

ORIGINAL DOCUMENTS IN SAFE

Case No. 370

Date of filing 26 May 1983

✓ ITM

AWARD. Date of Award 26 May 1983

5 pages in English. 3 pages in Farsi.

DECISION. Date of Decision _____

_____ pages in English. _____ pages in Farsi.

ORDER. Date of Order _____

_____ pages in English. _____ pages in Farsi.

CONCURRING OPINION of _____

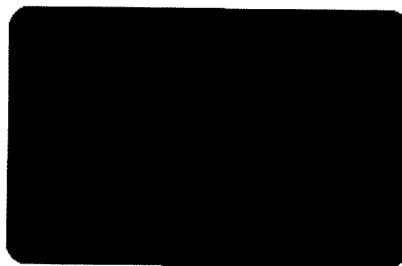
Date _____ pages in English. _____ pages in Farsi.

DISSENTING OPINION of _____

Date _____ pages in English. _____ pages in Farsi.

OTHER; Nature of document: _____

Date _____ pages in English. _____ pages in Farsi.



CASE NO. 370

CHAMBER TWO

AWARD NO. ITM19-370-2

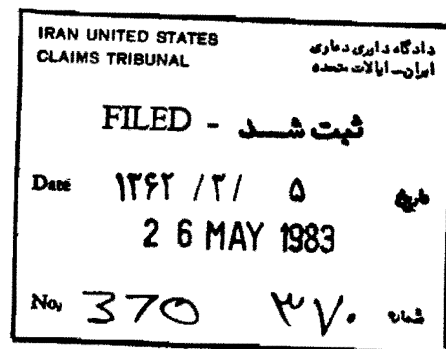
WATKINS-JOHNSON COMPANY AND
WATKINS-JOHNSON LIMITED,

Claimants,

and

ISLAMIC REPUBLIC OF IRAN
AND BANK SADERAT IRAN,

Respondents.



INTERIM AWARD

On 18 January 1982 Claimants WATKINS-JOHNSON COMPANY (W-J Company) and WATKINS-JOHNSON LIMITED (W-J Limited) filed a claim before the Tribunal against the ISLAMIC REPUBLIC OF IRAN and BANK SADERAT, seeking damages for breach of Contract No. 108 dated 13 October 1976 and requesting declarative relief with respect to outstanding letters of credit and corresponding bank guarantees issued in conjunction with the contract.

On 20 August 1982 the Islamic Republic of Iran and the Ministry of National Defense filed a Statement of Defence, denying the jurisdiction of the Tribunal and asserting a Counterclaim of \$52,316,061 for breach of Contract No. 108 and other damages. On 20 August 1982 Bank Saderat filed a Statement of Defence, denying the jurisdiction of the Tribunal and counterclaiming for \$1,875,310.60 for damages arising from non-payment of the letters of credit.

In late November 1982 W-J Limited received notice that the Ministry of National Defense had filed suit against it in the Court of General Jurisdiction of Tehran in Iran on 21 August 1982, alleging breach of Contract No. 108 and seeking damages of \$52,316,061 in respect of that contract. W-J Limited was informed that it was expected to appear before the Court of General Jurisdiction of Tehran on 19 January 1983.

On 10 January 1983 Claimants asked this Tribunal to order the dismissal or stay of proceedings in Iranian Courts. An order from the Tribunal was issued on 26 January 1983 requesting that the Islamic Republic of Iran file a reply to that motion by 10 March 1983.

On 31 March 1983 the Ministry of National Defense filed a reply to Claimants' motion and, inter alia, denied that the Tribunal was empowered to require the Ministry to stay or withdraw its claim from the Iranian court.

A hearing on Claimants' motion was held on 23 May 1983 and was attended by representatives of the Claimants, the Islamic Republic of Iran and the Ministry of National Defense.

It appears from the copy of the summons received by W-J Limited that the claim filed against it by the Ministry of National Defense before the Court of General Jurisdiction of Tehran seeks the same relief already requested in the Counterclaim previously filed with the Tribunal in this case.

However, it is provided in paragraph 2 of Article VII of the Claims Settlement Declaration that "claims referred to the Arbitral Tribunal shall, as of the date of filing of such claims with the Tribunal, be considered excluded from the jurisdiction of the Courts of Iran, or of the United States, or any other court." The subject matter of the Counterclaim is thus excluded from the jurisdiction of the Courts of Iran from the date the Counterclaim was filed with this Tribunal unless and until this Tribunal decides that it has no jurisdiction over it.

Accordingly, the request for a stay of proceedings in Iran must be granted as an interim measure, even though this Tribunal has not yet decided whether it has jurisdiction in this case.

For the foregoing reasons,

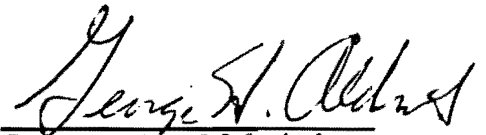
THE TRIBUNAL AWARDS AS FOLLOWS:

The Government of the Islamic Republic of Iran is requested to take all appropriate measures to ensure that the proceedings before the Court of General Jurisdiction of Tehran be stayed, pending termination of the proceedings in the present case before the Iran-United States Claims Tribunal.

Dated, The Hague
26 May 1983



Pierre Bellet
Chairman
Chamber Two



George H. Aldrich

In the Name of God,



Shafie Shafeiei
(Dissenting)