

Court Grants Preliminary Injunction on Enforcement of California Ban on Employment Arbitration Agreements

By Scott P. Jang

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The U.S. District Court for the Eastern District of California has granted a request for a preliminary injunction to prohibit the State of California from enforcing Assembly Bill 51 (AB 51) as to arbitration agreements governed by the Federal Arbitration Act (FAA). *Chamber of Commerce of the United States, et al. v. Becerra, et al*, No. 2:19-cv-2456 (E.D. Cal. Jan. 31, 2020). The court indicated that it will issue a detailed, written order explaining its reasoning “in the coming days.”

AB 51 generally bars conditioning employment or employment-related benefits on the signing of an arbitration agreement covering claims under the California Fair Employment and Housing Act or the Labor Code.

The U.S. Chamber of Commerce and other business organizations filed this lawsuit seeking to have AB 51 declared preempted by the FAA. (For background, see our articles, [Court Hears Challenges to California Bar on Mandatory Arbitration Agreements in Employment](#); [California Bar on Mandatory Arbitration Agreements in Employment Temporarily Enjoined](#); [California Bar on Mandatory Arbitration Agreements in Employment Challenged, Injunction Sought](#); and [New California Law Attacks Mandatory Arbitration Again ... But Is It More Bark Than Bite?](#))

The preliminary injunction will remain in place until the case is resolved on the merits.

For timely insights and analysis on this and other California developments, subscribe to our [California Workplace Law Blog](#) and have updates sent to your inbox.

Please contact a Jackson Lewis attorney with any questions about the latest ruling or for assistance in drafting employment arbitration agreements.

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