



Rules Adopted for Speedy Arbitrations Through the Delaware Rapid Arbitration Act

Henry R. Chalmers

The Delaware Supreme Court has adopted official rules to govern arbitrations brought pursuant to the Delaware Rapid Arbitration Act (DRAA)—a novel approach to ensuring quick, efficient, and confidential resolution of business disputes. Companies that contemplate incorporating the DRAA into their contracts should review the newly-promulgated Delaware Rapid Arbitration Rules (the “Rules”) to make sure the Rules meet their business needs.

Many of the Rules will be familiar to those who have arbitrated disputes under other rule schemes, such as those adopted by the American Arbitration Association, JAMS, or The International Centre for Dispute Resolution. But some are unique.

For example, under the DRAA the arbitrator must accept appointment before any pleadings are to be filed; but as soon as the arbitrator is locked in, it’s off to the races, with complaints, answers, cross claims, and preliminary hearings all scheduled within the next ten days. This is just one of many rules designed to implement the DRAA’s emphasis on speedy resolution of disputes.

The Rules also promote the DRAA’s focus on confidentiality. Unless otherwise agreed to by the parties, all pleadings and information disclosed in the arbitration shall remain confidential, and the arbitrator may issue rulings to enforce this restriction. However, if the parties allow for appeal to the Delaware Supreme Court, filings with the Court become part of the public record.

To help ensure that a ruling is issued within 120 days of an arbitration’s commencement, final hearings are limited to a single day, unless the parties’ arbitration agreement specifies a different period, or the arbitrator determines that a different period is appropriate. The hearings can be conducted in person or via telephone or video conference.

The DRAA and the newly-adopted Rules respond to complaints that the benefits of arbitration are being eroded by ever-expanding proceedings that become indistinguishable from full-blown lawsuits. If your company is looking for ways to resolve disputes with speed, efficiency, and privacy, consider adding the DRAA to your future business contracts.

If you would like help evaluating whether the DRAA is right for your company, or if you need assistance drafting an arbitration provision that will successfully invoke the DRAA and effectively take advantage of the Act’s flexibility to give you maximum advantage when a dispute arises, please contact Henry Chalmers at 404.873.8646 or henry.chalmers@agg.com.

About Henry Chalmers

Mr. Chalmers co-chairs Arnall Golden Gregory’s Litigation Group and has two decades of experience representing clients in litigation and arbitration. He also is a certified Arbitrator with the American Arbitration Association (AAA), through which he presides over disputes throughout the United States. Mr. Chalmers has written and lectured extensively on the arbitration and litigation process. He also regularly works with clients to evaluate whether to include arbitration provisions in contracts and how to draft the provisions to best promote their interests.

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