

BLOGS

Arbitration

Illinois Federal Court Compels Arbitration of Putative Class Action Claims Related to the Pandemic

A federal court in Illinois dismissed certain putative class action claims related to pandemic closures of Planet Fitness franchises, compelling arbitration against one named plaintiff while dismissing claims of another for failure to name the franchisee.

A federal court in Illinois dismissed certain putative class action claims related to pandemic closures of Planet Fitness franchises, compelling arbitration against one named plaintiff while dismissing claims of another for failure to name the franchisee. *Williams v. Planet Fitness, Inc.*, 2021 WL 1165101 (N.D. Ill. Mar. 26, 2021). On March 17, 2020, Planet Fitness and its franchisees assessed membership fees against many of its members for the period of March 17 through April 17, 2020. Then, on March 18, in response to the COVID-19 pandemic, Planet Fitness closed its corporate facilities indefinitely and urged its franchisees to do the same. On March 30, Planet Fitness suspended operations of its franchise locations as well. However, Planet Fitness refused to offer refunds to its members for the period of March 17 through April 17; instead, it offered to credit the members' bill or extend their memberships. Two named plaintiffs filed class action lawsuits against Planet Fitness and its franchising subsidiaries, seeking refunds. Planet Fitness moved to compel arbitration of the first named plaintiff's claims pursuant to an arbitration provision in his membership agreement, but moved to dismiss the claim of the second named plaintiff for failing to join the franchisee with whom he executed his membership agreement.

The first plaintiff argued that the agreement's arbitration clause was procedurally and substantively unconscionable. But the court disagreed, noting that the arbitration provision was in the same font-size and color as the rest of the contract terms and included a "Dispute Resolution" heading; additionally, the court found that the provision's failure to fully explain the arbitration process did not render it substantively unconscionable. Thus, the court dismissed the first named plaintiff's claims and compelled arbitration. Planet Fitness then argued that the second named plaintiff's claims should be dismissed for failing to join the franchisee with whom he had executed his contract. The court agreed and dismissed the suit because the franchisee was not subject to personal jurisdiction in Illinois.

Related People

Maisa Frank

Partner
Washington, D.C.
202.295.2209
maisa.frank@lathropgpm.com

Richard C. Landon

Partner
Minneapolis
612.632.3429
richard.landon@lathropgpm.com

Related Services

[Franchise & Distribution](#)