

Paymon A. Khatibi, Prominent Attorney, Warns Against Broad Use of Arbitration Clauses in Uber and Disney Cases

Paymon A. Khatibi, Attorney, calls for greater transparency to protect consumer rights.

LOS ANGELES, CA, UNITED STATES, October 4, 2024 /EINPresswire.com/ -- [Paymon A. Khatibi](#), Esq., CEO and founder of [Wave Law Firm](#), APC, is voicing serious concerns about how some companies are interpreting arbitration clauses from their services—even from seemingly unrelated services. This practice can potentially limit injured individuals' ability to pursue justice in court, as highlighted by recent high-profile cases involving Uber and Disney.

"These cases raise important questions about arbitration clauses and their impact on consumers' rights to seek justice," Khatibi said. "Agreements intended for specific services—like ordering food through Uber Eats or subscribing to Disney+—can be used to attempt to limit people's rights in situations that go beyond what many consumers might expect."

Uber Case

In March 2022, John and Georgia McGinty, a couple from New Jersey, were injured in a car crash during an Uber ride. Their driver allegedly ran a red light and collided with another vehicle.



Paymon A. Khatibi



Georgia alleges that she suffered multiple fractures requiring surgeries and extensive medical care, while John alleges he experienced diminished use of his wrist and a fractured sternum.

When they sought to hold Uber accountable in court, they were barred due to an arbitration clause that had reportedly been accepted via the Uber app. Uber argued that Georgia, a longtime customer of Uber Rides and Uber Eats, had agreed to arbitrate any disputes with the company on three separate occasions, including the most recent acceptance, which allegedly occurred while placing an Uber Eats order. The McGintys contended that it was their minor daughter, not Georgia, who had clicked to accept the terms while using Georgia's phone to order food, and that they were unaware of the implications of this action.

A lower court initially sided with the McGintys, ruling that the arbitration agreement was invalid due to unclear and ambiguous language. However, Uber appealed the decision, and the appellate court ultimately ruled in Uber's favor. The court held that the arbitration provision was valid and enforceable, regardless of whether Georgia herself or her daughter had accepted the terms using Georgia's account.

"Imagine allowing your child to use your phone to order dinner through Uber Eats," Khatibi said. "Then, a year later, you're injured in an Uber ride and want to seek justice in court—only to be told that your right to do so was waived due to a prior agreement, possibly accepted during that takeout order. Many consumers could find this unexpected and unfair."

"Even if Georgia accepted all the terms by clicking through, how many consumers truly understand they are waiving their right to go to court?" Khatibi added. "This issue extends beyond any single company or app. Most people either do not read or cannot easily read these lengthy agreements, especially when they are presented in small font on a cellphone. Even if they do, the legal jargon often makes it difficult to fully grasp the implications, leading many to overlook critical clauses that limit their rights."

Disney Case

In another case, Jeffrey Piccolo filed a wrongful death lawsuit after his wife, Kanokporn Tangsuan, died from an alleged severe allergic reaction to a meal at a Disney park restaurant in 2023. Disney initially sought to enforce an arbitration clause from Piccolo's Disney+ streaming subscription, which he had signed up for years earlier. They also cited terms agreed upon when he purchased EPCOT tickets through the My Disney Experience app.

Eventually, Disney reversed its position and allowed the lawsuit to proceed in court, with some speculating that public outcry and negative press played a role in the decision. However, the attempt to apply arbitration clauses from seemingly unrelated services raises important questions.

"Consumers might feel like they've stepped into a real-life version of Alice in Wonderland,"

Khatibi remarked. "You sign up for Disney+ to watch your favorite movies, and suddenly you're facing potential obstacles when trying to seek justice in court after an injury at Disneyland."

Unfair Disadvantages for Loyal Customers

Khatibi pointed out the disparity in consumer rights based on how services are accessed.

"Let's consider a hypothetical. Consider two people visiting Disneyland," he explained. "One buys a ticket in person, while the other purchases through the Disney app and subscribes to Disney+. The loyal fan who engages more with Disney's digital services could end up with fewer rights if something goes wrong. If Disney had succeeded in enforcing these arbitration clauses, it would set a precedent where loyal customers are potentially at a disadvantage as a result of engaging more with a company's services and apps."

Another critical issue is how difficult it is to opt out of these arbitration clauses.

"We should simplify opt-out requirements," Khatibi urged. "Why can consumers opt in with a simple click, yet opting out often requires sending physical mail within a short time frame? This process is unnecessarily burdensome and discourages consumers from exercising their rights."

A Call for Greater Transparency

"I want to clarify that these examples are used to illustrate a critical issue that affects many consumers. This isn't about singling out any specific company or their legal strategies—it's about advocating for consumer rights and demanding greater transparency around arbitration clauses," Khatibi said.

"We're not debating whether arbitration clauses should exist or be enforced, that's a separate discussion," Khatibi clarified. "The issue is that consumers often aren't fully aware they're entering into such broad agreements. If you subscribe to Disney+ or order food from Uber Eats, why should that potentially prevent you or your loved ones from seeking justice in court if you're injured or die when visiting a theme park or taking a ride?"

He emphasized the need for consumers to understand the rights they're giving up.

"Even if you support arbitration clauses, most would agree that the average consumer should be fully informed about their implications and aware that they are agreeing to one," he said. "Convenience should not come at the expense of fundamental rights."

"While convenience is king in today's digital world, it should not override justice," Khatibi continued. "Should ordering a late-night snack or subscribing to a streaming service determine whether you get to stand before a judge and jury?"

About Paymon A. Khatibi, Esq.

Paymon A. Khatibi, Esq., is the CEO and founder of Wave Law Firm, APC. He is a dedicated lawyer who takes pride in standing up on behalf of those who have been wronged. Paymon has helped clients recover millions in compensation and has worked on a diverse range of cases including those involving personal injury, product defects, wrongful death, government liability, sexual abuse, civil rights, employment, and business litigation. Past results do not guarantee similar outcomes, as each case is unique.

Amanda Kent

Boundless Media USA

+1 313-403-5636

[email us here](#)

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