

SUMMARY STATEMENT

State v. Philip Morris, Inc., Docket No. 41679

In an appeal from Ada County, the Supreme Court unanimously affirmed the decision of the district court denying the State of Idaho's motion to vacate portions of a Stipulated Partial Settlement and Award (Partial Award) entered by an arbitration panel. This case arose out of the 1998 Tobacco Master Settlement Agreement, wherein Participating Manufactures entered into an agreement with Idaho to pay damages for the cost of treating smoking-related illnesses. A dispute arose between the parties as to the payment owed in 2003 and arbitration was compelled. The arbitration panel entered its Partial Award in March of 2013. In June of 2013, Idaho moved the district court to vacate, modify, or correct the Partial Award. The Participating Manufacturers opposed the motion arguing that Idaho lacked standing to challenge the Partial Award. The district court concluded Idaho did not have standing to move to vacate or modify the Partial Award because Idaho did not show a cognizable injury. The Supreme Court affirmed, concluding that when challenging an award under the Federal Arbitration Act, the plaintiff must still show an injury in fact, that Idaho failed to meet this burden, and as a result, Idaho did not have standing to challenge the Partial Award.