

Ninth Circuit Enforces Online Arbitration Clause That Tested 'Outer Limits' of Reasonable Conspicuousness in Consumer Contract

The Ninth Circuit upheld the district court's grant of a motion to compel individual arbitration in a case that "tests the outer limits of what constitutes a 'reasonably conspicuous' provision" in an online contract, according to **Ballard Spahr**.

The article says *Holl v. United Parcel Service, Inc.* "contrasts with prior Ninth Circuit rulings, arguably involving less extreme facts, which denied motions to enforce online arbitration clauses. *Holl*, however, was decided on a petition for mandamus, a remedy that requires the petitioner to establish clearly and indisputably that 'extraordinary circumstances' exist to overturn the district court's decision."

The class action complaint in *Holl* alleged that UPS systematically overcharged its retail customers.

Companies with online terms of use that include an arbitration clause must still exercise great care in designing the website so that users become contractually bound to arbitrate, the firm advises.

Read the article.