



Blockchain Arbitration Forum

Press Release 01

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Business relationships in the context of IT always had and still have one big challenge: Once a dispute has arisen between the parties, they will not only argue about legal questions, but also about technical ones. For example, a claim for a remuneration often depends on whether the software contains a material bug or not. Settling this issue requires the parties to find a common understanding of the terms “bug” and “material”. This may prove extremely difficult in practice as it requires both legal and technical expertise. If the parties attempt to settle the dispute in court, a final resolution might take years amid extensive expert examinations and increasing costs. It is thus not surprising that the parties do everything to avoid court proceedings and may even accept monetary concessions, be they reasonable or not.

In light of this situation, a group of tech and law experts founded the Blockchain Arbitration Forum. The purpose of the Blockchain Arbitration Forum is to spread the idea of Alternative Dispute Resolution (ADR) in the tech community, with a focus not only on arbitration, but also on mediation, expert determination and other dispute resolution procedures. The Blockchain Arbitration Forum will host events, provide trainings, establish and support working groups on special questions, and identify and propose suitable dispute resolution clauses.

Additionally, the Blockchain Arbitration Forum will maintain a database of certain of its member with particular expertise who may serve as neutrals in different dispute resolution procedures, e.g. as arbitrators. The database is intended to help parties in a dispute to find a suitable neutral to support them in resolving their dispute.

The potential importance of ADR procedures, in particular arbitration and expert determination, for the tech community follows from essential features, which court proceedings do not provide: They can be specifically tailored to the specific needs of the parties and the particular dispute. In particular, the parties are generally free to amend procedural rules to their needs and freely elect an arbitrator or expert with the necessary expertise to decide their dispute. Whilst expert determination provides for a fast and cheap process to settle specific disputes on facts, arbitration proceedings result in binding awards that can be enforced internationally and more easily than court judgements. Especially companies and individuals in the tech industry should therefore closely consider appropriate arbitration or other dispute resolution clauses.

The Blockchain Arbitration Forum is looking forward to new members, interesting discussions and a growing interest in ADR in the tech industry.

The Board

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