

5TH CIR.

Lopez v. Cintas

No. 21-20089, 5th Cir. (August 30, 2022)

SUMMARY

The Fifth Circuit held that a local delivery driver who picks up items from a local warehouse and delivers them to local customers, after the goods have already crossed state lines, is not a "transportation worker" exempt from the Federal Arbitration Act under § 1. The court applied the "engaged in foreign or interstate commerce" standard from **Southwest Airlines v. Saxon** and concluded that such drivers lack a direct and necessary role in cross-border transportation. The court also ruled that an unconscionability challenge to the entire employment contract goes to validity, not formation, and thus must be decided by the arbitrator under the delegation clause.

CASE DETAILS

COURT	5th Cir.
WRITING FOR THE COURT	Jennifer Walker Elrod; Smith; Elrod; Oldham
JURISDICTION	Federal
DECIDED	August 30, 2022
DOCKET	21-20089
DISPOSITION	other
PROCEDURAL POSTURE	Appeal from the United States District Court for the Southern District of Texas, grant of motion to dismiss in favor of arbitration.
STANDARD OF REVIEW	De novo review of grant of motion to dismiss in favor of arbitration.
PRECEDENTIAL VALUE	published
PARTIES	Douglas A. Lopez v. Cintas Corporation

TOPICS

- arbitration
- employment law
- unconscionability
- statutory interpretation
- contracts

PRACTICE AREAS

- Litigation
- Labor & Employment
- Arbitration

QUESTIONS PRESENTED

1. Whether Lopez falls within the transportation-worker exemption under § 1 of the Federal Arbitration Act as a local delivery driver.
2. Whether the unconscionability challenge to the arbitration agreement should be decided by the court or the arbitrator.

KEY QUOTATIONS

“We conclude that local delivery drivers are not so 'engaged' in 'interstate commerce' as § 1 contemplates.”
(at 5)

“the transportation-worker exemption does not apply to this class of local delivery drivers.” (at 7)

“Because unconscionability under Texas law is a challenge to the validity, not the existence, of a contract, that challenge must be resolved by an arbitrator.” (at 9)

FACTUAL BACKGROUND

Douglas Lopez was a local delivery driver for Cintas Corporation. He picked up items from a Houston warehouse that had been shipped from out of state and delivered them to local customers. He signed an employment contract containing an arbitration agreement covering all claims, including ADA claims. Cintas fired Lopez a few months later. Lopez sued in state court, and Cintas removed to federal court.

PROCEDURAL HISTORY

Lopez sued Cintas in state court under the ADA. Cintas removed to federal court and moved to dismiss or stay pending arbitration. The district court granted the motion to dismiss, holding that Lopez was not a transportation worker exempt from the FAA and that the arbitration agreement was enforceable. Lopez appealed.

DISPOSITION

other

REMAND INSTRUCTIONS

The district court should dismiss the unconscionability claim without prejudice to be considered in arbitration in the first instance.