SUPREME COURT OF THE UNITED STATES

GRANITE ROCK CO. *v* . INTERNATIONAL BROTHERHOOD OF TEAMSTERS et al.

certiorari to the united states court of appeals for the ninth circuit

No. 08–1214. Argued January 19, 2010—Decided June 24, 2010

In June 2004, respondent local union (Local), supported by its parent international (IBT), initiated a strike against petitioner Granite Rock, the employer of some of Local's members, following the expiration of the parties' collective-bargaining agreement (CBA) and an impasse in their negotiations. On July 2, the parties agreed to a new CBA containing no-strike and arbitration clauses, but could not reach a separate back-to-work agreement holding local and international union members harmless for any strike-related damages Granite Rock incurred. IBT instructed Local to continue striking until Granite Rock approved such a hold-harmless agreement, but the company refused to do so, informing Local that continued strike activity would violate the new CBA's no-strike clause. IBT and Local responded by announcing a company-wide strike involving numerous facilities and workers, including members of other IBT locals.

Granite Rock sued IBT and Local, invoking federal jurisdiction under §301(a) of the Labor Management Relations Act, 1947 (LMRA), seeking strike-related damages for the unions' alleged breach of contract, and asking for an injunction against the ongoing strike because the hold-harmless dispute was an arbitrable grievance under the new CBA. The unions conceded §301(a) jurisdiction, but asserted that the new CBA was never validly ratified by a vote of Local's members, and, thus, the CBA's no-strike clause did not provide a basis for Granite Rock to challenge the strike. After Granite Rock amended its complaint to add claims that IBT tortiously interfered with the new CBA, the unions moved to dismiss. The District Court granted IBT's motion to dismiss the tortious interference claims on the ground that §301(a) supports a federal cause of action only for breach of contract. But the court denied Local's separate motion to send the parties' dispute over the CBA's ratification date to arbitration, ruling that a jury should decide whether ratification occurred on July 2, as Granite Rock contended, or on August 22, as Local alleged. After the jury concluded that the CBA was ratified on July 2, the court ordered arbitration to proceed on Granite Rock's breach-of-contract claims. The Ninth Circuit affirmed the dismissal of the tortious interference claims, but reversed the arbitration order, holding that the parties' ratification-date dispute was a matter for an arbitrator to resolve under the CBA's arbitration clause. The Court of Appeals reasoned that the clause covered the ratification-date dispute because the clause clearly covered the related strike claims; national policy favoring arbitration required ambiguity about the arbitration clause's scope to be resolved in favor of arbitrability; and, in any event, Granite Rock had implicitly consented to arbitrate the ratification-date dispute by suing under the contract.

Held :

1. The parties' dispute over the CBA's ratification date was a matter for the District Court, not an arbitrator, to resolve. Pp. 6–20.

(a) Whether parties have agreed to arbitrate a particular dispute is typically an " ' issue for judicial determination,' " *e.g., Howsam* v. *Dean Witter Reynolds, Inc.,* 537 U. S. 79 , as is a dispute over an arbitration contract's formation, see, *e.g., First Options of Chicago, Inc.* v. *Kaplan,* 514 U. S. 938 . These principles would neatly dispose of this case if the formation dispute here were typical. But it is not. It is based on when (not whether) the new CBA containing the parties' arbitration clause was ratified and thereby formed. To determine whether the parties' dispute over the CBA's ratification date is arbitrable, it is necessary to apply the rule that a court may order arbitration of a particular dispute only when satisfied that the parties agreed to arbitrate *that dispute.* See, *e.g., id., at* 943. To satisfy itself that such agreement exists, the court must resolve any issue that calls into question the specific arbitration clause that a party seeks to have the court enforce. See, *e.g., Rent-A-Center, West, Inc* . v. *Jackson, ante,* at 4–6. Absent an agreement committing them to an arbitrator, such issues typically concern the scope and enforceability of the parties' arbitration clause. In addition, such issues always include whether the clause was agreed to, and may include when that agreement was formed. Pp. 6–7.

(b) In cases invoking the "federal policy favoring arbitration of labor disputes," *Gateway Coal Co.* v. *Mine Workers* , 414 U. S. 368 , courts adhere to the same framework, see, *e.g., AT&T Technologies, Inc.* v. *Communications Workers* , 475 U. S. 643 , and discharge their duty to satisfy themselves that the parties agreed to arbitrate a particular dispute by (1) applying the presumption of arbitrability only where a validly formed and enforceable arbitration agreement is ambiguous about whether it covers the dispute at hand and (2) ordering arbitration only where the presumption is not rebutted, see, *e.g., id.* , at 651–652. Local is thus wrong to suggest that the presumption takes courts outside the settled framework for determining arbitrability. This Court has never held that the presumption overrides the principle that a court may submit to arbitration "only those disputes … the parties have agreed to submit," *First Options, supra* , at 943, nor that courts may use policy considerations as a substitute for party agreement, see, *e.g.* , *AT&T Technologies* , *supra* , at 648651. The presumption should be applied only where it reflects, and derives its legitimacy from, a judicial conclusion (absent a provision validly committing the issue to an arbitrator) that arbitration of a particular dispute is what the parties intended because their express agreement to arbitrate was validly formed, is legally enforceable, and is best construed to encompass the dispute. See, *e.g., First Options* , *supra* , at 944–945. This simple framework compels reversal of the Ninth Circuit's judgment because it requires judicial resolution of two related questions central to Local's arbitration demand: when the CBA was formed, and whether its arbitration clause covers the matters Local wishes to arbitrate. Pp. 7–13.

(c) The parties characterize their ratification-date dispute as a formation dispute because a union vote ratifying the CBA's terms was necessary to form the contract. For purposes of determining arbitrability, *when* a contract is formed can be as critical as *whether* it was formed. That is so where, as here, an agreement's ratification date determines its formation date, and thus determines whether its provisions were enforceable during the period relevant to the parties' dispute. This formation date question requires judicial resolution here because it relates to Local's arbitration demand in a way that required the District Court to determine the CBA's ratification date in order to decide whether the parties consented to arbitrate the matters the

demand covered. The CBA requires arbitration only of disputes that "arise under" the agreement. The parties' ratification-date dispute does not clearly fit that description. But the Ninth Circuit credited Local's argument that the ratification-date dispute should be presumed arbitrable because it relates to a dispute (the no-strike dispute) that *does* clearly "arise under" the CBA. The Ninth Circuit overlooked the fact that this theory of the ratification-date dispute's arbitrability fails if, as Local asserts, the new CBA was not formed until August 22, because in that case there was no CBA for the July no-strike dispute to "arise under." Local attempts to address this flaw in the Circuit's reasoning by arguing that a December 2004 document the parties executed rendered the new CBA effective as of May 1, 2004, the date the prior CBA expired. The Court of Appeals did not rule on this claim, and this Court need not do so either because it was not raised in Local's brief in opposition to the certiorari petition. Pp. 13–17.

(d) Another reason to reverse the Court of Appeals' judgment is that the ratification-date dispute, whether labeled a formation dispute or not, falls outside the arbitration clause's scope on grounds the presumption favoring arbitration cannot cure. CBA §20 provides, *inter alia,* that "[a]ll disputes arising under this agreement shall be resolved in accordance with the [Grievance] procedure," which includes arbitration. The parties' ratification-date dispute cannot properly be said to fall within this provision's scope for at least two reasons. First, the question whether the CBA was validly ratified on July 2, 2004—a question concerning the CBA's very existence—cannot fairly be said to "arise under" the CBA. Second, even if the "arising under" language could in isolation be construed to cover this dispute, §20's remaining provisions all but foreclose such a reading by describing that section's arbitration requirement as applicable to labor disagreements that are addressed in the CBA and are subject to its requirement of mandatory mediation. The Ninth Circuit's contrary conclusion finds no support in §20's text. That court's only effort to grapple with that text misses the point by focusing on whether Granite Rock's claim to enforce the CBA's *no-strike* provisions could be characterized as "arising under" the agreement, which is not the dispositive issue here. Pp. 17–18.

(e) Local's remaining argument in support of the Court of Appeals' judgment—that Granite Rock "implicitly" consented to arbitration when it sued to enforce the CBA's no-strike and arbitrable grievance provisions—is similarly unavailing. Although it sought an injunction against the strike so the parties could arbitrate the labor grievance giving rise to it, Granite Rock's decision to sue does not establish an agreement, "implicit" or otherwise, to arbitrate an issue (the CBA's formation date) that the company did not raise and has always rightly characterized as beyond the arbitration clause's scope. Pp. 19–20.

2. The Ninth Circuit did not err in declining to recognize a new federal common-law cause of action under LMRA §301(a) for IBT's alleged tortious interference with the CBA. Though virtually all other Circuits have rejected such claims, Granite Rock argues that doing so in this case is inconsistent with federal labor law's goal of promoting industrial peace and economic stability through judicial enforcement of CBAs, and with this Court's precedents holding that a federal common law of labor contracts is necessary to further this goal, see, *e.g.* , *Textile Workers* v. *Lincoln Mills of Ala.* , 353 U. S. 448 . The company says the remedy it seeks is necessary because other potential avenues for deterrence and redress, such as state-law tort claims, unfair labor practices claims before the National Labor Relations Board (NLRB), and federal common-law breach-of-contract claims, are either unavailable or insufficient. But Granite

Rock has not yet exhausted all of these avenues for relief, so this case does not provide an opportunity to judge their efficacy. Accordingly, it would be premature to recognize the cause of action Granite Rock seeks, even assuming §301(a) authorizes this Court to do so. That is particularly true here because the complained-of course of conduct has already prompted judgments favorable to Granite Rock from the jury below and from the NLRB in separate proceedings concerning the union's attempts to delay the new CBA's ratification. Those proceedings, and others to be conducted on remand, buttress the conclusion that Granite Rock's assumptions about the adequacy of other avenues of relief are questionable, and that the Court of Appeals did not err in declining to recognize the new federal tort Granite Rock requests. Pp. 20–25.

546 F. 3d 1169, reversed in part, affirmed in part, and remanded.

Thomas, J., delivered the opinion of the Court, in which Roberts, C. J., and Scalia, Kennedy, Ginsburg, Breyer, and Alito, JJ., joined, and in which Stevens and Sotomayor, JJ., joined as to Part III. Sotomayor, J., filed an opinion concurring in part and dissenting in part, in which Stevens, J., joined.