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HHR Reps Aroma Canada in Dispute Over Arbitration Award

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July 12, 2022 –The firm is representing Aroma Espresso Bar Canada in a lawsuit to confirm the CAD \$10 million arbitration award that it won in January against Aroma Franchise Company Inc.

The dispute began when Israel-based Aroma Franchise attempted to circumvent Aroma Canada and deal directly with the brand's sub-franchisees, allegedly because Aroma Canada raised concerns over the price of coffee. Part of Aroma Canada's initial franchise agreement provided that all Canadian franchisees would be required to buy their coffee directly from Aroma Franchise in Israel.

Aroma Canada claimed to be cut out of its own business and, in a Toronto-seated arbitration, arbitrator P. David McCutcheon agreed, awarding CAD \$10 million, as well as an additional award of CAD \$200,000 against Aroma Canada's parent company, Aroma USA.

Aroma Franchise has moved to vacate the award in Canada, arguing bias on the part of the arbitrator. Aroma Franchise defends against the confirmation of the award claiming there is no jurisdiction for this case in Florida, and that the award cannot be confirmed as it is not susceptible to enforcement in Canada until the proceedings to vacate the award are concluded.

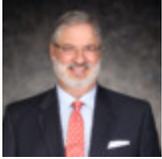
In response, Aroma Canada argues that Aroma Franchise's claims are contrary to the purpose of the New York Convention, which allows states the flexibility to enforce or not enforce awards.

HHR is arguing that only U.S. law is relevant to whether an award can or should be confirmed in the U.S. The firm is also arguing that there are sufficient contacts with the forum for personal jurisdiction, as Aroma USA has filed annual reports stating Miami as its principal place of business and the majority of its U.S. franchises are located in Miami.

This case was recently covered in [Law360](#).

Luis O'Naghten and Clara Cassan are representing Aroma Canada.

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Luis O'Naghten



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