

Many legal commentators interpreted the United States Supreme Court's April 11 decision in 'AT&T Mobility v. Concepcion' as the death knell of consumer class actions. In AT&T, a divided Supreme Court held that the Federal Arbitration Act preempts, or invalidates, any state law which established a higher threshold for enforceability of mandatory arbitration clauses in contracts. Many commentators read the AT&T decision as essentially giving corporations carte blanche to include clauses requiring mandatory binding arbitration clauses in their contracts and customer agreements, including arbitration clauses which prohibit class actions and joinder of claims.

In recent comments on the effect of the AT&T decision, a noted law professor has opined that there may be limits on the scope of the AT&T decision. Professor Myriam Gilles of Cardozo Law School recently wrote a piece entitled, **"AT&T Mobility vs. Concepcion: From unconscionability to vindication of rights,"** in which she stated that a "vindication of rights challenge to class action waivers should survive AT&T impact." She believes claimants can still challenge arbitration clauses on a case-by-case basis if they can demonstrate that an arbitration clause would frustrate vindication of federal statutory rights, such as by imposing prohibitively expensive arbitration clauses. As a result, corporations may be forced to draft more "consumer friendly" arbitration clauses which provide some real incentive for wronged consumers to pursue their claims in arbitration. Even if corporations persist in banning class actions and joinder of claims, at least they may be required to adopt arbitration clauses which provide some meaningful opportunity to challenge unfair or overreaching business practices even if the claims can only be pursued on an individual basis.