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BLOGS
Arbitration

Michigan Federal Court Grants Domino's Motion To Compel Arbitration And Dismiss Franchisee's Employees' Anti-Trust Claims

A federal court in Michigan has granted a franchisor's motion to compel arbitration and has dismissed the plaintiffs' antitrust claims. *Blanton v. Domino's Pizza Franchising LLC*, 2019 WL 5543027 (E.D. Mich. Oct. 25, 2019). Plaintiffs Blanton and Piercing worked for separate Domino's franchisees in separate states and signed different arbitration agreements with their respective employers. However, they joined together and brought claims on behalf of themselves, and all others similarly situated, alleging a conspiracy between Domino's and its franchisees to suppress wages in violation of the Sherman Act and Clayton Act. Blanton and Piercing named only Domino's and corporate affiliates as defendants, but not the franchisees that employed the plaintiffs. Both Blanton and Piercing argued that because Domino's was not a signatory to their arbitration agreements, Domino's could not compel arbitration. The court disagreed, but on different grounds for each plaintiff.

With regard to Blanton, the court held the plain language of the arbitration agreement signed by Blanton included the franchisor in the definition of "the Company" that agreed to arbitrate disputes and to be bound by the arbitration agreement. Therefore, Domino's could compel arbitration of Blanton's claims against it. With respect to Piercing, Domino's argued that Piercing was equitably estopped from avoiding arbitration. Under Washington law, a court will grant equitable estoppel to a nonsignatory to an arbitration agreement and compel arbitration when the subject matter of the dispute is intertwined with the contract providing for arbitration. Piercing's arbitration agreement required all claims "arising out of or relating to" Piercing's employment to be arbitrated. Domino's argued, and the court agreed, that because Piercing alleged a conspiracy between Domino's and its franchisees (including Piercing's employer) regarding Piercing's employment, the claims were intertwined with those Piercing agreed to arbitrate.

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