BUS-206 MILESTONE 1

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The appropriate court for this lawsuit depends upon several factors. Three important considerations include the following:

Personal jurisdictionis a court’s power to render a decision affecting the rights of the specific persons before the court. The differences between federal and state courts are defined mainly by jurisdiction. Federal courts has jurisdiction over very few cases. State courts have the power to hear all cases that do not fall under federal jurisdiction. The term jurisdiction refers to the kinds of cases a court is authorized to hear. In this case Funny Face is sold over the internet and contracted by Novelty Now Inc. to manufacture and distribute their product. Novelty Now Inc. is based out of Florida. The owners of Funny Face, Chris, Matt, and Ian are located in California. Assuming Margolin is a resident of New York and purchased Funny Face over the internet jurisdiction must be established in the state the product was purchased. In order to determine if New York has personal jurisdiction over Chris, Matt, and Ian long arm statues must be reviewed and minimum contacts must be determined Kubasek, (2013).

Subject Matter Jurisdiction is a power to hear certain kinds of cases. In contrast, the United States has both a state and federal court system. Subject matter jurisdiction determines which court system may hear a particular case. Cases may fall under state jurisdiction, exclusive federal jurisdiction, or concurrent jurisdiction. It’s a court's power to hear the kind of case a lawsuit involves. Since the subject matter of Margolin's suit is alleging negligence against Novelty Now Inc. and Chris, Matt and Ian of Funny Face, this type of case would fall under state court jurisdiction. If Margolin is suing for more than $75000, and since the defendants are citizens of a different state, this case will satisfy the requirements for a diversity-of-citizenship case which is “concurrent federal jurisdiction means that both state and federal courts have jurisdiction over a case” Kubasek, N. (2014)

Minimum Contactsenables the court to served defendants outside the state as long as the defendant has sufficient minimum contacts within the state, and it seems fair to assert long-arm jurisdiction over him or her. In this situation the court would need to determine if Chris, Matt and Ian live in Florida, have visited or have ever done business there and if so, personal jurisdiction would apply.

Alternative dispute resolution (ADR) may be an option to resolve this dispute. (ADR) is another way to solve a dispute using other processes, in lieu of litigation. Alternative dispute resolution (ADR) refers to a variety of processes that help disputes without a trial. Some processes include mediation, arbitration, neutral evaluation, and collaborative law which may be an option to resolve the dispute. According to Kubasek (2012), “organizations often use ADR to resolve disputes involving contracts, insurance, labor, the environment, securities technology, and international trade.” The processes such as mediation, parties play an important role in resolving their own disputes. An advantage in mediation results in creative solutions, longer-lasting outcomes, greater satisfaction, and improved relationships. One disadvantage of mediation is it creates the notion that there is no equality between parties, that if one party has more power than the other, they may be able to sway the other to agree and in turn this is not an equal resolution.

References:

Kubasek, N., (2012-2014). Dynamic Business Law. McGraw-Hill Irwin. New York, N.Y