

Federal District Court Articulates Criteria for Electronic Contracts

In a case involving “clickwrap” and “signwrap” agreements, the Eastern District of New York denied a motion to dismiss and compel arbitration filed by an in-flight wifi provider, according to Buckley Sandler LLP in its InfoBytes blog and posted on JDSupra.

“At issue in the motion to dismiss was the enforceability of two separate agreements used to enroll customers, and in particular terms in those agreements related to mandatory arbitration and exclusive venue, which the defendant sought to invoke,” the firm wrote.

Plaintiffs argued that the agreements should not be enforced because the website design was intended deliberately to hide terms and were never seen or agreed to by them. The court denied the defendant’s motion to dismiss and compel arbitration, concluding that the agreement was unenforceable.

Read the article.