FENWICK & WEST LLP

Weekly Employment Brief

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Brian K Nagatani	Contributor	650.335.7181
Thomas Moyer	Co-Editor	
Allen Kato	Co-Editor	415.875.2464

Supreme Court Applies Federal Arbitration Act To Employment Agreements

In a significant victory for employers, the U.S. Supreme Court ruled in *Circuit City v. Adams* that the Federal Arbitration Act permits arbitration of employment disputes. The court overruled a 9th Circuit decision that employment contracts were exempt from the Act and that arbitration provisions in employment contracts were unenforceable. This means that, with the limited exception of employees working in the interstate transportation industry, employers can now require employees to arbitrate disputes instead of taking them to court for time-consuming, costly litigation. The decision reinforces the benefit of including an arbitration clause in employment agreements.

Spanish-Speaking Workers Not Bound By English Arbitration Accord

On a related note, make sure your workers understand their arbitration agreements. A federal court in Texas held that two Spanish-speaking employees were not bound by the terms of an arbitration agreement written in English. In*Prevot v. Phillips Petroleum Co.*, the two employees could not read English and did not receive a translation before signing the agreement. The court differentiated the inability to read English in this situation from illiteracy, which would not have been a defense.

Employees Who Claim To Be 'Raza' Are Not Protected Group Under Title VII

"Raza" is not a race according to a federal court in Texas. The court held that people who identify themselves as "Raza" rather than Latino or Hispanic do not fall into a protected group for purposes of Title VII. In *Segura v. Texas Dep't of Human Servs.*, the plaintiffs argued that by virtue of being "Raza," they should be classified as Native American. The court found that "Raza" has cultural and political connotations and does not fit either Native American race or national origin classifications. Instead, based on their Spanish surnames, the court stated that plaintiffs should have claimed national origin discrimination as a Hispanic or Latino.

California Employers Must Report Serious Workplace Injuries

Employers, beware of injuries to your employees. Employers are required to report serious illness, injury, or death of an employee occurring in the workplace, within eight hours of learning of the incident. The employer must report the incident to the California Division of Occupational Safety and Health. In the *Jaco Oil Company* case, an employee of the company was burned in a petroleum fire and hospitalized for more than six days. Even though a fire department official notified the Division of the accident, the Division still fined Jaco Oil because it failed to file a separate report of the incident.

New San Francisco Measure Seeks To Cover Sex Changes

In the future, your employee may want to change sex and your benefit plan may have to pay for the sex change operation. The San Francisco Board of Supervisors is currently reviewing a measure that if approved, would provide up to $50,000 in benefits

to city employees who want to switch their gender. Eligible employees must have a medically diagnosed condition involving their gender identity and have been employed by the city for at least one year. If approved, benefits would become available on July 1, 2001. It remains to be seen whether this will become a trend in other employment settings.
