status of the party (i.e., a nonmember) and
15 that party’s connections with the tribe (i.e., requiring either a consensual
16 relationship with the tribe or its members or conduct threatening or directly
17 affecting the tribe as a whole).⁵⁶ Given these differences, the Commission
18 concluded that, at a minimum, the list of sufficient bases for personal jurisdiction
19 in Code of Civil Procedure Section 1717 could be confusing when applied to a
20 tribal court’s exercise of personal jurisdiction over a non-tribe member. Thus, the
21 Commission concludes that the omission of an analogous provision in the Tribal
22 Court Judgment Act was appropriate.

53. Code Civ. Proc. § 1737(b)(1).

54. See generally discussion of “California Principles of Personal Jurisdiction” *supra*.

55. See, e.g., *Smith v. Salish Kootenai College*, 434 F.3d 1127, 1136-40 (9th Cir. 2006) (en banc) (acknowledging general characterization of tribal civil jurisdiction as subject matter jurisdiction in case law, while noting that aspects of tribal adjudicatory jurisdiction resemble personal jurisdiction). See also Katherine Florey, *Beyond Uniqueness: Reimagining Tribal Courts’ Jurisdiction*, 101 Cal. L. Rev. 1499, 1536-40 (December 2013) (discussing *Smith v. Salish Kootenai College*); *id.* at 1504-05 (“In keeping with this supposed tribal uniqueness, the Supreme Court has developed the jurisdictional doctrines that govern tribes on an entirely clean slate. In other words, the Court has never seriously examined the field of personal jurisdiction, or related doctrines like conflict of laws, when discussing Indian country — despite the fact that these doctrines are, by their nature, designed to accommodate different legal values and contexts in multi-jurisdictional disputes. Instead, the Court has developed new doctrines and categories, presumably rooted in federal common law, that bear little relation to jurisdictional concepts as applied in any other context. For example, the Court speaks of ‘legislative,’ ‘adjudicative,’ and, in some cases, ‘subject matter’ jurisdiction in scenarios that would ordinarily be conceptualized as ones involving personal jurisdiction.”) (citations omitted).

56. See *Montana v. United States*, 450 U.S. 544, 565-66 (1981) (setting forth a test describing limits on tribe’s civil regulatory authority); *Strate v. A-1 Contractors*, 520 U.S. 438, 453 (1997) (concluding that tribe’s “adjudicative jurisdiction does not exceed its legislative jurisdiction,” thereby applying *Montana* test to tribal court jurisdiction).

1 The Commission further concludes, that the omission of such a provision was
2 not intended to change the scope of the personal jurisdiction inquiry for the
3 recognition of tribal court judgments.⁵⁷ The Tribal Court Judgment Act, as drafted,
4 does not preclude a court from finding that a tribal court lacked personal
5 jurisdiction over the defendant if either (1) the tribal court’s exercise of personal
6 jurisdiction was not authorized by tribal law or (2) the tribal court’s basis for
7 personal jurisdiction violates California’s jurisdictional principles.

8 Therefore, the Commission concludes that the Tribal Court Judgment Act is
9 appropriate as drafted, but proposes commentary clarifying the scope of the
10 personal jurisdiction inquiry.⁵⁸

11 DISCRETIONARY EXCEPTIONS TO RECOGNITION

12 The Judgment Recognition Acts each include nine discretionary exceptions to
13 recognition. These exceptions permit a court to deny recognition of a judgment in
14 situations where:

- 15 • The defendant did not receive timely notice.
- 16 • The judgment was procured by fraud that precluded the defendant from
17 defending the case.
- 18 • California public policy would be offended by recognition of the judgment.
- 19 • The judgment conflicts with another final judgment.
- 20 • The proceeding was contrary to the parties’ dispute resolution agreement.
- 21 • The court was a seriously inconvenient forum.
- 22 • The court rendering the judgment appears to have lacked integrity with
23 respect to the judgment.
- 24 • The proceeding was incompatible with due process.
- 25 • The judgment was for defamation and failed to provide free speech and
26 press protections.

27 Each of these discretionary exceptions is discussed, in turn, below.

57. See, e.g., SB 406 Assembly Judiciary Analysis, *supra* note 3, at 1 (“While, this bill establishes a new procedural framework for seeking recognition of tribal court money judgments in California courts, it does not significantly change the legal grounds for recognition or nonrecognition of these judgments.”); see also Assembly Floor Analysis of SB 406, p. 3 (Aug. 6, 2014) (“Any money judgment that is non-enforceable under existing law would continue to be non-enforceable under this legislation — this bill just simplifies the procedures for seeking enforcement of a tribal court judgment.”); Senate Floor Analysis of SB 406, p. 7 (Aug. 8, 2014) (according to Judicial Council (source of SB 406), bill would “continu[e] to apply the principles of comity appropriate to judgments of sovereign tribes.”).

58. See proposed Heading of Chapter 3 (commencing with Section 1730) of the Code of Civil Procedure Comment *infra*.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

Lack of Notice

Under the Judgment Recognition Acts, a court may decline to recognize a foreign or tribal court judgment if “[t]he defendant in the proceeding in the foreign [or tribal] court did not receive notice of the proceeding in sufficient time to enable the defendant to defend.”⁵⁹

As a general matter, it seems unfair to hold a defendant responsible for a judgment where the defendant was precluded from putting on a defense due to a failure to receive timely notice.

The terms of this provision seem to emphasize the *timing* of the notice. Nonetheless, the Commission concludes that this provision, as drafted, would permit an objection to notice where the *content* of the notice is defective.

The Commission concluded that the lack of notice exception is appropriate, as drafted. To alleviate any possible confusion on whether this exception permits objections to defects in the content of the notice, the Commission provides clarifying commentary on that issue.⁶⁰

Fraud

Under the Judgment Recognition Acts, a court may decline to recognize a foreign or tribal court judgment if “[t]he judgment was obtained by fraud that deprived the losing party of an adequate opportunity to present its case.”⁶¹

The Uniform Law Commission’s commentary specifies that this provision only permits nonrecognition in cases of “extrinsic fraud—conduct of the prevailing party that deprived the losing party of an adequate opportunity to present its case.”⁶² The reference to “extrinsic fraud” may be cause for confusion, as it may suggest a categorical test for the applicability of this provision.⁶³ However, the language of the exception itself establishes a functional test, focusing on whether the fraud deprived the party of an adequate opportunity to present its case.

Commentary on judgment recognition suggests that modern case law focuses on “whether the injured party had any opportunity to address the alleged misconduct during the original proceeding.”⁶⁴

Standing alone, the Uniform Law Commission’s comment, which is reproduced in the Commission’s commentary,⁶⁵ might suggest a limitation on type of fraud

59. Code Civ. Proc. §§ 1716(c)(1), 1737(c)(1).

60. See proposed Code Civ. Proc. § 1716 Comment; proposed Heading of Chapter 3 (commencing with Section 1730) of the Code of Civil Procedure Comment *infra*.

61. Code Civ. Proc. §§ 1716(c)(2), 1737(c)(2).

62. 2005 Uniform Act § 4 Comment 7.

63. Draft Fourth Restatement, *supra* note 20, § 404 Reporters’ Note 3.

64. *Id.*

1 that could serve as grounds for nonrecognition. For that reason, the Commission
2 provides supplemental commentary clarifying that the Uniform Law
3 Commission’s reference to extrinsic fraud should not be construed as limiting the
4 application of the fraud exception.

5 The Commission concludes that the fraud exception, as drafted, is appropriate.

6 Repugnant to Public Policy

7 Under the Judgment Recognition Acts, a court may decline to recognize a
8 foreign or tribal court judgment if “[t]he judgment or the cause of action or claim
9 for relief on which the judgment is based is repugnant to the public policy of this
10 state or of the United States.”⁶⁶

11 The Uniform Act’s commentary explains the scope of this provision:

12 [A] difference in law, even a marked one, is not sufficient to raise a public
13 policy issue. Nor is it relevant that the foreign law allows a recovery that the
14 forum state would not allow. Public policy is violated only if recognition or
15 enforcement of the foreign-country judgment would tend clearly to injure the
16 public health, the public morals, or the public confidence in the administration of
17 law, or would undermine “that sense of security for individual rights, whether of
18 personal liberty or of private property, which any citizen ought to feel.”⁶⁷

19 As indicated, this provision establishes a “stringent test for finding a public policy
20 violation.”⁶⁸

21 Under the 1962 Uniform Act, this exception referred only to the cause of action
22 or claim for relief. In 2005, the Uniform Law Commission revised this provision
23 to also apply to the judgment itself. This amendment addressed confusion in the
24 case law about whether the provision applies where the specific judgment is
25 repugnant to public policy, but the underlying cause of action or claim for relief is
26 not.⁶⁹

27 With the 2005 amendment, the Commission concludes that this exception is
28 appropriate and sufficiently clear as drafted. Therefore, the Commission
29 recommends no change to this provision.

65. See proposed Code Civ. Proc. § 1716 Comment; proposed Heading of Chapter 3 (commencing with Section 1730) of the Code of Civil Procedure Comment *infra*.

66. Code Civ. Proc. § 1716(c)(3); see also *id.* § 1737(c)(3) (same with minor differences in phrasing).

67. See 2005 Uniform Act § 4 Comment 8 (citation omitted).

68. *Id.*

69. See *id.*

1 Conflicting Judgments

2 Under the Judgment Recognition Acts, a court may decline to recognize a
3 foreign or tribal court judgment if “[t]he judgment conflicts with another final and
4 conclusive judgment.”⁷⁰

5 The Commission concludes that this exception is appropriate and sufficiently
6 clear as drafted.

7 Nonetheless, the Commission provides comments offering guidance to a court
8 asked to resolve a situation of conflicting judgments. Absent other law requiring
9 the recognition of a particular judgment,⁷¹ a court may be unsure how to resolve a
10 conflict between multiple judgments, each otherwise eligible for recognition.

11 Neither the Judgment Recognition Acts, nor the Uniform Law Commission’s
12 commentary, provide guidance on this point. The Draft *Restatement of the Law*
13 *Fourth: The Foreign Relations Law of the United States: Jurisdiction* suggests
14 that:

15 If the court rendering the later judgment fairly considered the earlier judgment
16 and declined to recognize the earlier judgment under standards comparable to
17 those set forth in this Restatement, a U.S. court should ordinarily recognize the
18 later judgment.⁷²

19 The Commission provides that guidance in its comments.

20 Contrary to Parties’ Dispute Resolution Agreement

21 Under the Judgment Recognition Acts, a court may decline to recognize a
22 foreign or tribal court judgment if “[t]he proceeding in the foreign [or tribal] court
23 was contrary to an agreement between the parties under which the dispute in
24 question was to be determined otherwise than by proceedings in that [] court.”⁷³

25 By its terms, this provision applies to a dispute resolution agreement that
26 identifies a particular forum for litigation or alternative dispute resolution (i.e.,
27 arbitration or mediation).⁷⁴

70. Code Civ. Proc. §§ 1716(c)(4), 1737(c)(4).

71. For example, a court may be required to decline recognition of a foreign or tribal court judgment that conflicts with a sister-state judgment that is entitled to full faith and credit under the U.S. Constitution. See U.S. Const. art. IV, § 1.

72. Draft Fourth Restatement, *supra* note 20, § 404 Comment f. The standards in the Restatement are largely the same as those in the Uniform Act. Compare 2005 Uniform Act § 4 with Draft Fourth Restatement §§ 403, 404.

73. Code Civ. Proc. §§ 1716(c)(5), 1737(c)(5).

74. See 2005 Uniform Act § 4 Comment 9 (This provision “allows the forum court to refuse recognition of a foreign-country judgment when the parties had a valid agreement, such as a valid forum selection clause or agreement to arbitrate, providing that the relevant dispute would be resolved in a forum other than the forum issuing the foreign-country judgment.”).

1 Generally, “[w]here a valid choice-of-forum agreement governs a dispute, a U.S.
2 court will refuse to recognize a foreign judgment resulting from a breach of that
3 agreement in the absence of a waiver of rights under that agreement.”⁷⁵

4 The Commission concludes that this provision is appropriate and sufficiently
5 clear as drafted.

6 Seriously Inconvenient Forum

7 Under the Judgment Recognition Acts, a court may decline to recognize a
8 foreign or tribal court judgment if “jurisdiction [is] based only on personal service
9 [and] the foreign [or tribal] court was a seriously inconvenient forum for the trial
10 of the action.”⁷⁶

11 By its terms, this provision is limited to situations in which personal jurisdiction
12 is premised *solely* on personal service. In practice, this significantly limits the
13 application of the exception.⁷⁷ It will be rare that personal jurisdiction is premised
14 solely on personal service. Typically, the defendant will have had other contacts
15 with the foreign or tribal jurisdiction that would support the exercise of personal
16 jurisdiction.⁷⁸

75. Draft Fourth Restatement, *supra* note 20, § 404 Reporters’ Note 7.

Courts have declined to recognize foreign court judgments on the basis of this provision. See, e.g., *Diamond Offshore (Bermuda), Ltd. v. Haaksman*, 355 S.W.3d 842 (Tex. App. 2011); *Montebueno Mktg. v. Del Monte Foods Corp.-USA*, 2012 U.S. Dist. LEXIS 39372 (N.D. Cal. 2012), *aff’d* 570 Fed. Appx. 675 (9th Cir. 2014).

However, the courts have recognized foreign court judgments that are contrary to a dispute resolution agreement where the person raising the objection effectively waived that objection by participating in the foreign court proceedings. See, e.g., *Dart*, 953 S.W.2d at 482 (“While the contract between Appellant and Appellee specified that disputes would be submitted to the courts of Vanuatu, neither party sought to enforce that right. Appellee waived his right by filing suit in Australia. Appellant in turn elected to waive his right by making an unconditional appearance and by filing a counter-claim seeking affirmative relief in the Australian court. Having failed to contest the issue in the Australian court, Appellant cannot now assert it as a basis for nonrecognition.”).

76. Code Civ. Proc. § 1716(c)(6); see also *id.* § 1737(c)(6) (same with minor differences in phrasing).

77. See Third Restatement, *supra* note 20, § 421 Reporter’s Note 5 (“Jurisdiction based on service of process on one only transitorily present in a state is no longer acceptable under international law if that is the only basis for jurisdiction and the action in question is unrelated to that state.”)

78. See, e.g., *Bank of Nova Scotia v. Tschabold Equip.*, 754 P.2d 1290, 1295 (Wash. Ct. App. 1988) (“The Canadian court’s jurisdiction over Pacific Western was based upon its long-arm rule, a court order, and Pacific Western’s voluntary appearance, as well as upon personal service. Refusing recognition of ScotiaBank’s Canadian judgment is therefore not warranted on [the inconvenient forum] basis.”).

1 Although the practical effect of this provision may be limited, given its narrow
2 application, the Commission concludes that this provision is appropriate and
3 sufficiently clear as drafted.

4 Lack of Integrity of Rendering Court

5 Under the Judgment Recognition Acts, a court may decline to recognize a
6 foreign or tribal court judgment if “[t]he judgment was rendered in circumstances
7 that raise substantial doubt about the integrity of the rendering court with respect
8 to the judgment.”⁷⁹

9 The Uniform Law Commission added this provision to the 2005 Uniform Act to
10 complement the mandatory exception to recognition applicable in situations where
11 the judicial system as a whole fails to provide impartial tribunals. The Uniform
12 Law Commission’s commentary describes the difference between the showings
13 required under this discretionary exception and the corresponding mandatory
14 exception:

15 Thus, the difference is that between showing, for example, that corruption and
16 bribery is so prevalent throughout the judicial system of the foreign country as to
17 make that entire judicial system one that does not provide impartial tribunals
18 versus showing that bribery of the judge in the proceeding that resulted in the
19 particular foreign-country judgment under consideration had a sufficient impact
20 on the ultimate judgment as to call it into question.⁸⁰

21 This provision is relatively new, so there is little commentary or case law
22 discussing its application. However, the rationale for declining to recognize a
23 judgment when this provision applies is sound.

24 The Uniform Law Commission commentary also suggests a situation where
25 *recognition* of the judgment might be appropriate, even if this exception is
26 established.⁸¹ The commentary suggests that a party’s failure to appeal the foreign
27 court judgment could serve as a reason for a court to recognize the foreign court
28 judgment when this exception applies.⁸² Although a court could conclude that
29 nonrecognition is nonetheless the appropriate result in such a situation, the
30 comment suggests potentially relevant considerations that might bear on a court’s
31 decision whether or not to recognize the judgment.⁸³

32 The Commission concludes that this provision is appropriate and sufficiently
33 clear as drafted.

79. Code Civ. Proc. § 1716(c)(7); see also *id.* § 1737(c)(7) (same with minor differences in phrasing).

80. 2005 Uniform Act § 4 Comment 11.

81. See discussion of “Discretion to Recognize” *supra*.

82. 2005 Uniform Act § 4 Comment 12.

83. See discussion of “Discretion to Recognize” *supra*.

1 California’s Uniform Act with an exception permitting nonrecognition of a
2 foreign-country judgment if “[t]he judgment includes recovery for a claim of
3 defamation unless the court determines that the defamation law applied by the
4 foreign court provided at least as much protection for freedom of speech and the
5 press as provided by both the United States and California Constitutions.”⁹² This
6 exception is also included in the Tribal Court Judgment Act.⁹³

7 In 2010, the federal government, responding to libel tourism concerns, enacted
8 the SPEECH Act.⁹⁴ The SPEECH Act prohibits any domestic court⁹⁵ from
9 recognizing a foreign defamation judgment unless that judgment meets specified
10 standards for free speech protection and personal jurisdiction.⁹⁶ The SPEECH Act
11 also places an affirmative burden on the party seeking recognition to show that the
12 foreign court judgment meets these standards before the judgment can be
13 recognized.⁹⁷

14 For foreign defamation judgments that are not sufficiently protective of free
15 speech, the Commission concluded that California’s discretionary nonrecognition
16 provision might cause confusion in light of the federal prohibition on recognition.
17 Therefore, the Commission recommends amending California’s Uniform Act to
18 replace the existing discretionary defamation provision with an express
19 incorporation of the standards for foreign defamation judgments contained in the
20 federal SPEECH Act.⁹⁸

21 By its terms, the federal SPEECH Act does not appear to apply to tribal court
22 judgments.⁹⁹ Therefore, the Commission recommends continuing California’s

92. Code Civ. Proc. § 1716(c)(9); see also 2009 Cal. Stat. ch. 579, § 1.

93. See Code Civ. Proc. § 1737(c)(9).

94. See generally Emily C. Barbour, Congressional Research Service, Rpt. No. R41417, *The SPEECH Act: The Federal Response to “Libel Tourism”* (Sept. 16, 2010).

The full name of the federal act is the “Securing the Protection of our Enduring and Established Constitutional Heritage Act.” See Pub. L. No. 111-223 (2010).

95. The SPEECH Act defines “domestic court” to include “a court of any State.” 28 U.S.C. § 4101(2).

96. 28 U.S.C. § 4102.

97. See *id.*

98. See proposed Code Civ. Proc. § 1716 *infra*.

99. The SPEECH Act defines “foreign court” as “a court, administrative body, or other tribunal of a *foreign country*,” without defining foreign country. 28 U.S.C. § 4101(3). As a general matter, under American law, the federal government “has broad powers and responsibilities in Indian affairs.” Cohen’s Handbook, *supra* note 41, at p. 2. Tribes are more aptly characterized as “domestic” as opposed to “foreign” nations. See, e.g., *Cherokee Nation v. Georgia*, 30 U.S. 1, 17 (1831) (“[Tribes] may, more correctly, perhaps, be denominated domestic dependent nations [as opposed to foreign nations.]”); see also U.S. Const. art. I, § 8, cl. 3 (listing foreign nations, states and tribes separately).

1 current discretionary exception for defamation judgments in the Tribal Court
2 Judgment Act.¹⁰⁰

3
4 RECIPROCITY

5 Neither of the Judgment Recognition Acts conditions recognition of a foreign or
6 tribal court judgment on whether the foreign country or tribe would reciprocally
7 recognize California judgments.

8 The legislative history for Senate Bill 406 indicates that a member of the public
9 raised concerns about the lack of a reciprocity requirement in the Tribal Court
10 Judgment Act. In particular, the commenter noted the difficulties she has faced in
11 getting a California court order recognized by tribal courts.¹⁰¹

12 The Uniform Act commentary indicates that the Uniform Law Commission
13 considered the inclusion of a reciprocity requirement both when originally
14 developing the 1962 Uniform Act and when revising the Uniform Act in 2005.¹⁰²
15 In 2005, the Uniform Law Commission noted:

16 In the course of drafting this Act, the drafters revisited the decision made in the
17 1962 Act not to require reciprocity as a condition to recognition of the foreign-
18 country money judgments covered by the Act. After much discussion, the drafters
19 decided that the approach of the 1962 Act continues to be the wisest course with
20 regard to this issue. While recognition of U.S. judgments continues to be
21 problematic in a number of foreign countries, there was insufficient evidence to
22 establish that a reciprocity requirement would have a greater effect on
23 encouraging foreign recognition of U.S. judgments than does the approach taken
24 by the Act. At the same time, the certainty and uniformity provided by the
25 approach of the 1962 Act, and continued in this Act, creates a stability in this area
that facilitates international commercial transactions.¹⁰³

100. To the extent that the SPEECH Act does apply to tribal court judgments and preempts California law to the contrary, the SPEECH Act will continue to operate, independent of California's provision. See generally Barbour, *supra* note 94, at 11-13 (discussing the preemptive effect of the SPEECH Act).

101. See SB 406 Assembly Judiciary Analysis, *supra* note 3, at 7-8. The commenter was seeking tribal court recognition of a California child support order. The Commission notes that child support orders are expressly excluded from the Tribal Court Judgment Act. See Code Civ. Proc. § 1731(b)(2).

102. Some states permit the extension of full faith and credit to tribal judgments, conditioned on reciprocal treatment by the tribe of state judgments. See, e.g., Okla. Stat. tit. 12, § 728; Wis. Stat. § 806.245. Although, absent reciprocity, a tribal court judgment might not be afforded full faith and credit in these states, it is not clear whether a tribal court judgment could nonetheless be recognized and enforced under other state laws (e.g., an enactment of either the 1962 or 2005 Uniform Act).

103. 2005 Uniform Act Prefatory Note.

1 The Uniform Law Commission identifies general benefits (stability and certainty
2 for litigants) for not requiring reciprocity that would seem to apply to both foreign
3 and tribal court judgments.

4 A reciprocity requirement seems fundamentally different than the other
5 exceptions. Such a requirement does not concern the quality of justice in the
6 individual foreign or tribal court proceeding.¹⁰⁴ Instead, a reciprocity requirement
7 for judgment recognition addresses a political question, involving the degree of
8 comity to extend to other sovereign entities.

9 As a general matter, the Commission concludes that a lack of reciprocity
10 requirement in California law is not legally problematic, nor is out of step with the
11 current policy direction of the majority of states.¹⁰⁵ Therefore, the Commission
12 does not recommend any change to California law.

13 SUNSET CLAUSE

14 When Senate Bill 406 was amended to assign the Commission this study, the
15 bill was also amended to provide for the repeal of the Tribal Court Judgment Act
16 on January 1, 2018.¹⁰⁶ The analysis discussing the assignment of this study to the
17 Commission states:

18 Given the concerns raised on all sides, the Committee may want to consider
19 passing the measure, but requiring that the California Law Revisions Commission
20 (CLRC) look at the due process requirements of both [the Tribal Court Judgment
21 Act and the Uniform Act], using existing resources, and sunset the bill in three
22 years, after the study is complete, to allow the Legislature, with a thoughtful and
23 thorough review by the CLRC, to more thoroughly and knowledgably consider
24 the concerns that have been raised on all sides.¹⁰⁷

25 With the changes discussed above, the Commission concludes that the standards
26 of recognition in the Judgment Recognition Acts are sound. Further, the
27 Commission concludes that the Tribal Court Judgment Act makes helpful
28 refinements to the standards tailored to recognition of tribal court judgments.

29 With the caveat that the Commission did not evaluate the *procedural* elements
30 of the Tribal Court Judgment Act, due to the limited scope of the Commission's
31 assignment, the Commission recommends repealing the provisions that would
32 automatically repeal the Tribal Court Judgment Act.¹⁰⁸

104. See generally Commission Staff Memorandum 2016-13, p. 20.

105. See *id.* at 19.

106. See Code Civ. Proc. §§ 1714, as amended by 2014 Cal. Stat. ch. 243, § 2; 1714, as added by 2014 Cal. Stat. ch. 243, § 3; 1742.

107. SB 406 Assembly Judiciary Analysis, *supra* note 3, at 1-2.

108. See, e.g., proposed repeal of Code Civ. Proc. § 1742 *infra*.

1
2
3
4
5
6
7
8
9
10

TECHNICAL AND ORGANIZATIONAL CHANGES

The Commission recommends a few technical and organizational changes to achieve the following:

- Relocating the provision authorizing declaratory relief for foreign defamation judgments and making clarifying changes.¹⁰⁹
 - Relocating the Tribal Court Judgment Act to the same title as other California laws governing judgments from other jurisdictions.¹¹⁰
 - Clarifying that the Tribal Court Judgment Act, not California’s Uniform Act, governs the recognition of tribal court judgments.¹¹¹
 - Stylistic consistency.¹¹²
-

109. See proposed amendment to Code Civ. Proc. § 1717; proposed Code Civ. Proc. § 1725 *infra*.

110. See proposed repeal of Heading of Title 11.5 (commencing with Code Civ. Proc. § 1730); proposed addition of Heading of Chapter 3 (commencing with Code Civ. Proc. § 1730) *infra*.

111. See proposed amendment to Code Civ. Proc. § 1714 (as amended by Section 2 of Chapter 243 of the Statutes of 2014) *infra*.

112. See, e.g., proposed amendment to Heading of Chapter 1 (commencing with Code Civ. Proc. § 1710.10) *infra*.

Contents

PROPOSED LEGISLATION.....	29
Code Civ. Proc. § 1716 (amended). Standards for recognition [UFCMJRA § 4]	29
Code Civ. Proc. § 1717 (amended). Personal jurisdiction [UFCMJRA §5]	34
Code Civ. Proc. § 1725 (added). Declaratory relief for foreign-country defamation judgments	36
TECHNICAL AND ORGANIZATIONAL REVISIONS	37
Heading of Title 11 (commencing with Section 1710.10) (amended).....	37
Heading of Chapter 1 (commencing with Section 1710.10) (amended).	37
Code Civ. Proc. § 1714, as amended by Section 2 of Chapter 243 of the Statutes of 2014 (amended). Definitions [UFCMJRA §2]	37
Code Civ. Proc. § 1714, as added by Section 3 of Chapter 243 of the Statutes of 2014 (repealed). Definitions	38
Heading of Title 11.5 (commencing with Section 1730) (repealed).	38
Heading of Chapter 3 (commencing with Section 1730) (added).	38
Code Civ. Proc. § 1730 (amended). Short title	42
Code Civ. Proc. § 1731 (amended). Scope	43
Code Civ. Proc. § 1732 (amended). Definitions	43
Code Civ. Proc. § 1733 (amended). Location for filing	44
Code Civ. Proc. § 1741 (amended). Application of chapter	44
Code Civ. Proc. § 1742 (repealed). Repeal of title	45

PROPOSED LEGISLATION

1 **Code Civ. Proc. § 1716 (amended). Standards for recognition [UFCMJRA § 4]**

2 SEC. ____ . Section 1716 of the Code of Civil Procedure is amended to read:

3 1716. (a) Except as otherwise provided in subdivisions ~~(b) and (c)~~ (b), (c), and
4 (e), a court of this state shall recognize a foreign-country judgment to which this
5 chapter applies.

6 (b) A court of this state shall not recognize a foreign-country judgment if any of
7 the following apply:

8 (1) The judgment was rendered under a judicial system that does not provide
9 impartial tribunals or procedures compatible with the requirements of due process
10 of law.

11 (2) The foreign court did not have personal jurisdiction over the defendant.

12 (3) The foreign court did not have jurisdiction over the subject matter.

13 (c) A court of this state is not required to recognize a foreign-country judgment
14 if any of the following apply:

15 (1) The defendant in the proceeding in the foreign court did not receive notice of
16 the proceeding in sufficient time to enable the defendant to defend.

17 (2) The judgment was obtained by fraud that deprived the losing party of an
18 adequate opportunity to present its case.

19 (3) The judgment or the cause of action or claim for relief on which the
20 judgment is based is repugnant to the public policy of this state or of the United
21 States.

22 (4) The judgment conflicts with another final and conclusive judgment.

23 (5) The proceeding in the foreign court was contrary to an agreement between
24 the parties under which the dispute in question was to be determined otherwise
25 than by proceedings in that foreign court.

26 (6) In the case of jurisdiction based only on personal service, the foreign court
27 was a seriously inconvenient forum for the trial of the action.

28 (7) The judgment was rendered in circumstances that raise substantial doubt
29 about the integrity of the rendering court with respect to the judgment.

30 (8) The specific proceeding in the foreign court leading to the judgment was not
31 compatible with the requirements of due process of law.

32 ~~(9) The judgment includes recovery for a claim of defamation unless the court~~
33 ~~determines that the defamation law applied by the foreign court provided at least~~
34 ~~as much protection for freedom of speech and the press as provided by both the~~
35 ~~United States and California Constitutions.~~

36 (d) If the party seeking recognition of a foreign-country judgment has met its
37 burden of establishing recognition of the foreign-country judgment pursuant to
38 subdivision (c) of Section 1715, a party resisting recognition of a foreign-country
39 judgment has the burden of establishing that a ground for nonrecognition stated in
40 subdivision (b) or (c) exists.

1 (e) A court of this state shall not recognize a foreign-country judgment for
2 defamation if that judgment is not recognizable under Section 4102 of Title 28 of
3 the United States Code.

4 **Comment.** Section 1716 is similar to Section 4 of the Uniform Foreign-Country Money
5 Judgments Recognition Act (2005) (“2005 Uniform Act”).

6 Paragraphs (b)(1) and (c)(8) state exceptions to recognition of a foreign-country judgment
7 related to the due process offered in the foreign proceeding. Under both paragraphs (b)(1) and
8 (c)(8), the focus of the inquiry “is not whether the procedure in the rendering country is similar to
9 U.S. procedure, but rather on the basic fairness of the foreign-country procedure.” See
10 Background from the 2005 Uniform Act *infra*. Unlike the Tribal Court Civil Money Judgment
11 Act, this Act does not attempt to define “due process.” *Compare* Code Civ. Proc. § 1732(c) *with*
12 Code Civ. Proc. § 1714.

13 Paragraph (b)(2) provides that a foreign-country judgment shall not be recognized if the
14 foreign court did not have personal jurisdiction over the defendant. Section 1717 makes clear that
15 a foreign court lacks personal jurisdiction if either of the following applies:

- 16 (1) The foreign court lacks a basis for exercising personal jurisdiction that would be
17 sufficient according to the standards governing personal jurisdiction in this state.
- 18 (2) The foreign court lacks personal jurisdiction under its own law.

19 Subdivision (c) lists grounds on which the court may decline to recognize a foreign-country
20 judgment. With the exception of paragraphs (c)(3) and (c)(4), these grounds generally involve the
21 fairness of the foreign proceeding. When the fairness-related grounds apply, the court has
22 discretion to recognize the foreign-country judgment in the unusual case where countervailing
23 considerations outweigh the seriousness of the defect underlying the applicable ground for
24 nonrecognition. Such countervailing considerations could include, for instance, situations in
25 which the opponent failed to raise an objection in the foreign court or the opponent’s own
26 misconduct was the primary cause of the harm suffered.

27 Paragraph (c)(1) provides that a court may decline to recognize a foreign-country judgment if
28 the defendant did not receive notice of the foreign proceeding in sufficient time to enable the
29 defendant to defend. Under this paragraph, a defect in either the timing or the content of the
30 notice could be grounds for nonrecognition if that defect precluded the defendant from defending
31 in the foreign court proceeding.

32 Paragraph (c)(2) provides that a court may decline to recognize a foreign-country judgment if
33 fraud deprived the losing party of an adequate opportunity to present its case. The Uniform Law
34 Commission’s commentary on this provision indicates that the type of fraud that can serve as
35 grounds for nonrecognition is limited to “extrinsic fraud — conduct of the prevailing party that
36 deprived the losing party of an adequate opportunity to present its case.” See Background from
37 the 2005 Uniform Act *infra*. The reference to “extrinsic fraud” suggests that the test established
38 by the exception is categorical, permitting nonrecognition in cases of extrinsic, but not intrinsic,
39 fraud. However, the language of the exception establishes a functional test, whether the fraud
40 deprived the party of an adequate opportunity to present its case. Recent judgment recognition
41 case law evaluates fraud by assessing “whether the injured party had any opportunity to address
42 the alleged misconduct during the original proceeding.” See Restatement of the Law Fourth: The
43 Foreign Relations Law of the United States: Jurisdiction § 404 Reporters’ Note 3 (Tentative Draft
44 No. 1, April 1, 2014). This case law suggests that a key consideration for a court deciding
45 whether alleged fraud could be a ground for nonrecognition is whether there was “a reasonable
46 opportunity for the person victimized by fraud to uncover the misconduct and bring it to the
47 [rendering] court’s attention.” *Id.*

48 Paragraph (c)(4) provides that a court may decline to recognize a foreign-country judgment if it
49 conflicts with another final and conclusive judgment. Some commentators suggest that, where the
50 foreign court rendering the later judgment fairly considered the earlier judgment and declined to
51 recognize it under standards similar to those set forth in this Uniform Act, a court should

1 ordinarily recognize the later foreign-country judgment. However, in some situations, other law
 2 may require the recognition of one of the conflicting judgments (e.g., where one of the conflicting
 3 judgments is entitled to full faith and credit). See *id.* § 404 Comment f, Reporters' Note 6.

4 Former paragraph (c)(9) is not continued. Federal law includes specific standards governing
 5 the recognition of foreign-country defamation judgments. See subdivision (e) (referring to the
 6 federal SPEECH Act standards for recognition of defamation judgments).

7 Subdivision (e) is added to make clear that judgments that are not eligible for recognition under
 8 the federal SPEECH Act (codified at 28 U.S.C. §§ 4101-4105) shall not be recognized under this
 9 chapter.

10 The commentary for Section 4 of the 2005 Uniform Act is set out, in relevant part, below. The
 11 Law Revision Commission's recommendation (*Recognition of Tribal and Foreign Court Money*
 12 *Judgments*, __ Cal. L. Revision Comm'n Reports __ (2016)) does not reproduce all parts of the
 13 Uniform Law Commission's commentary. The omission of any part of the Uniform Law
 14 Commission commentary does not necessarily imply disapproval of the omitted commentary.

15 **Background from the 2005 Uniform Act**

16 Source: This section is based on Section 4 of the 1962 [Uniform Foreign Money Judgments
 17 Recognition] Act [hereafter, "1962 Act"].

18 1. This Section provides the standards for recognition of a foreign-country money judgment.
 19 Section [1719] sets out the effect of recognition of a foreign-country money judgment under this
 20 Act.

21 2. Recognition of a judgment means that the forum court accepts the determination of legal
 22 rights and obligations made by the rendering court in the foreign country. *See, e.g.* Restatement
 23 (Second) of Conflicts of Laws, Ch. 5, Topic 3, Introductory Note (recognition of foreign
 24 judgment occurs to the extent the forum court gives the judgment "the same effect with respect to
 25 the parties, the subject matter of the action and the issues involved that it has in the state where it
 26 was rendered.") Recognition of a foreign-country judgment must be distinguished from
 27 enforcement of that judgment. Enforcement of the foreign-country judgment involves the
 28 application of the legal procedures of the state to ensure that the judgment debtor obeys the
 29 foreign-country judgment. Recognition of a foreign-country money judgment often is associated
 30 with enforcement of the judgment, as the judgment creditor usually seeks recognition of the
 31 foreign-country judgment primarily for the purpose of invoking the enforcement procedures of
 32 the forum state to assist the judgment creditor's collection of the judgment from the judgment
 33 debtor. Because the forum court cannot enforce the foreign-country judgment until it has
 34 determined that the judgment will be given effect, recognition is a prerequisite to enforcement of
 35 the foreign-country judgment. Recognition, however, also has significance outside the
 36 enforcement context because a foreign-country judgment also must be recognized before it can be
 37 given preclusive effect under *res judicata* and collateral estoppel principles. The issue of whether
 38 a foreign-country judgment will be recognized is distinct from both the issue of whether the
 39 judgment will be enforced, and the issue of the extent to which it will be given preclusive effect.

40 3. [Subdivision (a) of Section 1716] places an affirmative duty on the forum court to recognize
 41 a foreign-country money judgment unless one of the grounds for nonrecognition stated in
 42 [subdivision (b), (c), or (e)] applies. [Subdivision] (b) states three mandatory grounds for denying
 43 recognition to a foreign-country money judgment. If the forum court finds that one of the grounds
 44 listed in [subdivision] (b) exists, then it must deny recognition to the foreign-country money
 45 judgment. [Subdivision] (c) states eight nonmandatory grounds for denying recognition. The
 46 forum court has discretion to decide whether or not to refuse recognition based on one of these
 47 grounds. [Subdivision] (d) places the burden of proof on the party resisting recognition of the
 48 foreign-country judgment to establish that one of the grounds for nonrecognition [stated in
 49 subdivision (b) or (c)] exists.

50 4. The mandatory grounds for nonrecognition stated in [subdivision (b) of Section 1716] are
 51 identical to the mandatory grounds stated in Section 4 of the 1962 Act. The discretionary grounds
 52 stated in [paragraphs] (c)(1) through (6) are based on subsection 4(b)(1) through (6) of the 1962

1 Act. The discretionary grounds stated in [paragraphs] (c)(7) and (8) are new [to the 2005 Uniform
2 Act].

3 5. Under [paragraph (b)(1) of Section 1716], the forum court must deny recognition to the
4 foreign-country money judgment if that judgment was “rendered under a judicial system that does
5 not provide impartial tribunals or procedures compatible with the requirements of due process of
6 law.” The standard for this ground for nonrecognition “has been stated authoritatively by the
7 Supreme Court of the United States in *Hilton v. Guyot*, 159 U.S.113, 205 (1895). As indicated in
8 that decision, a mere difference in the procedural system is not a sufficient basis for
9 nonrecognition. A case of serious injustice must be involved.” Cmt §4, Uniform Foreign Money-
10 Judgment Recognition Act (1962). The focus of inquiry is not whether the procedure in the
11 rendering country is similar to U.S. procedure, but rather on the basic fairness of the foreign-
12 country procedure. *Kam-Tech Systems, Ltd. v. Yardeni*, 74 A.2d 644, 649 (N.J. App. 2001)
13 (interpreting the comparable provision in the 1962 Act); *accord*, *Society of Lloyd’s v. Ashenden*,
14 233 F.3d 473 (7th Cir. 2000) (procedures need not meet all the intricacies of the complex concept
15 of due process that has emerged from U.S. case law, but rather must be fair in the broader
16 international sense) (interpreting comparable provision in the 1962 Act). Procedural differences,
17 such as absence of jury trial or different evidentiary rules are not sufficient to justify denying
18 recognition under [paragraph] (b)(1), so long as the essential elements of impartial administration
19 and basic procedural fairness have been provided in the foreign proceeding. As the U.S. Supreme
20 Court stated in *Hilton*:

21 Where there has been opportunity for a full and fair trial abroad before a court of
22 competent jurisdiction conducting the trial upon regular proceedings, after due citation or
23 voluntary appearance of the defendant, and under a system of jurisprudence likely to secure
24 an impartial administration of justice between the citizens of its own country and those of
25 other countries, and there is nothing to show either prejudice in the court, or in the system
26 of laws under which it was sitting, or fraud in procuring the judgment, or any other special
27 reason why the comity of this nation should not allow it full effect then a foreign-country
28 judgment should be recognized. *Hilton*, 159 U.S. at 202.

29 6. [Omitted]

30 7. [Paragraph (c)(2) of Section 1716] limits the type of fraud that will serve as a ground for
31 denying recognition to extrinsic fraud. This provision is consistent with the interpretation of the
32 comparable provision in subsection 4(b)(2) of the 1962 Act by the courts, which have found that
33 only extrinsic fraud — conduct of the prevailing party that deprived the losing party of an
34 adequate opportunity to present its case — is sufficient under the 1962 Act. Examples of extrinsic
35 fraud would be when the plaintiff deliberately had the initiating process served on the defendant
36 at the wrong address, deliberately gave the defendant wrong information as to the time and place
37 of the hearing, or obtained a default judgment against the defendant based on a forged confession
38 of judgment. When this type of fraudulent action by the plaintiff deprives the defendant of an
39 adequate opportunity to present its case, then it provides grounds for denying recognition of the
40 foreign-country judgment. Extrinsic fraud should be distinguished from intrinsic fraud, such as
41 false testimony of a witness or admission of a forged document into evidence during the foreign
42 proceeding. Intrinsic fraud does not provide a basis for denying recognition under [paragraph]
43 (c)(2), as the assertion that intrinsic fraud has occurred should be raised and dealt with in the
44 rendering court.

45 8. The public policy exception in [paragraph (c)(3) of Section 1716] is based on the public
46 policy exception in subsection 4(b)(3) of the 1962 Act, with one difference. The public policy
47 exception in the 1962 Act states that the relevant inquiry is whether “the [cause of action] [claim
48 for relief] on which the judgment is based” is repugnant to public policy. Based on this “cause of
49 action” language, some courts interpreting the 1962 Act have refused to find that a public policy
50 challenge based on something other than repugnancy of the foreign cause of action comes within
51 this exception. *E.g.*, *Southwest Livestock & Trucking Co., Inc. v. Ramon*, 169 F.3d 317 (5th Cir.
52 1999) (refusing to deny recognition to Mexican judgment on promissory note with interest rate of
53 48% because cause of action to collect on promissory note does not violate public policy);

1 Guinness PLC v. Ward, 955 F.2d 875 (4th Cir. 1992) (challenge to recognition based on post-
2 judgment settlement could not be asserted under public policy exception); The Society of Lloyd’s
3 v. Turner, 303 F.3d 325 (5th Cir. 2002) (rejecting argument legal standards applied to establish
4 elements of breach of contract violated public policy because cause of action for breach of
5 contract itself is not contrary to state public policy); *cf.* Bachchan v. India Abroad Publications,
6 Inc., 585 N.Y.S.2d 661 (N.Y. Sup. Ct. 1992) (judgment creditor argued British libel judgment
7 should be recognized despite argument it violated First Amendment because New York
8 recognizes a cause of action for libel). [Paragraph] (c)(3) rejects this narrow focus by providing
9 that the forum court may deny recognition if either the cause of action or the judgment itself
10 violates public policy. *Cf.* Restatement (Third) of the Foreign Relations Law of the United States,
11 § 482(2)(d) (1986) (containing a similarly-worded public policy exception to recognition).

12 Although [paragraph] (c)(3) of this Act rejects the narrow focus on the cause of action under
13 the 1962 Act, it retains the stringent test for finding a public policy violation applied by courts
14 interpreting the 1962 Act. Under that test, a difference in law, even a marked one, is not sufficient
15 to raise a public policy issue. Nor is it relevant that the foreign law allows a recovery that the
16 forum state would not allow. Public policy is violated only if recognition or enforcement of the
17 foreign-country judgment would tend clearly to injure the public health, the public morals, or the
18 public confidence in the administration of law, or would undermine “that sense of security for
19 individual rights, whether of personal liberty or of private property, which any citizen ought to
20 feel.” *Hunt v. BP Exploration Co. (Libya) Ltd.*, 492 F. Supp. 885, 901 (N.D. Tex. 1980).

21 The language “or of the United States” in [paragraph] (c)(3), which does not appear in the 1962
22 Act provision, makes it clear that the relevant public policy is that of both the State in which
23 recognition is sought and that of the United States. This is the position taken by the vast majority
24 of cases interpreting the 1962 public policy provision. *E.g.*, *Bachchan v. India Abroad*
25 *Publications, Inc.*, 585 N.Y.S.2d 661 (Sup.Ct. N.Y. 1992) (British libel judgment denied
26 recognition because it violates First Amendment).

27 9. [Paragraph (c)(5) of Section 1716] allows the forum court to refuse recognition of a foreign-
28 country judgment when the parties had a valid agreement, such as a valid forum selection clause
29 or agreement to arbitrate, providing that the relevant dispute would be resolved in a forum other
30 than the forum issuing the foreign-country judgment. Under this provision, the forum court must
31 find both the existence of a valid agreement and that the agreement covered the subject matter
32 involved in the foreign litigation resulting in the foreign-country judgment.

33 10. [Paragraph (c)(6) of Section 1716] authorizes the forum court to refuse recognition of a
34 foreign-country judgment that was rendered in the foreign country solely on the basis of personal
35 service when the forum court believes the original action should have been dismissed by the court
36 in the foreign country on grounds of *forum non conveniens*.

37 11. [Paragraph (c)(7) of Section 1716] is new. Under this [paragraph], the forum court may
38 deny recognition to a foreign-country judgment if there are circumstances that raise substantial
39 doubt about the integrity of the rendering court with respect to that judgment. It requires a
40 showing of corruption in the particular case that had an impact on the judgment that was
41 rendered. This provision may be contrasted with [paragraph] (b)(1), which requires that the forum
42 court refuse recognition to the foreign-country judgment if it was rendered under a judicial
43 system that does not provide impartial tribunals. Like the comparable provision in subsection
44 4(a)(1) of the 1962 Act, [paragraph] (b)(1) focuses on the judicial system of the foreign country
45 as a whole, rather than on whether the particular judicial proceeding leading to the foreign-
46 country judgment was impartial and fair. *See, e.g.*, *The Society of Lloyd’s v. Turner*, 303 F.3d
47 325, 330 (5th Cir. 2002) (interpreting the 1962 Act); *CIBC Mellon Trust Co. v. Mora Hotel*
48 *Corp., N.V.*, 743 N.Y.S.2d 408, 415 (N.Y. App. 2002) (interpreting the 1962 Act); *Society of*
49 *Lloyd’s v. Ashenden*, 233 F.3d 473, 477 (7th Cir. 2000) (interpreting the 1962 Act). On the other
50 hand, [paragraph] (c)(7) allows the court to deny recognition to the foreign-country judgment if it
51 finds a lack of impartiality and fairness of the tribunal in the individual proceeding leading to the
52 foreign-country judgment. Thus, the difference is that between showing, for example, that
53 corruption and bribery is so prevalent throughout the judicial system of the foreign country as to
54 make that entire judicial system one that does not provide impartial tribunals versus showing that

1 bribery of the judge in the proceeding that resulted in the particular foreign-country judgment
2 under consideration had a sufficient impact on the ultimate judgment as to call it into question.

3 12. [Paragraph (c)(8) of Section 1716] also is new. It allows the forum court to deny
4 recognition to the foreign-country judgment if the court finds that the specific proceeding in the
5 foreign court was not compatible with the requirements of fundamental fairness. Like [paragraph]
6 (c)(7), it can be contrasted with [paragraph] (b)(1), which requires the forum court to deny
7 recognition to the foreign-country judgment if the forum court finds that the entire judicial system
8 in the foreign country where the foreign-country judgment was rendered does not provide
9 procedures compatible with the requirements of fundamental fairness. While the focus of
10 [paragraph] (b)(1) is on the foreign country's judicial system as a whole, the focus of [paragraph]
11 (c)(8) is on the particular proceeding that resulted in the specific foreign-country judgment under
12 consideration. Thus, the difference is that between showing, for example, that there has been such
13 a breakdown of law and order in the particular foreign country that judgments are rendered on the
14 basis of political decisions rather than the rule of law throughout the judicial system versus a
15 showing that for political reasons the particular party against whom the foreign-country judgment
16 was entered was denied fundamental fairness in the particular proceedings leading to the foreign-
17 country judgment.

18 [Paragraphs (c)(7) and (8) of Section 1716] both are discretionary grounds for denying
19 recognition, while [paragraph] (b)(1) is mandatory. Obviously, if the entire judicial system in the
20 foreign country fails to satisfy the requirements of impartiality and fundamental fairness, a
21 judgment rendered in that foreign country would be so compromised that the forum court should
22 refuse to recognize it as a matter of course. On the other hand, if the problem is evidence of a lack
23 of integrity or fundamental fairness with regard to the particular proceeding leading to the
24 foreign-country judgment, then there may or may not be other factors in the particular case that
25 would cause the forum court to decide to recognize the foreign-country judgment. For example, a
26 forum court might decide not to exercise its discretion to deny recognition despite evidence of
27 corruption or procedural unfairness in a particular case because the party resisting recognition
28 failed to raise the issue on appeal from the foreign-country judgment in the foreign country, and
29 the evidence establishes that, if the party had done so, appeal would have been an adequate
30 mechanism for correcting the transgressions of the lower court.

31 13. Under [subdivision (d) of Section 1716], the party opposing recognition of the foreign-
32 country judgment has the burden of establishing that one of the grounds for nonrecognition set
33 out in [subdivision] (b) or (c) applies. The 1962 Act was silent as to who had the burden of proof
34 to establish a ground for nonrecognition and courts applying the 1962 Act took different positions
35 on the issue. *Compare* *Bridgeway Corp. v. Citibank*, 45 F.Supp. 2d 276, 285 (S.D.N.Y. 1999)
36 (plaintiff has burden to show no mandatory basis under 4(a) for nonrecognition exists; defendant
37 has burden regarding discretionary bases) *with* *The Courage Co. LLC v. The ChemShare Corp.*,
38 93 S.W.3d 323, 331 (Tex. App. 2002) (party seeking to avoid recognition has burden to prove
39 ground for nonrecognition). Because the grounds for nonrecognition in Section [1716] are in the
40 nature of defenses to recognition, the burden of proof is most appropriately allocated to the party
41 opposing recognition of the foreign-country judgment.

42 [Adapted from the Uniform Law Commission's Comment to the 2005 Uniform Act § 4.]

43 **Code Civ. Proc. § 1717 (amended). Personal jurisdiction [UFCMJRA §5]**

44 SEC. ____ . Section 1717 of the Code of Civil Procedure is amended to read:

45 1717. (a) For the purposes of paragraph (2) of subdivision (b) of Section 1716,
46 a foreign court lacks personal jurisdiction over the defendant if either of the
47 following conditions is met:

48 (1) The foreign court lacks a basis for exercising personal jurisdiction that would
49 be sufficient according to the standards governing personal jurisdiction in this
50 state.

1 (2) The foreign court lacks personal jurisdiction under its own law.

2 (b) A foreign-country judgment shall not be refused recognition for lack of
3 personal jurisdiction under paragraph (1) of subdivision (a) if any of the following
4 apply:

5 (1) The defendant was served with process personally in the foreign country.

6 (2) The defendant voluntarily appeared in the proceeding, other than for the
7 purpose of protecting property seized or threatened with seizure in the proceeding
8 or of contesting the jurisdiction of the court over the defendant.

9 (3) The defendant, before the commencement of the proceeding, had agreed to
10 submit to the jurisdiction of the foreign court with respect to the subject matter
11 involved.

12 (4) The defendant was domiciled in the foreign country when the proceeding
13 was instituted or was a corporation or other form of business organization that had
14 its principal place of business in, or was organized under the laws of, the foreign
15 country.

16 (5) The defendant had a business office in the foreign country and the
17 proceeding in the foreign court involved a cause of action or claim for relief
18 arising out of business done by the defendant through that office in the foreign
19 country.

20 (6) The defendant operated a motor vehicle or airplane in the foreign country
21 and the proceeding involved a cause of action or claim for relief arising out of that
22 operation.

23 ~~(b) (c) The list of bases for personal jurisdiction in subdivision (a) (b) is not~~
24 ~~exclusive. The courts of this state may recognize bases of personal jurisdiction~~
25 ~~other than those listed in subdivision (a) (b) as sufficient to support a foreign-~~
26 ~~country judgment for the purposes of paragraph (1) of subdivision (a).~~

27 ~~(c) If a judgment was rendered in an action for defamation in a foreign country~~
28 ~~against a person who is a resident of California or a person or entity amenable to~~
29 ~~jurisdiction in California, and declaratory relief with respect to liability for the~~
30 ~~judgment or a determination that the judgment is not recognizable in California~~
31 ~~under Section 1716 is sought, a court has jurisdiction to determine the declaratory~~
32 ~~relief action as well as personal jurisdiction over the person or entity who obtained~~
33 ~~the foreign country judgment if both of the following apply:~~

34 ~~(1) The publication at issue was published in California.~~

35 ~~(2) The person who is a resident, or the person or entity who is amenable to~~
36 ~~jurisdiction in California, either (A) has assets in California that might be subject~~
37 ~~to an enforcement proceeding to satisfy the foreign country defamation judgment,~~
38 ~~or (B) may have to take actions in California to comply with the foreign country~~
39 ~~defamation judgment.~~

40 ~~This subdivision shall apply to persons who obtained judgments in defamation~~
41 ~~proceedings in a foreign country both prior to and after January 1, 2010.~~

42 **Comment.** Section 1717 is similar to Section 5 of the Uniform Foreign-Country Money
43 Judgments Recognition Act (2005).

1 Subdivision (a) is added to make clear that a foreign court lacks personal jurisdiction if either
2 of the following applies:

- 3 (1) The foreign court lacks a basis for exercising personal jurisdiction that would be
4 sufficient according to the standards governing personal jurisdiction in this state.
- 5 (2) The foreign court lacks personal jurisdiction under its own law.

6 The need to evaluate personal jurisdiction under the foreign court’s own law should be rare. In
7 most cases, objections to personal jurisdiction will have been litigated or waived in the foreign
8 court proceeding. “There is authority ... for the proposition that a U.S. court generally will not
9 look behind a foreign court’s finding of personal jurisdiction under its own law.” See Restatement
10 of the Law Fourth: The Foreign Relations Law of the United States: Jurisdiction § 403 Reporters’
11 Note 7 (Tentative Draft No. 1, April 1, 2014). Generally, the mere fact that a judgment was
12 rendered by a foreign court suggests that personal jurisdiction was proper under foreign law.
13 However, a California court may need to evaluate personal jurisdiction under foreign law when
14 the issue of personal jurisdiction was neither litigated nor waived in the foreign proceeding (e.g.,
15 the defendant never appeared and a default judgment was entered).

16 Where a defect in the service of process would defeat personal jurisdiction under foreign law, a
17 court may find that the foreign court lacked personal jurisdiction under foreign law on the basis of
18 that service defect. However, where the service defect is not jurisdictional, the service defect
19 could still lead to nonrecognition under other provisions. E.g., Section 1716(c)(1).

20 Subdivision (b) provides a list of bases of personal jurisdiction that are consistent with the
21 standards governing personal jurisdiction in this state.

22 Subdivision (c) makes clear that the bases listed in subdivision (b) are not the exclusive bases
23 for personal jurisdiction consistent with the standards governing personal jurisdiction in this state.

24 The substance of former subdivision (c) is continued in Section 1725.

25 **Code Civ. Proc. § 1725 (added). Declaratory relief for foreign-country defamation**
26 **judgments**

27 1725. (a) If all of the following conditions are satisfied, a person against whom a
28 foreign-country defamation judgment was rendered may seek declaratory relief
29 with respect to liability for the judgment or a determination that the judgment is
30 not recognizable under Section 1716:

31 (1) The person is a resident or other person or entity amenable to jurisdiction in
32 this state.

33 (2) The person either has assets in this state that may be subject to an
34 enforcement proceeding to satisfy the foreign-country defamation judgment or
35 may have to take actions in this state to comply with the foreign-country
36 defamation judgment.

37 (3) The publication at issue was published in this state.

38 (b) A court of this state has jurisdiction to determine a declaratory relief action
39 or issue a determination pursuant to this section and has personal jurisdiction over
40 the person or entity who obtained the foreign-country defamation judgment.

41 (c) This section shall apply to a foreign-country defamation judgment regardless
42 of when it was rendered.

43 **Comment.** Section 1725 continues the substance of former Section 1717(c).

1 TECHNICAL AND ORGANIZATIONAL REVISIONS

2 **Heading of Title 11 (commencing with Section 1710.10) (amended).**

3 SEC. _____. The heading of Title 11 (commencing with Section 1710.10) of Part 3
4 of the Code of Civil Procedure is amended to read:

5 TITLE 11: ~~SISTER STATE AND FOREIGN MONEY JUDGMENTS~~ MONEY
6 JUDGMENTS OF OTHER JURISDICTIONS

7 **Comment.** The heading of Title 11 (commencing with Section 1710.10) is revised to reflect
8 the addition of the Tribal Court Civil Money Judgment Act (Chapter 3) to this Title.

9 **Heading of Chapter 1 (commencing with Section 1710.10) (amended).**

10 SEC. _____. The heading of Chapter 1 (commencing with Section 1710.10) of
11 Title 11 of Part 3 of the Code of Civil Procedure is amended to read:

12 Chapter 1: Sister State ~~Money Judgments~~ Money Judgments

13 **Comment.** The heading of Chapter 1 (commencing with Section 1710.10) is revised for
14 consistency with the hyphenation used within the Chapter.

15 **Code Civ. Proc. § 1714, as amended by Section 2 of Chapter 243 of the Statutes of 2014**
16 **(amended). Definitions [UFCMJRA §2]**

17 SEC. _____. Section 1714 of the Code of Civil Procedure, as amended by Section
18 2 of Chapter 243 of the Statutes of 2014, is amended to read:

19 1714. As used in this chapter:

20 (a) “Foreign country” means a government other than any of the following:

21 (1) The United States.

22 (2) A state, district, commonwealth, territory, or insular possession of the United
23 States.

24 (3) A federally recognized Indian nation, tribe, pueblo, band, or Alaska Native
25 village.

26 (4) Any other government with regard to which the decision in this state as to
27 whether to recognize a judgment of that government’s courts is initially subject to
28 determination under the Full Faith and Credit Clause of the United States
29 Constitution.

30 (b) “Foreign-country judgment” means a judgment of a court of a foreign
31 country.

32 ~~(c) This section shall remain in effect only until January 1, 2018, and as of that~~
33 ~~date is repealed, unless a later enacted statute, that is enacted before January 1,~~
34 ~~2018, deletes or extends that date.~~

35 **Comment.** Section 1714, as amended by Section 2 of Chapter 243 of the Statutes of 2014, is
36 drawn from Section 2 of the Uniform Foreign-Country Money Judgments Recognition Act
37 (2005).

1 Section 1714 is amended to make clear that the recognition of a tribal court civil money
2 judgment is not governed by this chapter. See Section 1732(f) (defining “tribal court”). For the
3 rules governing recognition of a tribal court civil money judgment, see Chapter 3.

4 Former subdivision (c) is not continued. This reflects the repeal of former Section 1742.

5 **Code Civ. Proc. § 1714, as added by Section 3 of Chapter 243 of the Statutes of 2014**
6 **(repealed). Definitions**

7 SEC. _____. Section 1714 of the Code of Civil Procedure, as added by Section 3
8 of Chapter 243 of the Statutes of 2014, is repealed.

9 **Comment.** Section 1714 Procedure, as added by Section 3 of Chapter 243 of the Statutes of
10 2014, is repealed. This reflects the repeal of former Section 1742.

11 **Note.** The text of the repealed section is set out below.

12 1714. (a) “Foreign country” means a government other than any of the following:

13 (1) The United States.

14 (2) A state, district, commonwealth, territory, or insular possession of the United States.

15 (3) Any other government with regard to which the decision in this state as to whether to
16 recognize a judgment of that government’s courts is initially subject to determination under the
17 Full Faith and Credit Clause of the United States Constitution.

18 (b) “Foreign-country judgment” means a judgment of a court of a foreign country. “Foreign-
19 country judgment” includes a judgment by any Indian tribe recognized by the government of the
20 United States.

21 (c) This section is operative on and after January 1, 2018.

22 **Heading of Title 11.5 (commencing with Section 1730) (repealed).**

23 SEC. _____. The heading of Title 11.5 (commencing with Section 1730) of Part 3
24 of the Code of Civil Procedure is repealed.

25 **Comment.** The heading of Title 11.5 (commencing with Section 1730) is repealed. It is
26 continued as the heading of Chapter 3 (commencing with Section 1730).

27 **Heading of Chapter 3 (commencing with Section 1730) (added).**

28 SEC. _____. A heading is added as Chapter 3 (commencing with Section 1730) of
29 Title 11 of Part 3 of the Code of Civil Procedure, immediately preceding Section
30 1730, to read:

31 **CHAPTER 3: TRIBAL COURT CIVIL MONEY JUDGMENT ACT**

32 **Comment.** The heading of Chapter 3 (commencing with Section 1730) is added to locate the
33 Tribal Court Civil Money Judgment Act within Title 11.

34 The standards of recognition for tribal court civil money judgments set forth in Section 1737 of
35 this Act are derived from Section 4 of the Uniform Foreign-Country Money Judgments
36 Recognition Act (2005) (hereafter, “2005 Uniform Act”). See also Section 1716.

37 Paragraph (b)(1) of Section 1737 provides that a tribal court money judgment shall not be
38 recognized if the tribal court did not have personal jurisdiction over the respondent. Under this
39 paragraph, a tribal court can lack personal jurisdiction if either of the following applies:

40 (1) The tribal court lacks a basis for exercising personal jurisdiction that would be
41 sufficient according to the standards governing personal jurisdiction in this state.

42 (2) The tribal court lacks personal jurisdiction under its own law.

1 The need to evaluate personal jurisdiction under the tribal court’s own law should be rare. In
2 most cases, objections to personal jurisdiction will have been litigated or waived in the tribal
3 court proceeding. “There is authority ... for the proposition that a U.S. court generally will not
4 look behind a foreign court’s finding of personal jurisdiction under its own law.” See
5 Restatement of the Law Fourth: The Foreign Relations Law of the United States: Jurisdiction §
6 403 Reporters’ Note 7 (Tentative Draft No. 1, April 1, 2014). Generally, the mere fact that a
7 judgment was rendered by a tribal court suggests that personal jurisdiction was proper under
8 tribal law. However, a California court may need to evaluate personal jurisdiction under tribal law
9 when the issue of personal jurisdiction was neither litigated nor waived in the tribal court
10 proceeding (e.g., the defendant never appeared and a default judgment was entered).

11 Where a defect in the service of process would defeat personal jurisdiction under tribal law, a
12 court may find that the tribal court lacked personal jurisdiction under tribal law on the basis of
13 that service defect. However, where the service defect is not jurisdictional, the service defect
14 could still lead to nonrecognition under other provisions. E.g., Section 1737(c)(1).

15 Subdivision (c) of Section 1737 lists grounds on which the court may decline to recognize a
16 tribal court money judgment. With the exception of paragraphs (c)(3) and (c)(4) of Section 1737,
17 these grounds generally involve the fairness of the tribal court proceeding. When the fairness-
18 related grounds apply, the court has discretion to recognize the tribal court judgment in the
19 unusual case where countervailing considerations outweigh the seriousness of the defect
20 underlying the applicable ground for nonrecognition. Such countervailing considerations could
21 include, for instance, situations in which the opponent failed to raise an objection in the tribal
22 court or the opponent’s own misconduct was the primary cause of the harm suffered.

23 Section 1737(c)(1) provides that a court may decline to recognize a tribal court money
24 judgment if the defendant did not receive notice of the tribal court proceeding in sufficient time to
25 enable the defendant to defend. Under this paragraph, a defect in either the timing or the content
26 of the notice could be grounds for nonrecognition if that defect precluded the defendant from
27 defending in the tribal court proceeding.

28 Section 1737(c)(2) provides that a court may decline to recognize a tribal court money
29 judgment if fraud deprived the losing party of an adequate opportunity to present its case. The
30 Uniform Law Commission’s commentary on this provision indicates that the type of fraud that
31 can serve as grounds for nonrecognition is limited to “extrinsic fraud — conduct of the prevailing
32 party that deprived the losing party of an adequate opportunity to present its case.” See
33 Background from the 2005 Uniform Act *infra*. The reference to “extrinsic fraud” suggests that the
34 test established by the exception is categorical, permitting nonrecognition in cases of extrinsic,
35 but not intrinsic, fraud. However, the language of the exception establishes a functional test,
36 whether the fraud deprived the party of an adequate opportunity to present its case. Recent
37 judgment recognition case law evaluates fraud by assessing “whether the injured party had any
38 opportunity to address the alleged misconduct during the original proceeding.” See Restatement
39 of the Law Fourth: The Foreign Relations Law of the United States: Jurisdiction § 404 Reporters’
40 Note 3 (Tentative Draft No. 1, April 1, 2014). This case law suggests that a key consideration for
41 a court deciding whether alleged fraud could be a ground for nonrecognition is whether there was
42 “a reasonable opportunity for the person victimized by fraud to uncover the misconduct and bring
43 it to the [rendering] court’s attention.” *Id.*

44 Section 1737(c)(4) provides that a court may decline to recognize a tribal court money
45 judgment if it conflicts with another final and conclusive judgment. Some commentators suggest
46 that, where the tribal court rendering the later judgment fairly considered the earlier judgment and
47 declined to recognize it under standards similar to those set forth in this Act, a court should
48 ordinarily recognize the later tribal court money judgment. However, in some situations, other
49 law may require the recognition of one of the conflicting judgments (e.g., where one of the
50 conflicting judgments is entitled to full faith and credit). See *id.* § 404 Comment f, Reporters’
51 Note 6.

52 The commentary for Section 4 of the 2005 Uniform Act is set out, in relevant part, below. The
53 Law Revision Commission’s recommendation (*Recognition of Tribal and Foreign Court Money*
54 *Judgments*, __ Cal. L. Revision Comm’n Reports __ (2016)) does not reproduce all parts of the

1 Uniform Law Commission’s commentary. The omission of any part of the Uniform Law
2 Commission commentary does not necessarily imply disapproval of the omitted commentary.

3 **Background from the 2005 Uniform Act**

4 Source: [Section 1737] is based on Section 4 of the 1962 [Uniform Foreign Money Judgments
5 Recognition] Act [hereafter, “1962 Act”].

6 1. [Section 1737] provides the standards for recognition of a [tribal court] money judgment. ...

7 2. [Omitted]

8 3. ... [Subdivision (b) of Section 1737] states three mandatory grounds for denying recognition
9 to a [tribal court] money judgment. If the forum court finds that one of the grounds listed in
10 [subdivision (b) of Section 1737] exists, then it must deny recognition to the [tribal court] money
11 judgment. [Subdivision (c) of Section 1737] states [nine] nonmandatory grounds for denying
12 recognition. The forum court has discretion to decide whether or not to refuse recognition based
13 on one of these grounds. [Subdivision (d) of Section 1737] places the burden of proof on the party
14 resisting recognition of the [tribal court] judgment to establish that one of the grounds for
15 nonrecognition exists.

16 4. [Omitted]

17 5. Under [paragraph (b)(3) of Section 1737], the forum court must deny recognition to the
18 [tribal court] money judgment if that judgment was “rendered under a judicial system that does
19 not provide impartial tribunals or procedures compatible with the requirements of due process of
20 law.” The standard for this ground for nonrecognition “has been stated authoritatively by the
21 Supreme Court of the United States in *Hilton v. Guyot*, 159 U.S.113, 205 (1895). As indicated in
22 that decision, a mere difference in the procedural system is not a sufficient basis for
23 nonrecognition. A case of serious injustice must be involved.” Cmt §4, Uniform Foreign Money-
24 Judgment Recognition Act (1962). The focus of inquiry is not whether the procedure ... is similar
25 to U.S. procedure, but rather on the basic fairness of the [tribal court] procedure. *Kam-Tech*
26 *Systems, Ltd. v. Yardeni*, 74 A.2d 644, 649 (N.J. App. 2001) (interpreting the comparable
27 provision in the 1962 Act); *accord*, *Society of Lloyd’s v. Ashenden*, 233 F.3d 473 (7th Cir. 2000)
28 (procedures need not meet all the intricacies of the complex concept of due process that has
29 emerged from U.S. case law, but rather must be fair in the broader international sense)
30 (interpreting comparable provision in the 1962 Act). Procedural differences, such as absence of
31 jury trial or different evidentiary rules are not sufficient to justify denying recognition under
32 [paragraph (b)(3) of Section 1737], so long as the essential elements of impartial administration
33 and basic procedural fairness have been provided in the [tribal court] proceeding. As the U.S.
34 Supreme Court stated in *Hilton*:

35 Where there has been opportunity for a full and fair trial abroad before a court of
36 competent jurisdiction conducting the trial upon regular proceedings, after due citation or
37 voluntary appearance of the defendant, and under a system of jurisprudence likely to secure
38 an impartial administration of justice between the citizens of its own country and those of
39 other countries, and there is nothing to show either prejudice in the court, or in the system
40 of laws under which it was sitting, or fraud in procuring the judgment, or any other special
41 reason why the comity of this nation should not allow it full effect then a foreign-country
42 judgment should be recognized. *Hilton*, 159 U.S. at 202.

43 6. [Omitted]

44 7. [Paragraph (c)(2) of Section 1737] limits the type of fraud that will serve as a ground for
45 denying recognition to extrinsic fraud. This provision is consistent with the interpretation of the
46 comparable provision in subsection 4(b)(2) of the 1962 Act by the courts, which have found that
47 only extrinsic fraud — conduct of the prevailing party that deprived the losing party of an
48 adequate opportunity to present its case — is sufficient under the 1962 Act. Examples of extrinsic
49 fraud would be when the plaintiff deliberately had the initiating process served on the defendant
50 at the wrong address, deliberately gave the defendant wrong information as to the time and place
51 of the hearing, or obtained a default judgment against the defendant based on a forged confession
52 of judgment. When this type of fraudulent action by the plaintiff deprives the defendant of an

1 adequate opportunity to present its case, then it provides grounds for denying recognition of the
2 [tribal court] judgment. Extrinsic fraud should be distinguished from intrinsic fraud, such as false
3 testimony of a witness or admission of a forged document into evidence during the [tribal court]
4 proceeding. Intrinsic fraud does not provide a basis for denying recognition under [paragraph
5 (c)(2) of Section 1737], as the assertion that intrinsic fraud has occurred should be raised and
6 dealt with in the rendering court.

7 8. The public policy exception in [paragraph (c)(3) of Section 1737] is based on the public
8 policy exception in subsection 4(b)(3) of the 1962 Act, with one difference. The public policy
9 exception in the 1962 Act states that the relevant inquiry is whether “the [cause of action] [claim
10 for relief] on which the judgment is based” is repugnant to public policy. Based on this “cause of
11 action” language, some courts interpreting the 1962 Act have refused to find that a public policy
12 challenge based on something other than repugnancy of the ... cause of action comes within this
13 exception. *E.g.*, *Southwest Livestock & Trucking Co., Inc. v. Ramon*, 169 F.3d 317 (5th Cir.
14 1999) (refusing to deny recognition to Mexican judgment on promissory note with interest rate of
15 48% because cause of action to collect on promissory note does not violate public policy);
16 *Guinness PLC v. Ward*, 955 F.2d 875 (4th Cir. 1992) (challenge to recognition based on post-
17 judgment settlement could not be asserted under public policy exception); *The Society of Lloyd’s*
18 *v. Turner*, 303 F.3d 325 (5th Cir. 2002) (rejecting argument legal standards applied to establish
19 elements of breach of contract violated public policy because cause of action for breach of
20 contract itself is not contrary to state public policy); *cf.* *Bachchan v. India Abroad Publications,*
21 *Inc.*, 585 N.Y.S.2d 661 (N.Y. Sup. Ct. 1992) (judgment creditor argued British libel judgment
22 should be recognized despite argument it violated First Amendment because New York
23 recognizes a cause of action for libel). [Paragraph (c)(3) of Section 1737] rejects this narrow
24 focus by providing that the forum court may deny recognition if either the cause of action or the
25 judgment itself violates public policy. *Cf.* *Restatement (Third) of the Foreign Relations Law of*
26 *the United States*, § 482(2)(d) (1986) (containing a similarly-worded public policy exception to
27 recognition).

28 Although [paragraph (c)(3) of Section 1737] of this Act rejects the narrow focus on the cause
29 of action under the 1962 Act, it retains the stringent test for finding a public policy violation
30 applied by courts interpreting the 1962 Act. Under that test, a difference in law, even a marked
31 one, is not sufficient to raise a public policy issue. Nor is it relevant that the [tribe’s] law allows a
32 recovery that the forum state would not allow. Public policy is violated only if recognition or
33 enforcement of the [tribal court] judgment would tend clearly to injure the public health, the
34 public morals, or the public confidence in the administration of law, or would undermine “that
35 sense of security for individual rights, whether of personal liberty or of private property, which
36 any citizen ought to feel.” *Hunt v. BP Exploration Co. (Libya) Ltd.*, 492 F. Supp. 885, 901 (N.D.
37 Tex. 1980).

38 The language “or of the United States” in [paragraph (c)(3) of Section 1737], which does not
39 appear in the 1962 Act provision, makes it clear that the relevant public policy is that of both the
40 State in which recognition is sought and that of the United States. This is the position taken by the
41 vast majority of cases interpreting the 1962 public policy provision. *E.g.*, *Bachchan v. India*
42 *Abroad Publications, Inc.*, 585 N.Y.S.2d 661 (Sup.Ct. N.Y. 1992) (British libel judgment denied
43 recognition because it violates First Amendment).

44 9. [Paragraph (c)(5) of Section 1737] allows the forum court to refuse recognition of a [tribal
45 court] judgment when the parties had a valid agreement, such as a valid forum selection clause or
46 agreement to arbitrate, providing that the relevant dispute would be resolved in a forum other than
47 the [tribal court] issuing the ... judgment. Under this provision, the forum court must find both
48 the existence of a valid agreement and that the agreement covered the subject matter involved in
49 the ... litigation resulting in the [tribal court] judgment.

50 10. [Paragraph (c)(6) of Section 1737] authorizes the forum court to refuse recognition of a
51 [tribal court] judgment that was rendered ... solely on the basis of personal service when the
52 forum court believes the original action should have been dismissed by the [tribal] court ... on
53 grounds of *forum non conveniens*.

1 11. ... Under [paragraph (c)(7) of Section 1737], the forum court may deny recognition to a
 2 [tribal court] judgment if there are circumstances that raise substantial doubt about the integrity of
 3 the rendering court with respect to that judgment. It requires a showing of corruption in the
 4 particular case that had an impact on the judgment that was rendered. This provision may be
 5 contrasted with [paragraph (b)(3) of Section 1737], which requires that the forum court refuse
 6 recognition to the [tribal court] judgment if it was rendered under a judicial system that does not
 7 provide impartial tribunals. Like the comparable provision in subsection 4(a)(1) of the 1962 Act,
 8 [paragraph (b)(3) of Section 1737] focuses on the [tribe's] judicial system ... as a whole, rather
 9 than on whether the particular judicial proceeding leading to the [tribal court] judgment was
 10 impartial and fair. *See, e.g.*, *The Society of Lloyd's v. Turner*, 303 F.3d 325, 330 (5th Cir. 2002)
 11 (interpreting the 1962 Act); *CIBC Mellon Trust Co. v. Mora Hotel Corp., N.V.*, 743 N.Y.S.2d
 12 408, 415 (N.Y. App. 2002) (interpreting the 1962 Act); *Society of Lloyd's v. Ashenden*, 233 F.3d
 13 473, 477 (7th Cir. 2000) (interpreting the 1962 Act). On the other hand, [paragraph (c)(7) of
 14 Section 1737] allows the court to deny recognition to the [tribal court] judgment if it finds a lack
 15 of impartiality and fairness of the tribunal in the individual proceeding leading to the [tribal court]
 16 judgment. Thus, the difference is that between showing, for example, that corruption and bribery
 17 is so prevalent throughout the [tribe's] judicial system ... as to make that entire judicial system
 18 one that does not provide impartial tribunals versus showing that bribery of the judge in the
 19 proceeding that resulted in the particular [tribal court] judgment under consideration had a
 20 sufficient impact on the ultimate judgment as to call it into question.

21 12. [Paragraph (c)(8) of Section 1737] ... allows the forum court to deny recognition to the
 22 [tribal court] judgment if the court finds that the specific proceeding in the [tribal] court was not
 23 compatible with the requirements of fundamental fairness. Like [paragraph (c)(7) of Section
 24 1737], it can be contrasted with [paragraph (b)(3) of Section 1737], which requires the forum
 25 court to deny recognition to the [tribal court] judgment if the forum court finds that the entire
 26 judicial system ... where the [tribal court] judgment was rendered does not provide procedures
 27 compatible with the requirements of fundamental fairness. While the focus of [paragraph (b)(3) of
 28 Section 1737] is on the [tribal] judicial system as a whole, the focus of [paragraph (c)(8) of
 29 Section 1737] is on the particular proceeding that resulted in the specific [tribal court] judgment
 30 under consideration. Thus, the difference is that between showing, for example, that there has
 31 been such a breakdown of law and order in the particular [tribe] that judgments are rendered on
 32 the basis of political decisions rather than the rule of law throughout the judicial system versus a
 33 showing that for political reasons the particular party against whom the [tribal court] judgment
 34 was entered was denied fundamental fairness in the particular proceedings leading to the [tribal
 35 court] judgment.

36 [Paragraphs (c)(7) and (8) of Section 1737] both are discretionary grounds for denying
 37 recognition, while [paragraph (b)(3) of Section 1737] is mandatory. Obviously, if the [tribe's]
 38 entire judicial system ... fails to satisfy the requirements of impartiality and fundamental fairness,
 39 a judgment rendered in that [judicial system] would be so compromised that the forum court
 40 should refuse to recognize it as a matter of course. On the other hand, if the problem is evidence
 41 of a lack of integrity or fundamental fairness with regard to the particular proceeding leading to
 42 the [tribal court] judgment, then there may or may not be other factors in the particular case that
 43 would cause the forum court to decide to recognize the [tribal court] judgment. For example, a
 44 forum court might decide not to exercise its discretion to deny recognition despite evidence of
 45 corruption or procedural unfairness in a particular case because the party resisting recognition
 46 failed to raise the issue on appeal from the [tribal court] judgment ..., and the evidence
 47 establishes that, if the party had done so, appeal would have been an adequate mechanism for
 48 correcting the transgressions of the lower court.

49 13. [Omitted]

50 [Adapted from the Uniform Law Commission's Comment to the 2005 Uniform Act § 4.]

51 **Code Civ. Proc. § 1730 (amended). Short title**

52 SEC. ____ . Section 1730 of the Code of Civil Procedure is amended to read:

1 1730. This ~~title~~ chapter shall be known and may be cited as the Tribal Court
2 Civil Money Judgment Act.

3 **Comment.** Section 1730 is amended to update a cross-reference.

4 **Code Civ. Proc. § 1731 (amended). Scope**

5 SEC. _____. Section 1731 of the Code of Civil Procedure is amended to read:

6 1731. (a) This ~~title~~ chapter governs the procedures by which the superior courts
7 of the State of California recognize and enter tribal court money judgments of any
8 federally recognized Indian tribe. Determinations regarding recognition and entry
9 of a tribal court money judgment pursuant to state law shall have no effect upon
10 the independent authority of that judgment. To the extent not inconsistent with this
11 ~~title~~ chapter, the Code of Civil Procedure shall apply.

12 (b) This ~~title~~ chapter does not apply to any of the following tribal court money
13 judgments:

14 (1) For taxes, fines, or other penalties.

15 (2) For which federal law requires that states grant full faith and credit
16 recognition, including child support orders under the Full Faith and Credit for
17 Child Support Orders Act (28 U.S.C. Sec. 1738B).

18 (3) For which state law provides for recognition, including child support orders
19 recognized under the Uniform Child Custody Jurisdiction and Enforcement Act
20 (Part 3 (commencing with Section 3400) of Division 8 of the Family Code), other
21 forms of family support orders under the Uniform Interstate Family Support Act
22 (Part 6 (commencing with Section 5700.101) of Division 9 of the Family Code).

23 (4) For decedents' estates, guardianships, conservatorships, internal affairs of
24 trusts, powers of attorney, or other tribal court money judgments that arise in
25 proceedings that are or would be governed by the Probate Code.

26 (c) Nothing in this ~~title~~ chapter shall be deemed or construed to expand or limit
27 the jurisdiction of either the state or any Indian tribe.

28 **Comment.** Section 1731 is amended to update cross-references.

29 **Code Civ. Proc. § 1732 (amended). Definitions**

30 SEC. _____. Section 1732 of the Code of Civil Procedure is amended to read:

31 1732. For purposes of this ~~title~~ chapter:

32 (a) "Applicant" means the person or persons who can bring an action to enforce
33 a tribal court money judgment.

34 (b) "Civil action or proceeding" means any action or proceeding that is not
35 criminal, except for those actions or proceedings expressly excluded by
36 subdivision (b) of Section 1731.

37 (c) "Due process" includes, but is not limited to, the right to be represented by
38 legal counsel, to receive reasonable notice and an opportunity for a hearing, to call
39 and cross-examine witnesses, and to present evidence and argument to an
40 impartial decisionmaker.

1 (d) “Good cause” means a substantial reason, taking into account the prejudice
2 or irreparable harm a party will suffer if a hearing is not held on an objection or
3 not held within the time periods established by this ~~title~~ chapter.

4 (e) “Respondent” means the person or persons against whom an action to
5 enforce a tribal court money judgment can be brought.

6 (f) “Tribal court” means any court or other tribunal of any federally recognized
7 Indian nation, tribe, pueblo, band, or Alaska Native village, duly established under
8 tribal or federal law, including Courts of Indian Offenses organized pursuant to
9 Part 11 of Title 25 of the Code of Federal Regulations.

10 (g) “Tribal court money judgment” means any written judgment, decree, or
11 order of a tribal court for a specified amount of money that was issued in a civil
12 action or proceeding that is final, conclusive, and enforceable by the tribal court in
13 which it was issued and is duly authenticated in accordance with the laws and
14 procedures of the tribe or tribal court.

15 **Comment.** Section 1732 is amended to update cross-references.

16 **Code Civ. Proc. § 1733 (amended). Location for filing**

17 SEC. _____. Section 1733 of the Code of Civil Procedure is amended to read:

18 1733. (a) An application for entry of a judgment under this ~~title~~ chapter shall be
19 filed in a superior court.

20 (b) Subject to the power of the court to transfer proceedings under this ~~title~~
21 chapter pursuant to Title 4 (commencing with Section 392) of Part 2, the proper
22 county for the filing of an application is either of the following:

23 (1) The county in which any respondent resides or owns property.

24 (2) If no respondent is a resident, any county in this state.

25 (c) A case in which the tribal court money judgment amounts to twenty-five
26 thousand dollars (\$25,000) or less is a limited civil case.

27 **Comment.** Section 1733 is amended to update cross-references.

28 **Code Civ. Proc. § 1741 (amended). Application of chapter**

29 SEC. _____. Section 1741 of the Code of Civil Procedure is amended to read:

30 1741. (a) The Uniform Foreign-Country Money Judgments Recognition Act
31 (Chapter 2 (commencing with Section 1713) of Title 11 of Part 3) applies to all
32 actions commenced in superior court before ~~the effective date of this title~~ January
33 1, 2015, in which the issue of recognition of a tribal court money judgment is
34 raised.

35 (b) This ~~title~~ chapter applies to all actions to enforce tribal court money
36 judgments as defined herein commenced in superior court on or after ~~the effective~~
37 date of this title January 1, 2015. A judgment entered under this title shall not limit
38 the right of a party to seek enforcement of any part of a judgment, order, or decree
39 entered by a tribal court that is not encompassed by the judgment entered under
40 this ~~title~~ chapter.

1 **Comment.** Section 1741 is amended to update cross-references and to specify the effective
2 date of the Act.

3 **Code Civ. Proc. § 1742 (repealed). Repeal of title**

4 SEC. _____. Section 1742 of the Code of Civil Procedure is repealed.

5 **Comment.** Section 1742, which would have automatically repealed the Tribal Court Civil
6 Money Judgment Act on January 1, 2018, is repealed. Conforming changes to reflect this repeal
7 are made to Section 1714, as amended by Section 2 of Chapter 243 of the Statutes of 2014, and
8 Section 1714, as amended by Section 3 of Chapter 243 of the Statutes of 2014.

9 ☞ **Note.** The text of the repealed section is set out below.

10 1742. This title shall remain in effect only until January 1, 2018, and as of that date is
11 repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends
12 that date.