

Basic Predispute Arbitration/Mediation Clause (Naming ASP and AAA)

(This clause is designed for Oregon businesses that do business outside of Oregon.)

Arbitration Required/Mediation First Option. Any dispute or claim that arises out of or that relates to this agreement, or to the interpretation or breach thereof, or to the existence, validity, or scope of this agreement or the arbitration agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc. or the American Arbitration Association, whichever organization is selected by the party who first initiates arbitration by filing a claim in accordance with the filing rules of the organization selected, and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The parties acknowledge that mediation usually helps parties to settle their dispute. Therefore, any party may propose mediation whenever appropriate through the organizations named above or any other mediation process or mediator as the parties may agree upon.

(Note on arbitration's interface with mediation. When unassisted settlement discussions falter, mediation is always the first alternative to consider. But, mediation is a voluntary and cooperative process and, unlike arbitration, it cannot be forced upon the other party. A dispute resolution clause should not require mediation as a legal condition precedent to arbitration or litigation, because it allows a defendant in bad faith to use the mediation process as a delay tactic.)

(Note: Any existing attorney fees clause in the contract should be modified to include an arbitration proceeding. Click to Attorney Fees Provision.)