K-Notes: Dispute Resolution Clause

from LSC Communications

Don't Give Parties Too Much Time

One of the reasons for dispute resolution is to speed up the process of resolving issues. If the first step of dispute resolution, negotiation, takes a month and a half, this is the beginning of a lengthy process.



"Unfortunately, because the court system is so slowed down (and it is getting worse with the Coronavirus and everything else), this helps at the very least to move things along a little faster."

KEY TAKEAWAYS

Allow Remote Mediation Methods

Add to the Mediation clause the option of doing the mediation through Zoom, Skype, or similar platforms. That way, clients can save travel time and expense and be anywhere in the world as they work with the mediators and the attorney of their choice.

• Define "Good Faith"

What is good faith in a mediation? Good faith can mean you presented your side of the argument and hopefully kept it confidential. A more thorough contract drafter might add necessary details and definitions to the meaning of "good faith."

Allow Parties to Skip Arbitration

Let them choose arbitration or choose to go straight to court if they believe arbitration would be unproductive and speed up the process by months.

Remember: Purpose is to Bring Parties Back Together

Dispute resolution clauses are designed to bring the parties back together, if possible, and avoid the expense, time, and business damage of fighting it out publicly in court. Remember that even the less elegant and efficient dispute resolution clauses are better alternatives than going straight to court.

🗏 Law Insider

Lisa Renee Wilcox Injury, Contract,

and Consumer Law Lawyer

"I do like that they have to give each other written notice and set a time to figure out if they can resolve it."