

Tips for Drafting Arbitration Clauses in Smart Contracts

“Legal technologies promise to flourish in the coming decade, and although it is not possible to predict all the innovations that are likely to become mainstream, the use of smart contracts appears to be on the rise. A typical smart contract uses computers and code to automate performance of some or all of the parties’ obligations. However, the legal terms of the contract are likely to remain in written form in a contract that people can read. If a dispute arises, the parties may prefer arbitration as an alternative to court, but arbitration doesn’t happen on its own – it typically requires a properly drafted arbitration clause.”

Steven K. Davidson, Michael J. Baratz, Jared R. Butcher and Molly Bruder Fox provide some tips in Steptoe’s ***News/Publications*** to keep in mind when considering how to draft these clauses.

Read the article.