

How Your Company Can Get the Benefits Of an Arbitration Clause

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Many companies have started including arbitration clauses in their employment agreements. Arbitrating employment disputes can provide for more efficient and more economical resolutions. It can be less destructive of business relationships and allow the parties to decide their disputes privately. It also potentially reduces the time spent on discovery and appeals and eliminates the bias of local juries.

Yet, in-house attorneys often question whether to include arbitration clauses in their employment agreements because they do not want to limit their ability to obtain emergency relief in court if an employee misappropriates their confidential information or solicits and attempts to divert their clients after they resign.

The answer to this dilemma is to draft an agreement that directs the parties to arbitrate the final merits of their claim, but also provides that temporary and preliminary relief can be obtained in court. By carefully drafting the employment agreement, parties can take advantage of the benefits of arbitration while still enabling the company to seek and obtain immediate injunctive relief in court if the need arises.

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Susan M. Guerette Partner 610.230.2133 Email