

RECENT DEVELOPMENTS

ARBITRATION

GRANTING SUMMARY JUDGMENT IN ARBITRATION WITHOUT LIVE TESTIMONY IS NEITHER IMPROPER NOR FUNDAMENTALLY UNFAIR AS PROCEDURAL MATTER

Washington v. Bridgestone Retail Operations, LLC, 2026 U.S. Dist. LEXIS 134371 (D. Md. 2026).

https://www.govinfo.gov/content/pkg/USCOURTS-mdd-8_24-cv-00626/pdf/USCOURTS-mdd-8_24-cv-00626-1.pdf

FACTS: Plaintiff David Carlos Washington sued Defendant Bridgestone Retail Operations, LLC (“Bridgestone”) for racial discrimination, hostile work environment, and retaliation. In arbitration, Bridgestone moved for summary judgment. Washington opposed the motion, arguing the arbitrator should hear live testimony from Area Manager Darius Rice, who witnessed Washington’s termination meeting.

The arbitrator granted summary judgment in Bridgestone’s favor and closed the arbitration proceedings. Washington moved to vacate the arbitration award, arguing the arbitrator committed misconduct by refusing to hear evidence “pertinent and material to the controversy” under 9 U.S.C. § 10(a)(3). Bridgestone opposed the motion and moved to confirm the arbitration award.

HOLDING: Denied motion to vacate and granted motion to confirm.

REASONING: Washington argued the arbitrator’s refusal to hear Rice’s live testimony constituted misconduct because the testimony was pertinent and material evidence to the dispute. The court disagreed, reasoning that granting summary judgment without live witness testimony was neither improper nor fundamentally unfair, especially where Washington had adequate opportunity to participate in the arbitration proceedings.

Washington participated in the arbitration proceedings by filing four written pleadings opposing summary judgment. None challenged Bridgestone’s statements of material fact or supporting evidence. Because Washington had an adequate opportunity to dispute Bridgestone’s evidence, the arbitrator’s decision to rule on the existing record did not amount to misconduct under 9 U.S.C. § 10(a)(3).

ARBITRATION CLAUSE IN THE VEHICLE PURCHASE AGREEMENT REQUIRING ARBITRATION OF DISPUTES RELATING TO “ANY ASPECT OF THE RELATIONSHIP” EXCEEDED THE FAA’S SCOPE

WORKU’S TORT CLAIMS FROM THE CHARGING STATION ELECTROCUTION DID NOT ARISE FROM THE VEHICLE PURCHASE CONTRACT BECAUSE THE CONTRACT ADDRESSED ONLY STANDARD CAR SALE TERMS (PRICE, DELIVERY, WARRANTY), AND MENTIONED SUPERCHARGERS ONLY IN AN INCORPORATED POLICY

Worku v. Tesla, Inc., 2026 U.S. Dist. LEXIS 140811 (D. Minn. 2026).

<https://www.casemine.com/judgement/us/6a3fe8186720be855d600e64>

FACTS: Plaintiff Tiger Worku purchased a Tesla vehicle from Defendant Tesla, Inc. The vehicle purchase agreement (“Contract”) included an arbitration clause, stating that “any dispute arising out of or relating to any aspect of the relationship between Worku and Tesla” would be decided by an arbitrator. The Contract contained terms governing the sale and warranty of the vehicle and did not discuss Superchargers aside from an incorporated policy. After the sale, Worku alleged he was electrocuted while using a Tesla Supercharger and suffered physical and mental injuries. Worku filed suit asserting several tort claims, and Tesla moved to compel arbitration.

HOLDING: Motion to compel arbitration denied.

REASONING: The court explained that the Federal Arbitration Act (“FAA”) governs only disputes arising from the contract containing the arbitration agreement. Tesla argued the phrase “any aspect of the relationship” referred to the parties’ contractual relationship and therefore fell within the FAA’s scope. The court disagreed, reasoning that the Contract did not limit the phrase to a “contractual relationship” and that the parties’ relationship was far broader than their contractual relationship.

The court further explained that, for a dispute to arise from a contract, the alleged injuries must have a direct relationship to the contract. Tesla argued that its Superchargers were designed to charge Tesla vehicles and therefore were a central component of the parties’ contractual relationship. The court disagreed, reasoning that the Contract addressed only the vehicle’s sale and warranty, while Superchargers were mentioned only in an incorporated policy on which neither party relied on. Because Worku’s alleged injuries did not arise directly from the Contract, they fell outside the FAA’s scope.

WEBSITE’S REASONABLY CONSPICUOUS NOTICE OF ITS TERMS AND CONDITIONS FAILED TO ESTABLISH A USER’S UNAMBIGUOUS MANIFESTATION OF ASSENT

IF CONSUMER TAKES SOME ACTION, SUCH AS CLICKING A BUTTON OR CHECKING A BOX, THAT UNAMBIGUOUSLY MANIFESTS ASSENT TO THOSE TERMS IS CONSENT

Wong v. LaserAway, LLC, 2026 U.S. Dist. LEXIS 157356 (N.D. Cal. 2026).

<https://docs.justia.com/cases/federal/district-courts/california/candce/3%3A2026cv00529/462808/33>

FACTS: Plaintiff Caroline Wong (“Wong”) provided her tele-

The court disagreed, reasoning that the Contract addressed only the vehicle’s sale and warranty.

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phone number through a questionnaire on Defendant LaserAway, LLC's ("LaserAway") website. LaserAway's website included a hyperlink to its terms and conditions, which contained an arbitration provision. Wong sued LaserAway under the Telephone Consumer Protection Act, alleging that LaserAway continued to send her marketing text messages after she asked that they stop. LaserAway contended that Wong entered into a binding agreement, which included an arbitration clause, by accepting its terms and conditions when she clicked the "GET MORE INFO" button.

LaserAway moved to compel arbitration, arguing that its website provided sufficient notice of the terms and Wong manifested assent by clicking the button.

HOLDING: Denied.

REASONING: LaserAway argued that Wong entered into a binding arbitration agreement because its website provided conspicuous notice of the terms and conditions and Wong clicked the "GET MORE INFO" button. The court rejected this argument. Under California law, an online agreement based on inquiry notice required both reasonably conspicuous notice of the terms and an affirmative action by the consumer that unambiguously manifested assent to those terms. Although the website's uncluttered design and readable hyperlink may have provided reasonably conspicuous notice of the terms, notice alone did not establish Wong's unambiguous manifestation of assent to those terms.

The court reasoned clicking a button manifested assent only when the website clearly informed the user that clicking the button constituted agreement to the terms. The notice had to explicitly inform the user of the legal significance of the action required to enter into a contractual agreement. Here, the phrase "GET MORE INFO" did not communicate that clicking the button would bind the user to the linked terms and conditions. Instead, a user could reasonably understand the button as a way to obtain additional information about LaserAway's services or the terms themselves. Because the website did not connect the act of clicking "GET MORE INFO" with agreement to the terms, Wong's click did not unambiguously manifest assent, and LaserAway failed to establish an enforceable arbitration agreement.

COURT DENIES DEFENDANT'S MOTION TO COMPEL ARBITRATION IN A CLASS ACTION BROUGHT UNDER THE TELEPHONE CONSUMER PROTECTION ACT ("TCPA")

COURT HELD THAT A DEFENDANT'S CONDUCT, EVEN PRIOR TO CLASS CERTIFICATION, MAY SUPPORT AN INFERENCE THAT IT WAIVED ITS RIGHT TO COMPEL ARBITRATION OF PUTATIVE CLASS MEMBER'S CLAIMS

Moore, et al. v. Club Exploria, LLC, (7th Cir. 2026).

<https://law.justia.com/cases/federal/appellate-courts/ca7/25-2721/25-2721-2026-08-18.html>

FACTS: Club Exploria, LLC ("Exploria"), a vacation property company, contracted with third-party vendors to run a telemarketing campaign. The vendors purchased leads generated through opt-in websites and used scripted, prerecorded calls to contact potential customers. George Moore ("Moore") received two of these calls and sued Exploria, alleging he and other class members re-

ceived calls without their consent in violation of the Telephone Consumer Protection Act ("TCPA").

Over the next several years, Exploria actively defended the case in court.

Exploria filed pleadings with affirmative defenses, engaged in class-related discovery, filed motions on the merits, and opposed class certification. After the class was certified, Exploria sought to raise arbitration as a defense to unnamed class members' claims. The district court denied Exploria's motion to compel arbitration, holding that Exploria's conduct before and after class certification was inconsistent with an intent to arbitrate and therefore constituted waiver. Exploria appealed.

HOLDING: Affirmed.

REASONING: Exploria argued that it did not waive its arbitration rights because it moved to compel arbitration after the class was finalized. The court rejected this argument, holding that a defendant's conduct before class certification may be relevant to whether it waived the right to compel arbitration of putative class members' claims. Arbitration agreements with putative class members may also be relevant to class certification, especially where the agreements contain class-action or joinder limitations. By failing to raise arbitration during class-related discovery or in opposition to class certification, a defendant may imply that it intends to litigate the class claims in court. Thus, a defendant's pre-certification conduct may support an inference of waiver. Exploria's conduct at each stage of litigation was inconsistent with an intent to arbitrate. Therefore, the district court did not err in denying Exploria's motion to compel arbitration.

Arbitration agreements with putative class members may also be relevant to class certification, especially where the agreements contain class-action or joinder limitations.