Law case study essay sample



Arbitration means " a neutral third party or panel of experts hears a dispute and imposes a resolution of the parties" (Miller & Jentz, 2008, p. 50). However, both parties must sign and agree to the above statement for it to be acknowledged as a legal judgment. In the case of Thomas Baker and Osborne Development Corporation it gets a little bit more involved. For starters, Osborne Development purchased the home warranty program administered by Home Buyers Warranty and signed the agreement of arbitration with them. However, the agreement of submitting disputes to arbitration also involved home owner and not just the builder, warranty issuers and HBW. Consequently, I don't think the homeowners should abide by the arbitration process since they never signed the agreement papers. Thus, Thomas Baker and others could possible take the case to court because there is an issue of arbitrability, " a dispute arises as to whether the parties have agreed in an arbitration clause to submit a particular matter to arbitration" (Miller & Jentz, 2008, p. 51).

Unfortunately, if the homeowners did sign an agreement to abide with settling disputes by the process of arbitration then they may not take this to court. More specifically, Thomas Baker and others may not sue the builder in court but they could still dispute the scope of arbitrable issues stating they do not involve defects within the house. Now a similar case of disputing the scope of arbitrable issues was NCR Corp v Korala Associates, Ltd. NCR took the judgment of arbitration to the court but "because the arbitration clause in the 1998 Agreement was so broad, the appellate court reasoned that a trial court should follow the presumptions of arbitration and resolve doubts in favor of arbitration" (Miller & Jentz, 2008, p. 51). So the same principle

applies here, if the homeowner signed the arbitration agreement without defining the scope then they must abide by the arbitration agreement.