



Supreme Court Tackles Employment Arbitration Agreements

By Barry H. Uhrman

The United States Supreme Court has issued an important decision for employers that use employment arbitration agreements. In *Rent-A-Center, West, Inc. v. Jackson*, No. 09-497 (June 21, 2010), the Court clarified whether an arbitrator or court should address challenges to the enforceability of an arbitration agreement included as part of an employment contract. Where the employment contract as a whole is challenged, the dispute should be resolved by the arbitrator. Where there has been a challenge directed specifically to the validity of the agreement to arbitrate, however, it is for a court to address, not an arbitrator. Because the employee in *Rent-A-Center* challenged the entire arbitration agreement as unconscionable, the question of enforceability of the agreement to arbitrate needed to be decided by an arbitrator, not the district court.

The opinion, authored by Justice Scalia, referenced the fundamental principles that: (1) "arbitration is a matter of contract" and (2) courts should enforce contracts according to their terms. Based on this ruling, delegation clauses are likely to be attacked by employees seeking to avoid arbitration. Employers should therefore consider revising their arbitration provisions, highlighting the delegation provisions, and ensuring that employees execute proper waiver and acknowledgement forms. ♦

Jones, Skelton and Hochuli's Employment Law Practice Group will continue to keep you apprised of all future developments concerning employment law. Please feel free to contact Barry H. Uhrman [(602) 263-7328, buhrman@jshfirm.com] with any questions you may have regarding these important developments.

About The Author



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Mr. Uhrman joined Jones, Skelton & Hochuli in 2007 and concentrates his practice on employment law, complex litigation and governmental liability. He has successfully defended Title VII, ADA, ADEA and FMLA cases for Fortune 500 clients and public and private sector employers. Mr. Uhrman has extensive experience revising sexual harassment and other employment policies for employee handbooks. In addition, he has authored articles and seminar materials regarding leaves of absence under the ADA and FMLA.

Mr. Uhrman has also represented clients in other areas of employment law, with an emphasis on intellectual property and trade secrets. He has successfully defended multi-million dollar copyright infringement, defamation and trade secrets cases. Mr. Uhrman has also represented private sector employers in cases involving employment law torts, including interference with business advantage, violation of the right of publicity, and tortious interference with contractual relationships.

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