

## Rhode Island

### Are mandatory arbitration provisions recognized in your state? If so, are there any limitations to its enforcement?

Yes, mandatory arbitration provisions are generally recognized under Rhode Island's Arbitration Act.<sup>i</sup> Rhode Island case law also dictates that "[p]arties who voluntarily contract to use arbitration as an expeditious and informal means of private dispute resolution are bound by the terms of their agreement."<sup>ii</sup>

The Rhode Island Supreme Court has consistently held that a "duty to arbitrate a dispute arises only when a party agrees to arbitration in clear and unequivocal language[.]"<sup>iii</sup> However, "even then, the party is only obligated to arbitrate issues that it explicitly agreed to arbitrate."<sup>iv</sup> Further, "in all contracts of primary insurance, wherein the provision for arbitration is not placed immediately before the testimonium clause or the signature of the parties, the arbitration clause may be enforced at the option of the insured[.]"<sup>v</sup>

### What is your state's law, if any, regarding gift cards, subscription services and loyalty programs?

#### I. Gift Cards

In Rhode Island, the sale of gift certificates falls under the state unfair sales practice law.<sup>vi</sup> Subsection (a) of the statute defines a "Gift Certificate" as follows:

[A] record evidencing a promise, made for monetary consideration, by the seller or issuer for the record that goods or services will be provided to the owner of the record to the value shown in the record and includes, but is not limited to: (1) A record that contains a microprocessor chip, magnetic strip, or other means of storage of information that is pre-funded and for which the value is decremented upon each use; (2) A gift card, an electronic gift card, stored-value card or certificate; (3) A store card; (4) Prepaid long-distance telephone service that is activated by a prepaid card that requires dialing an access number or an access code for each call in addition to dialing the phone number to which the user of the prepaid card seeks to connect; or (5) A similar record or card.<sup>vii</sup>

In Rhode Island, sellers of gift certificates are required to keep an accurate record of each gift certificate sold. The record must "include the date of sale; the full value of the certificate; the identification number assigned by the retailer to the certificate; and the state in which the sale of the certificate took place."<sup>viii</sup> Sellers are prohibited from imposing surcharges or additional service or maintenance fees on gift certificates, and sellers may not limit the time for redemption or place an expiration date upon a gift certificate.<sup>ix</sup> However, these provisions do not apply to "gift certificates that are distributed to a consumer pursuant to an awards, loyalty, or promotional program without any money . . . being given in exchange for the gift certificate by the consumer."<sup>x</sup> Similarly, donated gift cards are subject to a one (1) year expiration date.<sup>xi</sup>

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### II. Subscription Services/Loyalty Programs

We could not locate any state statutes, case law, or regulations on subscription services or loyalty programs.

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<sup>i</sup> See R.I.G.L. § 10-3-1, *et seq.*

<sup>ii</sup> *Leonard v. McDowell*, 824 A.2d 1266, 1270-71 (R.I. 2003).

<sup>iii</sup> *R.I. Council on Postsecondary Educ. v. Hellenic Soc'y Paideia – R.I. Chapter*, 202 A.3d 931, 934 (R.I. 2019).

<sup>iv</sup> *Id.*

<sup>v</sup> R.I.G.L. § 10-3-2.

<sup>vi</sup> R.I.G.L. § 6-13-12.

<sup>vii</sup> *Id.* at § 6-13-12(a).

<sup>viii</sup> *Id.*

<sup>ix</sup> *Id.*

<sup>x</sup> *Id.* at § 6-13-12(b).

<sup>xi</sup> R.I.G.L. § 6-13-12.1.