

Wiley Rein Attorneys Secured Victory in Arbitration Where the Claimants Sought "General Injunctive Relief"

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Yesterday, on behalf of a major client, Wiley Rein attorneys secured a significant victory in an arbitration where the claimants sought "general injunctive relief" under N.Y. GBL § 349 for what in essence was an ad hoc class of customers. The claim was designed to side-step the arbitration clause's ban on class actions or arbitrations and on any form of collective relief.

The arbitrator rejected this stratagem. He ruled that New York's unfair business practices statute, N.Y. GBL § 349, did not allow an individual claimant to seek injunctive relief for others. He also ruled that the limitation on injunctive relief to the individual claimants in the arbitration clause was valid and fully enforceable.

The ruling highlights the importance of carefully crafting individual arbitration clauses to avoid an end run around the Supreme Court of the United States' favorable precedents under the Federal Arbitration Act. The issue of private attorney general or "general injunctive relief" actions surviving a ban on class actions or class arbitrations is being heavily litigated throughout the country. Wiley Rein has years of experience in drafting and defending individual arbitration clauses to replace class action litigation with a speedy and effective mechanism for consumer remedies.

Practice Areas

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