
Federal District Courts Must Stay Proceedings While an Interlocutory Appeal on Arbitrability is Pending, United States Supreme Court Held

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In a recent 5-4 decision in *Coinbase, Inc. v. Bielski*, the United States Supreme Court held that federal district courts must stay proceedings while interlocutory appeals of orders denying motions to compel arbitration are pending. District courts typically have discretion to stay proceedings while interlocutory appeals are pending or proceed with the aspects of the case not subject to the appeal. Since interlocutory appeals about arbitrability concern the core issue of whether “the litigation may go forward in the district court,” most federal circuit courts of appeal have held that all district court proceedings must be stayed pending an appeal of an order denying a motion to compel arbitration. On July 11, 2022, however, the Court of Appeals for the Ninth Circuit reached the opposite conclusion, holding that district courts have discretion – but are not required – to stay cases when arbitrability is on appeal. On June 23, 2023, the Supreme Court resolved this circuit split, reversing the Ninth Circuit’s decision and holding that district courts must stay proceedings while interlocutory appeals on arbitrability are pending.

Attorneys

- Joel Kurtzberg
- John MacGregor