Court Upholds Enforceability of ‘Clickwrap’ Employee Agreement

If you want your electronic contracts to be enforceable, it is a best practice to require the counterparty to affirmatively accept the contract by checking a box or clicking a button, write **Nikita A. Tuckett** and **Aaron Rubin** on Morrison & Foerster LLP’s **Socially Aware blog**.

“A recent New Jersey district court decision, *ADP, LLC v. Lynch*, reinforces this point. Such issues most often arise in the context of website terms of use, but *ADP v. Lynch* involved a non-competition provision and forum selection clause contained in documentation presented to employees electronically in connection with stock option grants,” the authors write.

They continue: “ADP had presented the documentation in such a way that each employee was physically unable to click the required ‘Accept Grant’ button unless he or she had affirmatively checked a prior box indicating that he or she had read the associated documents containing the restrictive covenants and forum selection clause.”

The court denied the employees’ motion to dismiss.

Read the article.