

USSC Rejects Refusal to Enforce Arbitration Provision

The U.S. Supreme Court has reversed a California appellate court's refusal to enforce an arbitration provision in a contract, concluding that the court's decision is incompatible with the Federal Arbitration Act and prior Supreme Court precedent, reports **John G. Papianou** of **Montgomery McCracken Walker & Rhoads LLP**.

DirectTV, Inc. v. Imburgia involved two DirecTV customers who sued the company in California state court, claiming early termination fees in their service agreements violated California law, Papianou wrote in **an article** published by Lexology.com. DirecTV cited a provision in the service agreement that called for binding individual arbitration of all disputes between DirecTV and its customers. The trial court denied the request and DirecTV appealed.

He wrote that the message is clear: arbitration agreements that waive class actions or class arbitration are enforceable. And state-court judges must enforce them.

Read the article.