

Court: Arbitration Agreement Included In Product Manual Is Unenforceable

A recent ruling in a New Jersey federal court stated that a contractual term, like an arbitration clause, is binding only when the terms are reasonably conspicuous, rather than in a manner that de-emphasizes its provisions.

Writing in Carlton Fields' **Reinsurance Focus**, shareholder **Jeanne Kohler** described the case involving a Samsung smart watch. The suit accused the company of deceptive marketing and pricing. Samsung moved to compel arbitration, based on an arbitration provision on page 97 of a 143-page "Health and Safety and Warranty Guide" in the watch box.

The appellate court wrote that the clause "did not appear to be a bilateral contract, and the terms were buried in a manner that gave no hint to a consumer that an arbitration provision was within."

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