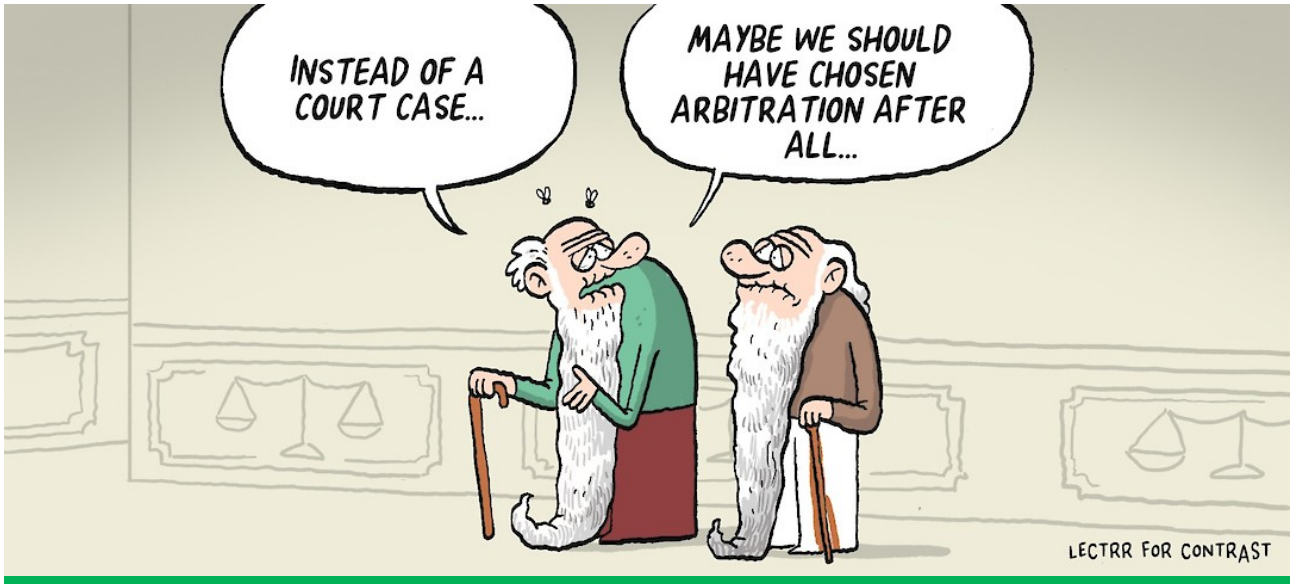
contrast



Litigation in court vs. arbitration

June 2019

Imagine…

Your company is regularly involved in proceedings before the national courts.

Recently this caused some serious frustrations. The legal department is increasingly complaining about the long duration of these proceedings, as a result of which there is a protracted period of uncertainty. The criticism gains even greater weight if, after a proceeding has been won in the first instance, the whole trial essentially has to be conducted all over again on appeal.

Recently these frustrations reached their peak or, perhaps better put, an all-time low: a journalist attended a court session and his newspaper published an excruciatingly detailed account of your dispute with a supplier. You need that kind of negative advertising like a hole in the head.

You would like to try a different approach, and you have heard that other companies insert arbitration clauses into their contracts. Could that be the solution?

A brief clarification

Arbitration is a form of alternative dispute resolution. The parties can choose not to bring their disputes before a normal court of law, but rather to have them resolved by one or several arbitrators.

A dispute can only be settled via arbitration if *all* of the involved parties expressly agree to do it that way. This agreement can be incorporated into the initial contract between the parties and thus before any dispute arises. The parties can agree to settle a dispute via arbitration even after it has emerged. In that case, a specific contract is concluded for this.