

Memorandum 2016-22

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

In this study, the Commission¹ was tasked with reviewing “the standards of recognition of a tribal court or foreign court judgment” under California’s enactment of the 2005 Uniform Foreign-Country Money Judgments Recognition Act (hereafter, “California’s Uniform Act”)² and the Tribal Court Civil Money Judgment Act (hereafter, “Tribal Court Judgment Act”)³ and reporting “its findings, along with any recommendations for improvement of those standards.”⁴

In California, the standards of recognition for both foreign and tribal court judgments are derived from the 2005 Uniform Foreign-Country Money Judgments Recognition Act (hereafter, “Uniform Act” or “2005 Uniform Act”).⁵

Under the Uniform Act, foreign court money judgments are entitled to recognition unless an exception applies.⁶ Some of the Uniform Act’s exceptions to recognition are mandatory (i.e., the judgment *shall* not be recognized).⁷ Others are discretionary (i.e., the judgment *need* not be recognized).⁸

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

5. 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/>.

6. See 2005 Uniform Act § 4(a).

7. *Id.* § 4(b).

8. *Id.* § 4(c). Previously in this study, these exceptions have been referred to as “permissive exceptions.” See, e.g., Memorandum 2016-6, p.1.

The Commission has previously considered several memoranda addressing the standards of recognition.⁹ The attached draft tentative recommendation provides proposed legislation to implement the Commission’s provisional decisions to date.

After considering the issues discussed in this memorandum, the Commission will need to decide whether to approve the attached draft as a tentative recommendation, either as is or with revisions, to post to its website and circulate for public comment.

ADDITIONAL RESEARCH REQUESTED BY COMMISSION

Earlier in this study, the Commission directed staff to pursue additional research on the following topics:

- Application of federal SPEECH Act to tribal court judgments.
- Grounds for declaratory relief regarding foreign defamation judgments under California law.

Each of these items is discussed, in turn, below.

Application of SPEECH Act

At the December 2015 meeting, the Commission considered a memorandum discussing the federal SPEECH Act.¹⁰ The SPEECH Act is a federal law that prohibits recognition of foreign defamation judgments unless specified conditions are satisfied.¹¹ In the memorandum discussing the Act, the staff indicated that the SPEECH Act applies to judgments from a court or tribunal “of a foreign country.”¹² Based on this language, the staff suggested that the SPEECH Act does not appear to apply to tribal judgments.¹³

The Commission concluded that the appropriate treatment of the existing defamation provision in the Tribal Court Judgment Act depends on whether the federal SPEECH Act applies to tribal court judgments. The Commission directed the staff to do further research on that point:

9. See Memoranda 2015-38, 2015-50, 2016-6 (and the associated First Supplement), and 2016-13.

10. Memorandum 2015-50; see also 28 U.S.C. §§ 4101-4105.

11. See 28 U.S.C. § 4102.

12. Memorandum 2015-50, p. 5; see also 28 U.S.C. § 4101(3).

13. See Memorandum 2015-50, p. 5.

With respect to tribal court defamation judgments, the staff will conduct further review into whether the SPEECH Act governs these judgments. If the SPEECH Act does not govern these judgments, the Commission directed the staff to leave the current provisions on recognition of a tribal court defamation judgment unchanged. If the SPEECH Act governs tribal court judgments, the Commission directed the staff to incorporate the federal SPEECH Act standards for tribal court judgments into California law.¹⁴

The staff reviewed commentary on and legislative history from the federal SPEECH Act.¹⁵ In addition, the staff looked for discussion of the SPEECH Act in material discussing federal Indian law.¹⁶ The staff found no indication that the federal SPEECH Act was intended to apply to tribal court defamation judgments, however neither did the staff find a definitive indication that the federal SPEECH Act was *not* intended to apply these judgments.

This leaves only the text of the SPEECH Act itself as guidance. By its terms, the Act applies to judgments rendered by a “foreign court,” which is defined as a court of a “foreign country.”¹⁷ It is possible that this language was meant to include tribal courts, but that seems unlikely. As a general matter, tribes are typically not referred to as “foreign” under American law.¹⁸

Further, tribal courts are subject to other federal laws that could preclude the type of problematic defamation judgments that the SPEECH Act was designed to address. Tribal courts are governed by the federal Indian Civil Rights Act (hereafter, “ICRA”), which requires tribes to provide free speech and press protections.¹⁹ Consequently, tribes are differently situated than foreign countries, as ICRA offers some assurance that tribal defamation judgments will not violate First Amendment rights.

14. Minutes (Dec. 2015), p. 4.

15. E.g., Harry Melkonian, *Defamation, Libel Tourism, and the SPEECH Act of 2010* (2011); H. R. Rep. No. 111-154 (2009); S. Rep. No. 111-224 (2010).

16. E.g., *Cohen’s Handbook of Federal Indian Law* (Nell Jessup Newton Editor-in-Chief, Lexis Nexis 2012).

17. 28 U.S.C. § 4101(3), (4).

18. See generally *Developments in the Law — Indian Law: Chapter Two: Fresh Pursuit from Indian Country: Tribal Authority to Pursue Suspects onto State Land*, 129 *Harv. L. Rev.* 1685, 1690-1691 (Apr. 2016) (“Tribes hold a unique legal status ‘between foreign and domestic states,’ which the Supreme Court has described as that of ‘domestic dependent nations.’ Tribes are ‘separate sovereigns pre-existing the Constitution’ that have been ‘folded into the United States and its domestic legal framework.’”) (citations omitted); see also Katherine Florey, *Beyond Uniqueness: Reimagining Tribal Courts’ Jurisdiction*, 101 *Cal. L. Rev.* 1499, 1502 n. 12 (December 2013) (discussing the concept of “domestic dependent nations”).

19. 25 U.S.C. § 1302.

Given that the SPEECH Act does not appear to govern tribal court judgments, the draft tentative recommendation proposes no change to California’s existing defamation provision in the Tribal Court Judgment Act. **Is that acceptable?**

Grounds for Declaratory Relief

California’s Uniform Act provides for declaratory relief “with respect to liability for [a foreign defamation] judgment or a determination that the judgment is not recognizable in California under Section 1716.”²⁰

In a prior memorandum, the staff discussed whether the declaratory relief provision should apply to *all* of the grounds for nonrecognition provided in Section 1716, or just the specific grounds that directly relate to defamation judgments.²¹

The Commission directed the staff to conduct further research into the legislative intent with respect to that issue.²² The staff has done so, reviewing committee analyses for the legislation that added the declaratory relief provisions.

This research did not provide any further indication as to the intended scope for declaratory relief. The issue was simply not discussed in the analyses, which mostly discussed this provision as establishing the California court’s personal jurisdiction over the plaintiff in a foreign defamation action.²³

In the absence of any evidence of legislative intent on this point, the staff has taken a conservative approach in the attached draft. The language governing the scope of declaratory relief has been continued without change (i.e., with respect to a foreign defamation action, declaratory relief would be available for all of the grounds listed in Section 1716).²⁴ **Is that acceptable?**

20. Code Civ. Proc. § 1717(c).

21. Code Civ. Proc. § 1716(b)(9) (“The judgment includes recovery for a claim of defamation unless the court determines that the defamation law applied by the foreign court provided at least as much protection for freedom of speech and the press as provided by both the United States and California Constitutions.”).

22. Minutes (Dec. 2015), p. 4.

23. Assembly Committee on Judiciary Analysis of Senate Bill 320 (June 22, 2009), p. 4 (“These jurisdictional provisions are necessary to enable California residents to seek protection for themselves and their assets from foreign-country defamation judgments.”); Senate Floor Analysis of Senate Bill 320 (April 30, 2009) (“This bill specifies a court’s personal jurisdiction, for the purposes of rendering declaratory relief or a determination whether to recognize the judgment in California (1) over a person who obtained a foreign-country judgment for defamation against a California resident, or (2) over a nonresident person or entity who has assets in California or who may have to take actions in California to comply with the foreign-country defamation judgment”).

24. See proposed Code Civ. Proc. § 1725 in attached Staff Draft Tentative Recommendation.

SUPPLEMENTAL INFORMATION ON TRIBAL COURT JUDGMENT ACT

In discussing the exceptions to recognition in prior memoranda, the staff failed to note that the Tribal Court Judgment Act includes a definition for “due process.” In particular, the Tribal Court Judgment Act defines “due process” as:

Includ[ing], but [] not limited to, the right to be represented by legal counsel, to receive reasonable notice and an opportunity for a hearing, to call and cross-examine witnesses, and to present evidence and argument to an impartial decisionmaker.²⁵

This definition would apply when a court considers whether a tribal court judgment should be denied recognition under the mandatory exception for systemic due process failures²⁶ or the discretionary exception for failures of due process in the individual proceeding.²⁷

This definition is noted and discussed briefly in the preliminary part of the draft tentative recommendation.²⁸ This definition effectively establishes a set of categorical due process rights — a violation of any of the listed rights is grounds for nonrecognition of a judgment. The list is expressly non-exclusive, so a court may decline to recognize a judgment based on other, non-listed due process rights.

The analysis of Senate Bill 406 by the Assembly Committee on Judiciary raised concerns about the incomplete nature of the list of due process rights, identifying a couple of important due process rights that are not on the list (e.g, transparency of the proceeding and reasonable discovery).²⁹

It is important to note that the omission of a particular right does not preclude a court from deciding that a violation of that right is grounds for nonrecognition. As noted above, the list of due process rights is not exclusive.

As a general matter, adding specific rights to the list would provide clarity by definitively establishing that violations of those rights are grounds for

25. Code Civ. Proc. § 1732(c).

26. *Id.* § 1737(b)(3).

27. *Id.* § 1737(c)(8).

28. See attached Staff Draft Tentative Recommendation, p. 9 *infra*.

29. Assembly Committee on Judiciary Analysis of Senate Bill 406 (June 13, 2014), p. 6 (“This bill, unlike the [Uniform Act], defines due process. It is defined to include, but not be limited to, the right to be represented by counsel, to receive reasonable notice and an opportunity for a hearing, to call and cross-examine witnesses, and to present evidence and argument to an impartial decisionmaker. It is important to note that the definition does not specifically include important considerations like transparency of proceedings and reasonable discovery, all hallmarks of our legal system.”) (hereafter, “SB 406 Assembly Judiciary Analysis”).

nonrecognition. However, the staff is concerned that there is no obvious threshold for deciding whether to add a particular due process right to the list, nor is it clear how to describe such a right.

Since the Uniform Act has functioned well for many years without *any* definition of due process,³⁰ the courts should be well-equipped to assess whether a non-listed due process right could serve as grounds for nonrecognition under the Tribal Court Judgment Act.

The attached draft tentative recommendation makes no changes to the provision. **Is that acceptable?**

PROPOSED LEGISLATIVE CHANGES

The draft tentative recommendation includes proposed statutory changes that address the following issues:

- The scope of the personal jurisdiction inquiry.
- Incorporation of the federal SPEECH Act's standards.
- Standing to bring a declaratory relief action regarding a foreign defamation judgment.
- The "sunset" of the Tribal Court Judgment Act.
- Minor organizational and technical changes.

For the first two issues, the proposed statutory changes implement decisions made by the Commission earlier in the study. The remaining issues are discussed for the first time below.

Personal Jurisdiction

The Commission decided that California's Uniform Act should be amended to make clear that a foreign court may lack personal jurisdiction over a party for either of the following reasons:

- (1) The foreign court lacked personal jurisdiction under its own laws.
- (2) The foreign court's exercise of personal jurisdiction was inconsistent with the standards governing personal jurisdiction in this state.³¹

30. See generally 2005 Uniform Act § 4 Comment 5 (indicating the inquiry into due process focuses on "the basic fairness of the foreign-country procedure").

31. See Minutes (Feb. 2016), p. 3.

The attached draft would amend Code of Civil Procedure Section 1717 to make this clarification.³² In drafting the proposed amendments on this issue, the staff tried to minimize the disruption of the existing language of the Uniform Act. In particular, the staff endeavored to supplement, rather than change, the existing Uniform Act language.

The attached draft would also amend Section 1717 to make clear that the list of bases for personal jurisdiction listed in that section are consistent with California's standards of personal jurisdiction and that other non-listed bases may also be consistent with California's standards.³³

SPEECH Act Standards

Existing Code of Civil Procedure Section 1716(b)(9) provides for discretionary nonrecognition of a foreign defamation judgment "unless the court determines that the defamation law applied by the foreign court provided at least as much protection for freedom of speech and the press as provided by both the United States and California Constitutions." By contrast, the federal SPEECH Act *prohibits* recognition of a foreign defamation judgment unless specified conditions, which differ somewhat from those in California's law, are satisfied.³⁴

As discussed previously, the later-enacted federal standards for foreign defamation judgments supplant the California's existing provision.³⁵

The Commission directed the staff to incorporate the federal SPEECH Act standards in California law by reference.³⁶ In the attached draft, the provision incorporating the federal standards reads as follows:

A court of this state shall not recognize a foreign-country judgment for defamation if that judgment is not recognizable under Section 4102 of Title 28 of the United States Code.³⁷

The new defamation provision is not grouped with the other mandatory exceptions to recognition, because the federal law includes a different burden of proof than the Uniform Act's exceptions. The SPEECH Act places the burden of proof on the party seeking recognition of the judgment to show that the foreign

32. See proposed amendments to Code Civ. Proc. § 1717 in attached Staff Draft Tentative Recommendation.

33. See proposed Code Civ. Proc. § 1717(b), (c) in attached Staff Draft Tentative Recommendation.

34. 28 U.S.C. § 4102.

35. See Memorandum 2015-50, p. 11.

36. Minutes (Dec. 2015), p. 4.

37. See proposed Code Civ. Proc. § 1716(e) in attached Staff Draft Tentative Recommendation.

defamation judgment is eligible for recognition.³⁸ The Uniform Act, on the other hand, places the burden of proof on the party opposing recognition to show that an exception to recognition applies.³⁹

Does the Commission have any concerns with the staff's proposed approach or the proposed language incorporating the federal SPEECH Act standards by reference?

Declaratory Relief

The current location of the provision authorizing declaratory relief regarding a foreign defamation judgment is a section of the Uniform Act addressing personal jurisdiction of the foreign court.⁴⁰ The declaratory relief provision does not address the jurisdiction of the foreign court.

For that reason, the staff believes that it would be better organizationally to move the provision to a separate section. The draft tentative recommendation reflects this approach.⁴¹

Further, the staff, in recodifying the declaratory relief provision, made technical, clarifying amendments to the language. However, the staff was unsure how to address one issue: specifying who is eligible to seek declaratory relief. The current provision does not expressly state who is eligible to seek declaratory relief. The proposed new provision only authorizes the person against whom the foreign defamation judgment was rendered to seek declaratory relief.⁴² A note following the provision would request public comment on whether the provision should permit an interested third party to seek declaratory relief.⁴³

Sunset of Tribal Court Judgment Act

When the Tribal Court Judgment Act was enacted, the Legislature included a provision to “sunset” (i.e., automatically repeal) the Act on January 1, 2018.⁴⁴ After the sunset date, tribal court judgments would, again, be governed by California’s Uniform Act.⁴⁵

38. See, e.g., 28 U.S.C. § 4102(a)(2) (“The party seeking recognition or enforcement of the foreign judgment shall bear the burden of making the showings required [to demonstrate consistency with the applicable free speech protections].”)

39. See Code Civ. Proc. § 1716(d).

40. Code Civ. Proc. § 1717.

41. See proposed Code Civ. Proc. § 1725 in attached Staff Draft Tentative Recommendation.

42. See *id.*

43. *Id.* at Note.

44. See Code Civ. Proc. § 1742.

45. See Code Civ. Proc. § 1714, as added by 2014 Cal. Stat. ch. 243, § 3.

The sunset provision was added to the bill in the same amendment that assigned this study to the Commission.⁴⁶ The legislative analyses make clear that the sunset date set was chosen to coordinate with the deadline for this study, giving the Legislature a year to consider the Commission's report before deciding whether to allow the Tribal Court Judgment Act to sunset.⁴⁷

While the Commission has not examined the procedural aspects of the Tribal Court Judgment Act (those provisions being beyond the authorized scope of this study), the staff does not see any problem in the standards of recognition used in the Tribal Court Judgment Act that would justify the repeal of the Act. To the contrary, the creation of a separate statute for tribal court judgments arguably improves the law, accommodating differences between tribal courts and foreign courts.⁴⁸

It is worth noting that the Commission was not directly charged with making a recommendation on the sunset. For that reason, the Commission may want to consider staying silent on the issue. However, as noted above, the analysis that preceded the addition of the sunset provision tied the sunset fairly clearly to the Commission's study. For this reason, it seems possible that the Legislature expects the Commission to make a recommendation on the sunset.

The attached draft would repeal the sunset provision and make necessary conforming changes.⁴⁹ **Is that approach acceptable?**

Technical and Organizational Changes

The draft tentative recommendation includes several additional technical and organizational changes, to make the following improvements:

- Relocate the Tribal Court Judgment Act.⁵⁰
- Clarify application of California's Uniform Act.⁵¹

46. Compare Senate Bill 406, as amended in the Assembly June 18, 2014 with Senate Bill 406, as amended in the Assembly June 10, 2014.

47. See SB 406 Assembly Judiciary Analysis, *supra* note 29, pp. 1-2 ("Given the concerns raised on all sides, the Committee may want to consider passing the measure, but requiring that the California Law Revisions Commission (CLRC) look at the due process requirements of both this bill and the UFCMJRA, using existing resources, and sunset the bill in three years, after the study is complete, to allow the Legislature, with a thoughtful and thorough review by the CLRC, to more thoroughly and knowledgeably consider the concerns that have been raised on all sides.").

48. See, e.g., discussion of "Application of the SPEECH Act" *supra*.

49. See, e.g., proposed repeal of Code Civ. Proc. § 1742 in attached Staff Draft Tentative Recommendation.

50. 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) in attached Staff Draft Tentative Recommendation.

- Improve stylistic consistency.⁵²

The rationales for the first two changes on this list are discussed briefly below.

Location of Tribal Court Judgment Act

The attached draft would group the Tribal Court Judgment Act with other statutes addressing judgments from other jurisdictions. This change would not require any section renumbering. It would be achieved by demoting the heading of the Act from the current title heading to a chapter heading.⁵³ This would place the Tribal Court Judgment Act, which currently follows an existing title on judgments from other jurisdictions, in that title as a new chapter. This would also necessitate several minor, internal cross-reference adjustments.⁵⁴

Application of California's Uniform Act

When the Tribal Court Judgment Act was enacted, California's Uniform Act (which previously applied to tribal court judgments as well as foreign court judgments) was amended to exclude tribal court judgments from its scope.⁵⁵

The staff sees a technical problem in the current language of California's Uniform Act. Read literally, the definition of "[f]oreign country" in California's Uniform Act includes a tribe.⁵⁶ Under that reading, California's Uniform Act applies to tribal court judgments. This result clearly was not intended.

The attached draft would cure that defect, adding language to expressly exclude tribes from the definition of "foreign country" in California's Uniform Act. To achieve consistency between the Acts, the language carving tribes out of the Uniform Act mirrors language from the Tribal Court Judgment Act.⁵⁷

51. See proposed amendment to Code Civ. Proc. § 1714 (as amended by Section 2 of Chapter 243 of the Statutes of 2014) in attached Staff Draft Tentative Recommendation.

52. See, e.g., proposed amendment to Heading of Chapter 1 (commencing with Code Civ. Proc. § 1710.10) in attached Staff Draft Tentative Recommendation.

53. 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) in attached Staff Draft Tentative Recommendation.

54. See proposed amendment of Code Civ. Proc. § 1741 in attached Staff Draft Tentative Recommendation.

55. Compare Code of Civ. Proc. § 1714, as enacted by 2007 Cal. Stat. ch. 212, § 2 with Code Civ. Proc. § 1714, as amended by 2014 Cal. Stat. ch. 243, § 2.

56. See Code Civ. Proc. § 1714, as amended by Section 2 of Chapter 243 of the Statutes of 2014.

57. Compare proposed amendment to Code Civ. Proc. § 1714(a)(3) in attached Staff Draft Tentative Recommendation with Code Civ. Proc. § 1732(f).

COMMISSION COMMENTS

A Commission recommendation typically includes Comments for every section that would be affected by proposed legislation. The Comments describe the derivation or effect of the provision and may cross-refer to related provisions or other sources of guidance on how the provision should be construed. The Commission does *not* provide Comments for code sections that are not affected by proposed legislation.

The following discussion addresses some specific issues concerning the use of Comments in the attached draft tentative recommendation.

Clarifying Guidance

In the course of this study, the Commission decided to provide particular clarifying guidance in its Comments on a few issues. Those decisions are reflected in the Comments addressing the following provisions:

- Code Civ. Proc. § 1716(c). Exercise of discretion.
- Code Civ. Proc. § 1716(c)(1). Notice exception.
- Code Civ. Proc. § 1716(c)(2). Fraud exception.
- Code Civ. Proc. § 1716(c)(4). Conflicting judgments exception.
- Code Civ. Proc. § 1717(a). Personal jurisdiction exception.

Is the guidance provided in those Comments acceptable?

Reproduction of Uniform Law Commission Commentary

When a recommendation involves a Uniform Act, the Commission has often decided to reproduce the relevant Uniform Law Commission (“ULC”) commentary in its Comments. Because Commission Comments are typically reproduced in annotated codes, this provides practitioners and judges with easy access to relevant commentary on the related provision of the Uniform Act.

As discussed below, the nature of this study presents some questions about how much of the ULC’s commentary to reproduce.

Scope of Reproduced Commentary

In this study, the Commission is not examining (or proposing to amend) all provisions of the Uniform Act. The draft tentative recommendation does not reproduce the ULC’s commentary on every provision of the Uniform Act because the proposed legislation simply does not affect every section of California law derived from the Uniform Act. **Is that acceptable?**

If the Commission would rather reproduce the entirety of the ULC commentary, the staff will need to figure out where to place that language in our Comments. This is difficult, because typically Commission Comments are not drafted for sections that are not being revised.

Typically, each Commission Comment corresponds to a single section of California law, and only reproduces the ULC commentary for the corresponding Uniform Act provision. That approach would not work well for the Tribal Court Judgment Act because the proposed legislation would not make any substantive changes to *any* provision of that Act. However, the proposed legislation does include an amendment to the heading of the Act. In the absence of another location to place a Commission Comment, the draft tentative recommendation reproduces the relevant ULC commentary as part of a Commission Comment to the amendment of the *heading* to the Tribal Court Judgment Act.⁵⁸

Omitted Commentary

The draft tentative recommendation focuses on two Uniform Act sections: Section 4 (standards of recognition) and Section 5 (personal jurisdiction).

Uniform Act Section 4 corresponds to Code of Civil Procedure Section 1716. The Comment to Section 1716 reproduces, in large part, the ULC Commentary on Section 4 of the Uniform Act.

In some cases, the attached draft omits a discrete part of the ULC commentary, because statutory revisions that the Commission is proposing to make are incompatible with the ULC's description of the corresponding provision of the Uniform Act. In the staff's view, including the ULC commentary for those provisions would be confusing. For example, the ULC commentary on personal jurisdiction has been omitted.

Where discrete pieces of the ULC comment have been omitted, the omitted commentary is identified with the following signal: “[Omitted.]”

The draft tentative recommendation omits the ULC's commentary on Section 5 (Code of Civil Procedure Section 1717) altogether. The staff concluded that the ULC commentary would be confusing in light of the proposed changes to that provision. In this case, the attached draft provides no indication of the omission.

58. See proposed addition of Heading of Chapter 3 (commencing with Code Civ. Proc. § 1730) Comment in attached Staff Draft Tentative Recommendation.

Are these practices acceptable? If not, how would the Commission like to handle commentary that does not square with a proposed revision?

Substituted Citations

In setting out ULC commentary, the attached draft includes clarifying, bracketed substitutions. For instance, the ULC's cross-references to Uniform Act provisions were replaced with bracketed references to the corresponding provisions in California law. In addition, the attached draft replaces references to "foreign" courts with bracketed references to "tribal" courts in the commentary for the Tribal Court Judgment Act. Finally, a few minor changes were proposed to better correspond to California law (e.g., updating the number of exceptions to include the defamation exception in the Tribal Court Judgment Act). This should make the commentary easier for California practitioners and judges to use.

Is that acceptable?

COMMISSION DECISION ON DRAFT TENTATIVE RECOMMENDATION

The Commission needs to decide whether to approve the draft as a tentative recommendation (as is, or with revisions) to post to its website and circulate for comment.

Respectfully submitted,

Kristin Burford
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CALIFORNIA LAW REVISION COMMISSION

STAFF DRAFT

TENTATIVE RECOMMENDATION

Recognition of Tribal and Foreign Court Money Judgments

June 2016

The purpose of this tentative recommendation is to solicit public comment on the Commission's tentative conclusions. A comment submitted to the Commission will be part of the public record. The Commission will consider the comment at a public meeting when the Commission determines what, if any, recommendation it will make to the Legislature. It is just as important to advise the Commission that you approve the tentative recommendation as it is to advise the Commission that you believe revisions should be made to it.

COMMENTS ON THIS TENTATIVE RECOMMENDATION SHOULD BE RECEIVED BY THE COMMISSION NOT LATER THAN August 1, 2016.

The Commission will often substantially revise a proposal in response to comment it receives. Thus, this tentative recommendation is not necessarily the recommendation the Commission will submit to the Legislature.

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SUMMARY OF TENTATIVE 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 tentative 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 tentative 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 tentative 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 tentative recommendation includes proposed legislation that would provide
26 additional 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. *Id.* 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 Acts 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 U.S. §§ 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 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 Pocket Part p. 43. (Delaware, Georgia, and Illinois,

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

3 **Tentative 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.

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” *supra*; 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) (due process failure); 1716(c)(8), 1737(c)(8) (lack of court integrity); but see, e.g., Code Civ. Proc. §§ 1716(c)(4), 1737(c)(4) (conflicting judgments).

- 1 ...
- 2 (5) The proceeding in the foreign court was contrary to an agreement between
- 3 the parties under which the dispute in question was to be determined otherwise
- 4 than by proceedings in that foreign court.
- 5 (6) In the case of jurisdiction based only on personal service, the foreign court
- 6 was a seriously inconvenient forum for the trial of the action.
- 7 (7) The judgment was rendered in circumstances that raise substantial doubt
- 8 about the integrity of the rendering court with respect to the judgment.
- 9 (8) The specific proceeding in the foreign court leading to the judgment was not
- 10 compatible with the requirements of due process of law.
- 11 ...²⁶

12 In some cases, the phrasing of the exception seems to require that the defect be

13 prejudicial (e.g., the defendant “did not receive notice of the proceeding in

14 sufficient time to enable the defendant to defend”²⁷).

15 A committee analysis of Senate Bill 406 questions whether recognition would

16 ever be appropriate when one of these exceptions applies. The analysis calls for

17 further study of this issue:

18 Even a cursory review of the grounds for discretionary nonrecognition raise

19 legitimate questions as to the fairness and due process provided in the underlying

20 action and what should the appropriate standard be for recognition in state court.

21 For example, the bill (and [California’s Uniform Act]) allows a court, in its

22 discretion, to recognize and enforce a tribal court money judgment even when the

23 specific proceedings in the tribal court leading to the judgment were not

24 compatible with due process of law. Currently the bill – and [California’s

25 Uniform Act] – require mandatory nonrecognition of a tribal order if it was

26 rendered under a judicial system that does not provide procedures compatible

27 with the requirements of due process. However, if the system provides procedures

28 that, at least on paper, provide due process of law, but the actual procedures used

29 in a particular case do not, the defendant has not been afforded due process of the

30 law and thus, the proceeding would not, under the Ninth Circuit decision in

31 *Wilson v. Marchington* [127 F.3d 805 (9th Cir. 1997)], be entitled to recognition

32 in federal court. Is it reasonable policy – under both this bill and [California’s

33 Uniform Act] – to permit such an order to be enforced by a California court? This

34 is obviously a very important question calling for further study.²⁸

35 The Commission reviewed the Uniform Law Commission’s commentary for the

36 rationales for discretionary recognition. The commentary suggests one situation in

37 which it might be proper to recognize a foreign or tribal court judgment when a

38 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 The Tribal Court Judgment Act defines “due process” as including, but not limited
2 to “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), 1737(b)(1).

43. Code Civ. Proc. § 1716(b)(2).

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.

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 426, 471 (9th Cir. 1980). California’s long-arm jurisdiction statute extends the jurisdictional reach of the California courts to the limits of the U.S. Constitution. 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 requiring any assessment of whether jurisdiction is adequate under foreign
6 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, § 404 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 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 a analogous provision in the Tribal
22 Court Judgment Act was appropriate.

53. Code Civ. Proc. § 1737(b)(1).

54. See generally discussion of “California’s 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 permits a court to find that a tribal court lacked personal jurisdiction over the
5 defendant if either (1) the tribal court’s exercise of personal jurisdiction was not
6 authorized by tribal law or (2) the tribal court’s basis for personal jurisdiction
7 violates California’s jurisdictional principles.⁵⁸

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.⁵⁹

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 nonenforceable 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 (sponsor of SB 406), bill would “continu[e] to apply the principles of comity appropriate to judgments of sovereign tribes.”).

58. See generally discussion of “Foreign Law” *supra*.

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

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.”⁶⁷

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.”⁶⁸

19 As indicated, this provision establishes a “stringent test for finding a public policy
20 violation.”⁶⁹

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.⁷⁰

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.

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

67. Code Civ. Proc. §§ 1716(c)(3), 1737(c)(3).

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

69. *Id.*

70. *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.”⁷¹

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,⁷² 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.⁷³

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.”⁷⁴

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).⁷⁵

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

72. 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.

73. 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 § 404.

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

75. 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.”⁷⁶

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.”⁷⁷

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.⁷⁸ 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.⁷⁹

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

76. 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. Ct. 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 v. Balaam*, 953 S.W.2d 478, 482 (Tex. Ct. App. 1997) (“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.”).

77. Code Civ. Proc. §§ 1716(c)(6), 1737(c)(6).

78. 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.”)

79. 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 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.”⁹³ This
6 exception is also included in the Tribal Court Judgment Act.⁹⁴

7 In 2010, the federal government, responding to libel tourism concerns, enacted
8 the SPEECH Act.⁹⁵ The SPEECH Act prohibits any domestic court⁹⁶ from
9 recognizing a foreign defamation judgment unless that judgment meets specified
10 standards for free speech protection and personal jurisdiction.⁹⁷ 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.⁹⁸

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.⁹⁹

21 By its terms, the federal SPEECH Act does not appear to apply to tribal court
22 judgments.¹⁰⁰ Therefore, the Commission recommends continuing California’s

93. Code Civ. Proc. § 1716(c)(9); see also 2009 Cal. Stat. ch. 579, § 1 (SB 320 (Corbett)).

94. See Code Civ. Proc. § 1737(c)(9).

95. 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, 124 Stat. 2380 (2010).

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

97. 28 U.S.C. § 4102.

98. See *id.*

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

100. 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 states.]”); see also U.S. Const. art. I, § 8 (listing foreign nations, states and tribes separately).

1 current discretionary exception for defamation judgments in the Tribal Court
2 Judgment Act.¹⁰¹

3 RECIPROCITY

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

7 The legislative history for Senate Bill 406 indicates that a member of the public
8 raised concerns about the lack of a reciprocity requirement in the Tribal Court
9 Judgment Act. In particular, the commenter noted the difficulties she has faced in
10 getting a California court order recognized by tribal courts.¹⁰²

11 The Uniform Act commentary indicates that the Uniform Law Commission
12 considered the inclusion of a reciprocity requirement both when originally
13 developing the 1962 Uniform Act and when revising the Uniform Act in 2005.¹⁰³
14 In 2005, the Uniform Law Commission noted:

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

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

101. 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 95, at 11-13 (discussing the preemptive effect of the SPEECH Act).

102. 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).

103. 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).

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

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

10 SUNSET CLAUSE

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

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

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

26 With the caveat that the Commission did not evaluate the *procedural* elements
27 of the Tribal Court Judgment Act, due to the limited scope of the Commission's
28 assignment, the Commission recommends repealing the provisions that would
29 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

TECHNICAL AND ORGANIZATIONAL CHANGES

2

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

3

4

- Relocating the provision authorizing declaratory relief for foreign defamation judgments and making clarifying changes.¹⁰⁹

5

6

- Relocating the Tribal Court Judgment Act to the same title as other California laws governing judgments from other jurisdictions.¹¹⁰

7

8

- Clarifying that the Tribal Court Judgment Act, not California's Uniform Act, governs the recognition of tribal court judgments.¹¹¹

9

10

- Stylistic consistency.¹¹²

11

REQUEST FOR COMMENT

12

The Commission seeks public comment on all of the proposed statutory changes included in this tentative recommendation. Input from knowledgeable persons is critical in the Commission's study process, and may cause the Commission to substantially revise its proposal. Comments supporting the proposed approach are just as important as comments suggesting changes to that approach or expressing other views. The Commission would especially appreciate comments on any issue it has flagged for attention through the use of a Note in the proposed legislation.

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109. See proposed amendment to Code of 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*.

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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)~~ and (e), a
4 court of this state shall recognize a foreign-country judgment to which this chapter
5 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 Paragraph (b)(2) provides that a foreign-country judgment shall not be recognized if the
7 foreign court did not have personal jurisdiction over the defendant. Section 1717 makes clear that
8 a foreign court lacks personal jurisdiction if either of the following applies:

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

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

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

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

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

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

51 Subdivision (e) is added to make clear that judgments that are not eligible for recognition under
52 the federal SPEECH Act shall not be recognized under this chapter.

1 The commentary for Section 4 of the 2005 Uniform Act is set out, in relevant part, below.

2 **Background from the 2005 Uniform Act**

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

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

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

27 3. [Subdivision (a) of Section 1716] places an affirmative duty on the forum court to recognize
28 a foreign-country money judgment unless one of the grounds for nonrecognition stated in
29 [subdivision (b), (c), or (e)] applies. [Subdivision] (b) states three mandatory grounds for denying
30 recognition to a foreign-country money judgment. If the forum court finds that one of the grounds
31 listed in [subdivision] (b) exists, then it must deny recognition to the foreign-country money
32 judgment. [Subdivision] (c) states eight nonmandatory grounds for denying recognition. The
33 forum court has discretion to decide whether or not to refuse recognition based on one of these
34 grounds. [Subdivision] (d) places the burden of proof on the party resisting recognition of the
35 foreign-country judgment to establish that one of the grounds for nonrecognition [stated in
36 subdivision (b) or (c)] exists.

37 4. The mandatory grounds for nonrecognition stated in [subdivision (b) of Section 1716] are
38 identical to the mandatory grounds stated in Section 4 of the 1962 Act. The discretionary grounds
39 stated in [paragraphs] (c)(1) through (6) are based on subsection 4(b)(1) through (6) of the 1962
40 Act. The discretionary grounds stated in [paragraphs] (c)(7) and (8) are new [to the 2005 Uniform
41 Act].

42 5. Under [Paragraph (b)(1) of Section 1716], the forum court must deny recognition to the
43 foreign-country money judgment if that judgment was “rendered under a judicial system that does
44 not provide impartial tribunals or procedures compatible with the requirements of due process of
45 law.” The standard for this ground for nonrecognition “has been stated authoritatively by the
46 Supreme Court of the United States in *Hilton v. Guyot*, 159 U.S.113, 205 (1895). As indicated in
47 that decision, a mere difference in the procedural system is not a sufficient basis for
48 nonrecognition. A case of serious injustice must be involved.” Cmt §4, Uniform Foreign Money-
49 Judgment Recognition Act (1962). The focus of inquiry is not whether the procedure in the
50 rendering country is similar to U.S. procedure, but rather on the basic fairness of the foreign-
51 country procedure. *Kam-Tech Systems, Ltd. v. Yardeni*, 74 A.2d 644, 649 (N.J. App. 2001)
52 (interpreting the comparable provision in the 1962 Act); *accord*, *Society of Lloyd’s v. Ashenden*,
53 233 F.3d 473 (7th Cir. 2000) (procedures need not meet all the intricacies of the complex concept

1 of due process that has emerged from U.S. case law, but rather must be fair in the broader
2 international sense) (interpreting comparable provision in the 1962 Act). Procedural differences,
3 such as absence of jury trial or different evidentiary rules are not sufficient to justify denying
4 recognition under [paragraph] (b)(1), so long as the essential elements of impartial administration
5 and basic procedural fairness have been provided in the foreign proceeding. As the U.S. Supreme
6 Court stated in *Hilton*:

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

15 6. [Omitted]

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

31 8. The public policy exception in [paragraph (c)(3) of Section 1716] is based on the public
32 policy exception in subsection 4(b)(3) of the 1962 Act, with one difference. The public policy
33 exception in the 1962 Act states that the relevant inquiry is whether “the [cause of action] [claim
34 for relief] on which the judgment is based” is repugnant to public policy. Based on this “cause of
35 action” language, some courts interpreting the 1962 Act have refused to find that a public policy
36 challenge based on something other than repugnancy of the foreign cause of action comes within
37 this exception. *E.g.*, *Southwest Livestock & Trucking Co., Inc. v. Ramon*, 169 F.3d 317 (5th Cir.
38 1999) (refusing to deny recognition to Mexican judgment on promissory note with interest rate of
39 48% because cause of action to collect on promissory note does not violate public policy);
40 *Guinness PLC v. Ward*, 955 F.2d 875 (4th Cir. 1992) (challenge to recognition based on post-
41 judgment settlement could not be asserted under public policy exception); *The Society of Lloyd’s*
42 *v. Turner*, 303 F.3d 325 (5th Cir. 2002) (rejecting argument legal standards applied to establish
43 elements of breach of contract violated public policy because cause of action for breach of
44 contract itself is not contrary to state public policy); *cf.* *Bachchan v. India Abroad Publications,*
45 *Inc.*, 585 N.Y.S.2d 661 (N.Y. Sup. Ct. 1992) (judgment creditor argued British libel judgment
46 should be recognized despite argument it violated First Amendment because New York
47 recognizes a cause of action for libel). [Paragraph] (c)(3) rejects this narrow focus by providing
48 that the forum court may deny recognition if either the cause of action or the judgment itself
49 violates public policy. *Cf.* Restatement (Third) of the Foreign Relations Law of the United States,
50 § 482(2)(d) (1986) (containing a similarly-worded public policy exception to recognition).

51 Although [paragraph] (c)(3) of this Act rejects the narrow focus on the cause of action under
52 the 1962 Act, it retains the stringent test for finding a public policy violation applied by courts
53 interpreting the 1962 Act. Under that test, a difference in law, even a marked one, is not sufficient

1 to raise a public policy issue. Nor is it relevant that the foreign law allows a recovery that the
2 forum state would not allow. Public policy is violated only if recognition or enforcement of the
3 foreign-country judgment would tend clearly to injure the public health, the public morals, or the
4 public confidence in the administration of law, or would undermine “that sense of security for
5 individual rights, whether of personal liberty or of private property, which any citizen ought to
6 feel.” *Hunt v. BP Exploration Co. (Libya) Ltd.*, 492 F. Supp. 885, 901 (N.D. Tex. 1980).

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

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

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

23 11. [Paragraph (c)(7) of Section 1716] is new. Under this [paragraph], the forum court may
24 deny recognition to a foreign-country judgment if there are circumstances that raise substantial
25 doubt about the integrity of the rendering court with respect to that judgment. It requires a
26 showing of corruption in the particular case that had an impact on the judgment that was
27 rendered. This provision may be contrasted with [paragraph] (b)(1), which requires that the forum
28 court refuse recognition to the foreign-country judgment if it was rendered under a judicial
29 system that does not provide impartial tribunals. Like the comparable provision in subsection
30 4(a)(1) of the 1962 Act, [paragraph] (b)(1) focuses on the judicial system of the foreign country
31 as a whole, rather than on whether the particular judicial proceeding leading to the foreign-
32 country judgment was impartial and fair. See, e.g., *The Society of Lloyd’s v. Turner*, 303 F.3d
33 325, 330 (5th Cir. 2002) (interpreting the 1962 Act); *CIBC Mellon Trust Co. v. Mora Hotel*
34 *Corp., N.V.*, 743 N.Y.S.2d 408, 415 (N.Y. App. 2002) (interpreting the 1962 Act); *Society of*
35 *Lloyd’s v. Ashenden*, 233 F.3d 473, 477 (7th Cir. 2000) (interpreting the 1962 Act). On the other
36 hand, [paragraph] (c)(7) allows the court to deny recognition to the foreign-country judgment if it
37 finds a lack of impartiality and fairness of the tribunal in the individual proceeding leading to the
38 foreign-country judgment. Thus, the difference is that between showing, for example, that
39 corruption and bribery is so prevalent throughout the judicial system of the foreign country as to
40 make that entire judicial system one that does not provide impartial tribunals versus showing that
41 bribery of the judge in the proceeding that resulted in the particular foreign-country judgment
42 under consideration had a sufficient impact on the ultimate judgment as to call it into question.

43 12. [Paragraph (c)(8) of Section 1716] also is new. It allows the forum court to deny
44 recognition to the foreign-country judgment if the court finds that the specific proceeding in the
45 foreign court was not compatible with the requirements of fundamental fairness. Like [paragraph]
46 (c)(7), it can be contrasted with [paragraph] (b)(1), which requires the forum court to deny
47 recognition to the foreign-country judgment if the forum court finds that the entire judicial system
48 in the foreign country where the foreign-country judgment was rendered does not provide
49 procedures compatible with the requirements of fundamental fairness. While the focus of
50 [paragraph] (b)(1) is on the foreign country’s judicial system as a whole, the focus of [paragraph]
51 (c)(8) is on the particular proceeding that resulted in the specific foreign-country judgment under
52 consideration. Thus, the difference is that between showing, for example, that there has been such
53 a breakdown of law and order in the particular foreign country that judgments are rendered on the
54 basis of political decisions rather than the rule of law throughout the judicial system versus a

1 showing that for political reasons the particular party against whom the foreign-country judgment
2 was entered was denied fundamental fairness in the particular proceedings leading to the foreign-
3 country judgment.

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

17 13. Under [subdivision (d) of Section 1716], the party opposing recognition of the foreign-
18 country judgment has the burden of establishing that one of the grounds for nonrecognition set
19 out in [subdivision] (b) or (c) applies. The 1962 Act was silent as to who had the burden of proof
20 to establish a ground for nonrecognition and courts applying the 1962 Act took different positions
21 on the issue. Compare *Bridgeway Corp. v. Citibank*, 45 F.Supp. 2d 276, 285 (S.D.N.Y. 1999)
22 (plaintiff has burden to show no mandatory basis under 4(a) for nonrecognition exists; defendant
23 has burden regarding discretionary bases) with *The Courage Co. LLC v. The ChemShare Corp.*,
24 93 S.W.3d 323, 331 (Tex. App. 2002) (party seeking to avoid recognition has burden to prove
25 ground for nonrecognition). Because the grounds for nonrecognition in Section [1716] are in the
26 nature of defenses to recognition, the burden of proof is most appropriately allocated to the party
27 opposing recognition of the foreign-country judgment.

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

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

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

31 1717. (a) For the purposes of paragraph (2) of subdivision (b) of Section 1716,
32 a foreign court lacks personal jurisdiction over the defendant if either of the
33 following conditions is met:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 The need to evaluate personal jurisdiction under the foreign court's own law should be rare. In
39 most cases, objections to personal jurisdiction will have been litigated or waived in the foreign
40 court proceeding. "There is authority ... for the proposition that a U.S. court generally will not
41 look behind a foreign court's finding of personal jurisdiction under its own law." See Restatement
42 of the Law Fourth: The Foreign Relations Law of the United States: Jurisdiction § 403 Reporters'
43 Note 7 (Tentative Draft No. 1, April 1, 2014). Generally, the mere fact that a judgment was
44 rendered by a foreign court suggests that personal jurisdiction was proper under foreign law.
45 However, a California court may need to evaluate personal jurisdiction under foreign law when

1 the issue of personal jurisdiction was neither litigated nor waived in the foreign proceeding (e.g.,
2 the defendant never appeared and a default judgment was entered).

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

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

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

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

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

14 1725. (a) If all of the following conditions are satisfied, a person against whom a
15 foreign-country defamation judgment was rendered may seek declaratory relief
16 with respect to liability for the judgment or a determination that the judgment is
17 not recognizable under Section 1716:

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

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

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

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

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

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

31 **Note.** Proposed Section 1725 only permits the person against whom the foreign-country
32 defamation judgment was rendered to seek the relief authorized under this section. Existing
33 Section 1717(c) is written in the passive voice and it is unclear who has standing to seek this
34 relief. Presumably, the person against whom the judgment is rendered is entitled to seek this
35 relief. However, it is unclear whether an interested third party should be authorized to seek this
36 relief as well. The Commission invites comment on whether interested third parties should be
37 authorized to seek declaratory relief or a determination of that a foreign-country defamation
38 judgment is not recognizable under this section.

39 **TECHNICAL AND ORGANIZATIONAL REVISIONS**

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

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

1 TITLE 11: ~~SISTER STATE AND FOREIGN MONEY JUDGMENTS~~ MONEY
2 JUDGMENTS OF OTHER JURISDICTIONS

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

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

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

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

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

11 **Code Civ. Proc. § 1714 (amended). Definitions [UFCMJRA §2]**

12 SEC. _____. Section 1714 of the Code of Civil Procedure, as amended by Section
13 2 of Chapter 243 of the Statutes of 2014, is amended to read:

14 1714. As used in this chapter:

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

16 (1) The United States.

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

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

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

25 (b) “Foreign-country judgment” means a judgment of a court of a foreign
26 country.

27 ~~(c) This section shall remain in effect only until January 1, 2018, and as of that~~
28 ~~date is repealed, unless a later enacted statute, that is enacted before January 1,~~
29 ~~2018, deletes or extends that date.~~

30 **Comment.** Section 1714, as amended by Section 2 of Chapter 243 of the Statutes of 2014, is
31 drawn from Section 2 of the Uniform Foreign-Country Money Judgments Recognition Act
32 (2005).

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

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

37 **Code Civ. Proc. § 1714 (repealed). Definitions**

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

1 **Comment.** Section 1714 Procedure, as added by Section 3 of Chapter 243 of the Statutes of
2 2014, is repealed. This reflects the repeal of former Section 1742.

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

4 1714. (a) “Foreign country” means a government other than any of the following:

5 (1) The United States.

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

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

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

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

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

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

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

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

20 SEC. _____. A heading is added as Chapter 3 (commencing with Section 1730) of
21 Title 11 of Part 3 of the Code of Civil Procedure, immediately preceding Section
22 1730, to read:

23 CHAPTER 3: TRIBAL COURT CIVIL MONEY JUDGMENT ACT

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

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

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

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

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

35 The need to evaluate personal jurisdiction under the tribal court’s own law should be rare. In
36 most cases, objections to personal jurisdiction will have been litigated or waived in the tribal
37 court proceeding. “There is authority ... for the proposition that a U.S. court generally will not
38 look behind a foreign court’s finding of personal jurisdiction under its own law.” See
39 Restatement of the Law Fourth: The Foreign Relations Law of the United States: Jurisdiction §
40 403 Reporters’ Note 7 (Tentative Draft No. 1, April 1, 2014). Generally, the mere fact that a
41 judgment was rendered by a tribal court suggests that personal jurisdiction was proper under
42 tribal law. However, a California court may need to evaluate personal jurisdiction under tribal law
43 when the issue of personal jurisdiction was neither litigated nor waived in the tribal court
44 proceeding (e.g., the defendant never appeared and a default judgment was entered).

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

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

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

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

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

42 The commentary for Section 4 of the 2005 Uniform Act is set out, in relevant part, below.

43 **Background from the 2005 Uniform Act**

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

- 46 1. [Section 1737] provides the standards for recognition of a [tribal court] money judgment. ...
- 47 2. [Omitted]
- 48 3. ... [Subdivision (b) of Section 1737] states three mandatory grounds for denying recognition
49 to a [tribal court] money judgment. If the forum court finds that one of the grounds listed in
50 [subdivision (b) of Section 1737] exists, then it must deny recognition to the [tribal court] money
51 judgment. [Subdivision (c) of Section 1737] states [nine] nonmandatory grounds for denying
52 recognition. The forum court has discretion to decide whether or not to refuse recognition based
53 on one of these grounds. [Subdivision (d) of Section 1737] places the burden of proof on the party

1 resisting recognition of the [tribal court] judgment to establish that one of the grounds for
2 nonrecognition exists.

3 4. [Omitted]

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

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

30 6. [Omitted]

31 7. [Paragraph (c)(2) of Section 1737] limits the type of fraud that will serve as a ground for
32 denying recognition to extrinsic fraud. This provision is consistent with the interpretation of the
33 comparable provision in subsection 4(b)(2) of the 1962 Act by the courts, which have found that
34 only extrinsic fraud — conduct of the prevailing party that deprived the losing party of an
35 adequate opportunity to present its case — is sufficient under the 1962 Act. Examples of extrinsic
36 fraud would be when the plaintiff deliberately had the initiating process served on the defendant
37 at the wrong address, deliberately gave the defendant wrong information as to the time and place
38 of the hearing, or obtained a default judgment against the defendant based on a forged confession
39 of judgment. When this type of fraudulent action by the plaintiff deprives the defendant of an
40 adequate opportunity to present its case, then it provides grounds for denying recognition of the
41 [tribal court] judgment. Extrinsic fraud should be distinguished from intrinsic fraud, such as false
42 testimony of a witness or admission of a forged document into evidence during the [tribal court]
43 proceeding. Intrinsic fraud does not provide a basis for denying recognition under [paragraph
44 (c)(2) of Section 1737], as the assertion that intrinsic fraud has occurred should be raised and
45 dealt with in the rendering court.

46 8. The public policy exception in [paragraph (c)(3) of Section 1737] is based on the public
47 policy exception in subsection 4(b)(3) of the 1962 Act, with one difference. The public policy
48 exception in the 1962 Act states that the relevant inquiry is whether “the [cause of action] [claim
49 for relief] on which the judgment is based” is repugnant to public policy. Based on this “cause of
50 action” language, some courts interpreting the 1962 Act have refused to find that a public policy
51 challenge based on something other than repugnancy of the ... cause of action comes within this
52 exception. *E.g.*, *Southwest Livestock & Trucking Co., Inc. v. Ramon*, 169 F.3d 317 (5th Cir.
53 1999) (refusing to deny recognition to Mexican judgment on promissory note with interest rate of

1 48% because cause of action to collect on promissory note does not violate public policy);
2 Guinness PLC v. Ward, 955 F.2d 875 (4th Cir. 1992) (challenge to recognition based on post-
3 judgment settlement could not be asserted under public policy exception); The Society of Lloyd’s
4 v. Turner, 303 F.3d 325 (5th Cir. 2002) (rejecting argument legal standards applied to establish
5 elements of breach of contract violated public policy because cause of action for breach of
6 contract itself is not contrary to state public policy); cf. Bachchan v. India Abroad Publications,
7 Inc., 585 N.Y.S.2d 661 (N.Y. Sup. Ct. 1992) (judgment creditor argued British libel judgment
8 should be recognized despite argument it violated First Amendment because New York
9 recognizes a cause of action for libel). [Paragraph (c)(3) of Section 1737] rejects this narrow
10 focus by providing that the forum court may deny recognition if either the cause of action or the
11 judgment itself violates public policy. Cf. Restatement (Third) of the Foreign Relations Law of
12 the United States, § 482(2)(d) (1986) (containing a similarly-worded public policy exception to
13 recognition).

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

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

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

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

40 11. ... Under [Paragraph (c)(7) of Section 1737], the forum court may deny recognition to a
41 [tribal court] judgment if there are circumstances that raise substantial doubt about the integrity of
42 the rendering court with respect to that judgment. It requires a showing of corruption in the
43 particular case that had an impact on the judgment that was rendered. This provision may be
44 contrasted with [paragraph (b)(3) of Section 1737], which requires that the forum court refuse
45 recognition to the [tribal court] judgment if it was rendered under a judicial system that does not
46 provide impartial tribunals. Like the comparable provision in subsection 4(a)(1) of the 1962 Act,
47 [paragraph (b)(3) of Section 1737] focuses on the [tribe’s] judicial system ... as a whole, rather
48 than on whether the particular judicial proceeding leading to the [tribal court] judgment was
49 impartial and fair. See, e.g., The Society of Lloyd’s v. Turner, 303 F.3d 325, 330 (5th Cir. 2002)
50 (interpreting the 1962 Act); CIBC Mellon Trust Co. v. Mora Hotel Corp., N.V., 743 N.Y.S.2d
51 408, 415 (N.Y. App. 2002) (interpreting the 1962 Act); Society of Lloyd’s v. Ashenden, 233 F.3d
52 473, 477 (7th Cir. 2000) (interpreting the 1962 Act). On the other hand, [paragraph (c)(7) of
53 Section 1737] allows the court to deny recognition to the [tribal court] judgment if it finds a lack
54 of impartiality and fairness of the tribunal in the individual proceeding leading to the [tribal court]

1 judgment. Thus, the difference is that between showing, for example, that corruption and bribery
2 is so prevalent throughout the [tribe's] judicial system ... as to make that entire judicial system
3 one that does not provide impartial tribunals versus showing that bribery of the judge in the
4 proceeding that resulted in the particular [tribal court] judgment under consideration had a
5 sufficient impact on the ultimate judgment as to call it into question.

6 12. [Paragraph (c)(8) of Section 1737] ... allows the forum court to deny recognition to the
7 [tribal court] judgment if the court finds that the specific proceeding in the [tribal] court was not
8 compatible with the requirements of fundamental fairness. Like [paragraph (c)(7) of Section
9 1737], it can be contrasted with [paragraph (b)(3) of Section 1737], which requires the forum
10 court to deny recognition to the [tribal court] judgment if the forum court finds that the entire
11 judicial system ... where the [tribal court] judgment was rendered does not provide procedures
12 compatible with the requirements of fundamental fairness. While the focus of [paragraph (b)(3) of
13 Section 1737] is on the [tribal] judicial system as a whole, the focus of [paragraph (c)(8) of
14 Section 1737] is on the particular proceeding that resulted in the specific [tribal court] judgment
15 under consideration. Thus, the difference is that between showing, for example, that there has
16 been such a breakdown of law and order in the particular [tribe] that judgments are rendered on
17 the basis of political decisions rather than the rule of law throughout the judicial system versus a
18 showing that for political reasons the particular party against whom the [tribal court] judgment
19 was entered was denied fundamental fairness in the particular proceedings leading to the [tribal
20 court] judgment.

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

34 13. [Omitted]

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

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

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

38 1730. This ~~title~~ chapter shall be known and may be cited as the Tribal Court
39 Civil Money Judgment Act.

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

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

42 SEC. ____ . Section 1731 of the Code of Civil Procedure is amended to read:

43 1731. (a) This ~~title~~ chapter governs the procedures by which the superior courts
44 of the State of California recognize and enter tribal court money judgments of any
45 federally recognized Indian tribe. Determinations regarding recognition and entry
46 of a tribal court money judgment pursuant to state law shall have no effect upon
47 the independent authority of that judgment. To the extent not inconsistent with this
48 ~~title~~ chapter, the Code of Civil Procedure shall apply.

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

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

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

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

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

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

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

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

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

20 1732. For purposes of this ~~title~~ chapter:

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

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

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

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

33 (e) "Respondent" means the person or persons against whom an action to
34 enforce a tribal court money judgment can be brought.

35 (f) "Tribal court" means any court or other tribunal of any federally recognized
36 Indian nation, tribe, pueblo, band, or Alaska Native village, duly established under
37 tribal or federal law, including Courts of Indian Offenses organized pursuant to
38 Part 11 of Title 25 of the Code of Federal Regulations.

39 (g) "Tribal court money judgment" means any written judgment, decree, or
40 order of a tribal court for a specified amount of money that was issued in a civil
41 action or proceeding that is final, conclusive, and enforceable by the tribal court in

1 which it was issued and is duly authenticated in accordance with the laws and
2 procedures of the tribe or tribal court.

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

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

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

6 1733. (a) An application for entry of a judgment under this ~~title~~ chapter shall be
7 filed in a superior court.

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

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

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

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

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

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

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

18 1741. (a) The Uniform Foreign-Country Money Judgments Recognition Act
19 (Chapter 2 (commencing with Section 1713) of Title 11 of Part 3) applies to all
20 actions commenced in superior court before ~~the effective date of this title~~ January
21 1, 2015 in which the issue of recognition of a tribal court money judgment is
22 raised.

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

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

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

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

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

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

38 1742. This title shall remain in effect only until January 1, 2018, and as of that date is
39 repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends
40 that date.