

JUSTRESOLVE

CURE FOR THE COMMON LAWSUIT

CASE STUDY

Dispute Category: Business to Business Contract Dispute
Industries Involved: Pharmaceuticals Development and Testing
(Provider and Customer)
Disputed Amount: \$28,000

KEY CHALLENGES



Limited Stakes Case



Potential Costs Eclipse Damages

BENEFITS



\$25,000+ in Litigation Cost Savings for each side



Neutral Venue without legal proceedings



Resolved in 3 weeks

In litigation, an extended series of filings, responses, depositions, and hearings not only draws out the time to resolve a dispute, but rapidly increases the fees incurred for any potential damages suffered. While these factors bolster the case for Neutral-Driven Resolution (NDR), many attorneys and business executives still believe that the path of traditional litigation provides the best opportunity to “get the right answer.”

This case study demonstrates how NDR can provide a more efficient and cost-effective method of dispute resolution while reaching the same outcome as traditional litigation, and even solve certain challenges presented by legal rules.

CASE BACKGROUND

• Testing Laboratory vs Customer

Customer disputed the lab’s entitlement to contractual liquidated damages for time-sensitive costs that the lab had to incur again when the customer delayed the start of a study.

• \$28,000 at stake

An important sum, but not large enough to justify the expense of a trial.

The parties’ contract was for approximately \$100,000 in testing services, so they included a clause to use NDR in the event of a dispute.

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THE RIGHT ARBITER

Just Resolve interviewed both parties, gathering relevant facts and information and discussing their concerns and desired outcomes. One concern of both parties — who were based on opposite coasts — was not to suffer disfavor at the hands of an arbitrator from “that other coast.” This concern is akin to litigants worrying that their case may be tried in an unfriendly venue. By proposing a qualified arbitrator located in the Midwest, Just Resolve negated that risk of perceived bias — an option not available in litigation without special proceedings to change venue. Both parties agreed to this arbitrator candidate, who then interviewed key witnesses, reviewed all pertinent records, and then, when a mediated settlement was not reached, decided the dispute.

- **Fixed total cost to each party was less than \$2,500**
- **Resolved in 3 weeks**

KEY FACTOR

In this case, the laboratory had overlooked express preconditions to recovering penalties in its own contract, and therefore was not entitled to damages. **An independent review of the arbitrator’s decision confirmed that, had the parties pursued traditional litigation, a judge would have reached the same conclusion.** If the parties had engaged in mediation, each party would likely have spent around \$10,000, without the guarantee of a settlement. **If the dispute had been litigated, each side could have easily spent \$30,000 to reach the same conclusion.**

“It’s amazing what good happens in the dynamics of a stalled, limited stakes negotiation when one side offers to let the chips fall where they may. Proposing NDR gave both sides the opportunity to exit with honor and dignity. NDR achieves a level of risk management and adherence to integrity that helps us all sleep at night.”

Rob Christopher

ABOUT JUST RESOLVE

Just Resolve started serving businesses and individuals in 2010 to deliver real justice whenever traditional adversarial process and advocacy proved too expensive or inefficient. The company conducts a simple method of investigation and analysis that is driven by party-approved neutral judges, peers or experts — instead of dueling lawyers. Just Resolve is building an enlightened community of adopters and advocates of this needed innovation for resolving common disagreements swiftly, affordably, and collaboratively. For more information call (855) 280-2588, or email Contact@JustResolve.com.