Arbitration in the Fifth - October 2025

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PRACTICES International Arbitration, Litigation

While Oct. 2025 saw relatively few opinions, those published address important points including the issues faced by employers and employees and their workplace arbitration agreements. In *Jones v. Homeaglow Inc.,* the Northern District of Texas considered the requirements for enforcement of "internet agreements."

Opinions of United States District Courts

Motions to Compel Arbitration

Henry v. Keith & David Grant Homes LLC, No. 3:25CV3-MPM-RP, 2025 WL 2965012 (N.D. Miss. Oct. 17, 2025) (Truth in Lending Act). Motion to compel granted. In response to a motion to compel arbitration, plaintiff agreed with the movant and argued that a non-signatory should also be compelled to arbitrate. Plaintiff then attempted to retract his agreement in response to the non-signatory's motion to dismiss. Plaintiff's request for a "take back" was "not well taken." The court noted "that plaintiff made the change in his legal position clear not in his briefing on the arbitration issue, but, rather, in response" to the motion to dismiss. Also, the court considered that "judicial estoppel should be added to the list of estoppels which require that [plaintiff's] claims against [the non-signatory] be arbitrated."

Purl v. Caremark, LLC, No. 4:24-CV-1075, 2025 WL 2831022 (E.D. Tex. Oct. 6, 2025) (employment). Motion to compel granted. Defendant required its employees to complete a training course titled, "Arbitration of Workplace Legal Disputes." To complete the training the employee was required to electronically sign an acknowledgment of the arbitration requirement and an opt-out option. "[C]ourts have previously held an employee completing this type of training, an employee's failure to opt out of the relevant policy, and an employee's decision to continue their employment was sufficient to establish the employee received notice of the employer's arbitration policy and accepted it." Arbitration was not barred by the Federal Trade Commission rule related to consumer transactions and did not violate Texas public policy on electronic signatures.

Jones v. Homeaglow Inc., No. 3:25-CV-00249-S, 2025 WL 2816792 (N.D. Tex. Oct. 1, 2025) (McKay, Mag. J.) (Telephone Consumer Protection Ac). Motion to compel denied. Generally, Texas law holds internet agreements enforceable. Internet agreements include "clickwrap," "browsewrap," "sign-in-wrap" and "scrollwrap." For "browsewrap" and "sign-in-wrap" agreements, "enforceability generally turns on whether notice of the terms and conditions was reasonably conspicuous." Defendant contended that plaintiff must have accessed its webpage to obtain services. Plaintiff denied accessing the webpage and stated that her contact was by phone. Defendant and Plaintiff presented conflicting evidence as to the content of defendant's webpage. Defendant argued that plaintiff agreed to its terms and condition by clicking a "NEXT" button. The court held that the "wording of the notice fails to clearly convey that by clicking the "NEXT" button the user is accepting the Terms." The phrasing could have been interpreted the notice as an agreement to "receive" the terms and conditions and not an agreement "to" the terms.

Mitchell v. Trans Papa Logistics, No. 4:25-CV-00453-O-BP, 2025 WL 2957811 (N.D. Tex. Oct. 1, 2025) (Ray, Mag. J.), report and recommendation adopted, No. 4:25-CV-00453-O-BP, 2025 WL 2961995 (N.D. Tex. Oct. 20, 2025) (employment). Motio to compel granted. The parties electronically signed an arbitration agreement prior to plaintiff commencing his employment. The arbitration agreement provided, "[t]he Arbitrator shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, including any contention that this Agreement is void or unenforceable." This language was found to provide "clearly and unmistakably that the parties agreed to arbitrate arbitrability."

Staneff v. Onsite Health Diagnostics, LLC, No. 3:25-CV-0353-B, 2025 WL 3013757 (N.D. Tex. Oct. 28, 2025). Motion to compel granted. The plaintiff signed the parties' original Company Agreement which contained a protocol for amending the agreement. The agreement was amended following the protocol and an arbitration provision was included in the amendment. Plaintiff did not sign the amended agreement. "Because the Amended Agreement was created in accordance with the amendment protocol, [plaintiff] is bound by the Dispute Resolution provision."

Motions to Confirm/Vacate an Award

Saint Paul Commodities, Inc. v. Oleo-X, LLC, No. 1:24-CV-145-TBM-RPM, 2025 WL 2845632 (S.D. Miss. Oct. 6, 2025). Motion to vacate denied. To vacate an award for partiality, the movant "must produce specific facts from which a reasonable person would have to conclude that the arbitrator was partial to" the non-movant. This is an "onerous burden," because the movant "must demonstrate that the 'alleged partiality was direct, definite, and capable of demonstration rather than remote, uncertain, or speculative'." "[T]he law does not punish sporadic, disclosed, and prior business relationships." Generally, the failure to object during the arbitration proceeding waives the right to object. "[A] federal court may vacate an arbitrator's award only if the arbitrator's refusal to hear pertinent and material evidence prejudices the rights of the parties to the arbitration proceedings" such that "the exclusion of evidence deprives a party of a fair hearing." The standard requires a showing of misconduct and a resulting prejudice. A "reasoned award" is one where the arbitrators submit "something short of findings and conclusions but more than a simple result . . . the only question is whether the panel 'issued more than a mere announcement'." In this case, the arbitrators "were all experienced in the oil and grease industry—not with writing lengthy briefs and opinions. It is only natural, then, that their award was not a robust legal opinion citing authorities and addressing every single argument and claim made. Nor did the law require that of them."