

The Observations Related to Online Dispute Resolution System

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국문초록

본 논문에서는 상거래과정에서 발생하는 분쟁해결을 위하여 적용가능한 ODR시스템의 특성과 선진국의 ODR의 시험·운영사례를 통하여 이에 따른 문제점을 분석하였다. 또한 국제상거래의 분쟁해결 수단으로 일반화되고 있는 중재에 대하여 온라인중재의 도입에 따른 법적인 문제를 검토하고, 이러한 분석·검토결과를 토대로 ODR의 발전방안을 제시하였다.

ODR은 신속성, 비용의 경제성, 해결방법의 개선 등의 장점으로 인하여 온라인에서 발생한 분쟁뿐만 아니라 오프라인에서 발생한 분쟁까지도 그 영역이 확대되어 가고 있으며, 앞으로 전자정부에서도 이를 채택하게 됨에 따라 급격히 발전할 것으로 생각된다.

최근의 상거래분쟁이 복잡하고 전문성이 요구되며, 신속한 해결을 지향하고 있으므로 종래 ADR제도의 장점과 정보·통신적 요소를 가미한 새로운 ODR제도를 도입·추진하는 것이 무엇보다도 중요하다고 할 수 있으며, 이를 위하여 ODR제도의 정통성과 실효성을 확보할 필요가 있다.

Key Words : ODR, 분쟁해결, 중재, 조정,

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I . Introduction

It is almost impossible to be fully free from disputes as long as there are parties related with one another concerning economic interests. Thus, what is most important is to settle disputes rationally in a way of satisfying all involved parties. As the form of dispute is growing more complicated and diverse and information communication technologies develop rapidly in the contemporary society, mediators have developed many dispute resolution techniques for the more rational settlement of disputes.

However, reliefs or dispute resolutions through lawsuits have many difficulties related to anonymity and trans-boundariness. Moreover, for a relatively small amount of loss in a consumer, it is impractical to relieve the consumer through a lawsuit regardless of cyberspace. Accordingly, there should be a separate dispute resolution system of new method that combines the efficiency and flexibility of existing alternative dispute resolution (ADR) and the technological and information communication elements of cyberspace. Online Dispute Resolution(ODR) can be a practical way to provide disputing parties with fast, inexpensive, and effective remedies and can reduce business exposure to foreign litigation.¹⁾ That is, because cyberspace has its own culture and potential for technological development, it requires flexibility in the legislative or judiciary system and ODR is considered to be one of methods that meet such a requirement.²⁾

In cyberspace, self-imposed norms are more efficient than laws and resolutions should be reached not through legislation but through the maximum utilization of ODR using cyberspace technology. Although the introduction of effective ODR requires high creativity, if cyberspace is expanded and activated demand for ODR will also increase.³⁾

Thus this study purposed to examine the characteristics and applicability of ODR system as a method of dispute resolution using the Internet, to find problems in the system, and to discuss its potential for future development.

II. Characteristics of ODR and Cases of ODR Introduction

1. Characteristics of ODR

When we try to resolve disputes in international trades and private transactions between individuals

1) Justin Kelly, "White House Report Signals Consensus on ADR for E-Commerce," <http://www.onlinerresolution.com/adrworldpress.cfm>, 04 Mar., 2003.

2) Hong, Sungkyu, *International Commercial Arbitration: Principles and Practice*, dunam publishing co., 2002, p.164.

3) Ethan Katch-Janet Rifkin and Alan Gaitenby, "E-commerce, E-Dispute, and E-Dispute Resolution: In the Shadow of "eBay Law"," <http://www.disputes.net/cyberweek2000/ohiostate/katsh.htm>, 04 Mar., 2003.

through judicial proceedings, we face with many difficulties such as delay in dispute resolution, excessive costs of lawsuits, complexity of legal procedure, stiffness and uniformness, inappropriateness of legal procedure for trivial disputes. inefficient law enforcement and disclose of private secrets. Thus trading parties who want more efficient and amicable resolutions prefer non-judicial proceedings to such judicial ones. ODR is simply about the use of new information management and Communication tools for dispute resolution. It is essentially an offspring of ADR; ODR deploys information technology and distance communication in the context of traditional ADR Processes. ODR is focused on online arbitration and mediation by a neutral third party in order to resolve dispute out of court. ODR is generally less expensive than lawsuits and adopts rather flexible methods of resolution. Moreover, it is advantageous in that it is less formal, less dependent on lawyers, and possible to keep personal secrets.⁴⁾

2. Applicability of ODR

Types of disputes to which ODR is applicable are as follows.

1) Disputes over intellectual properties surrounding various trade rights including domain names and trademarks.

2) Consumer disputes over e-commerce.⁵⁾ Namely, Recourse to ODR is also seen as a convenient way of sidestepping the complex Jurisdictional issues that may arise with litigation over e-Commerce dispute, particularly those involving cross-border B2C transactions.

3) Disputes over defamation or privacy, which is common in cyberspace.

4) Public sector Dispute Resolution: government to citizen(G2C). ODR has in the past few years been concerned mostly with the private sector, but increasing efforts in the ares of e-government and e-democracy are focusing attention on the value of ODR.

5) General commercial disputes occurring in the off-line world. ODR has been portrayed as particularly convenient and efficient where the parties are geographically distance because it obviates the need for traveling. In principles, ODR can be used both for disputes arising from online interactions or transactions and for disputes arising offline.

These commercial disputes have been resolved through ADR such as arbitration and mediation, but these, though might be useful before, cannot be regarded as the best methods of resolution in the present and

4) Cyberspace Law for Non-Lawyers, Lesson 78 Dispute Resolution in Cyberspace: What It Is, <http://www.ssrn.com/update/lsm/cyberspace/lessons/disput02.html>, 04 Mar., 2003.

5) Consumer disputes is a broad category, encompassing securities fraud, deceptive advertising, failure to deliver promised products or services and personal data privacy protection problems.

future as the information and communication industry is rapidly changing the society. Accordingly, the use of ODR, which is not limited by time and space, will be expanded significantly.⁶⁾

3. Utilities of ODR

Grounds for the usefulness of ODR in disputes over e-commerce are its simple and prompt procedure, low cost, expertness, settlement-orientedness, etc. This shows that the usefulness of ADR is applied as it is to disputes on networks. Because products and services traded and sales and license contracts made through the Internet are usually small transactions, it is hard and impractical to use the court, which is costly and time-consuming and this makes ODR more useful. Moreover, it is another great advantage of ODR that computer networks are directly available as dispute resolution procedure.⁷⁾

In the future, ODR techniques may become more common in the e-commerce context. As ODR Providers offer a range of services for online and offline disputes, the cost of providing B2C ODR may decrease as the overall market for ODR grows. Moreover, ODR may be appropriate for some types of consumer claims, such as insurance claims, where automated settlement software has been used to create settlements between insurance companies and consumers.⁸⁾

As long as we engage in economic activities, it is impossible to be fully free from troubles related to goods that we purchase. The risk is even higher psychologically and practically in online transaction in which the opposite party is invisible. The maintenance of ODR system available for dispute resolution may win consumers' confidence and furthermore activate e-commerce.

4. Cases of ODR Introduction

All types of ADR is possible in cyberspace, and arbitration organizations have already being acting in cyberspace. Currently as of the end of 2004, 115 ODR sites have opened and most sites in operation are being used in North America and Europe. For dispute resolution, some organizations open Web sites or

6) Hong, Sungkyu, *op.cit.*, p.167.

7) In Korea is the first case in the world that resolved a dispute using conversation functions such as 'whispering' in mediation through Internet chatting.

Visit <http://www.kiec.or.kr/program> for details.

8) Gerry Blackwell, "On-Line ADR Helps Close Cases Quickly," <http://www.globetechnology.com/servlet/story/RTGAM.20031218.gttwdisp18/BNSStory/Technology>. 17 May., 2003.

communicate information and intentions through the Internet or electronic mails to improve ADR and other traditional services, and use cyberspace to resolve disputes in the real world. In addition, ordinary ADR procedure such as mediation is occasionally used to settle disputes caused by new technologies. Moreover, in order to settle disputes occurring in cyberspace and virtual world, new dispute resolution methods are being developed and tested using new technologies and electronic processes.⁹⁾

Current ODR Projects and Web Sites

ODR institution \ classification	Level of automation			Mediation/Arbitration/Other			Online or offline disputes	
	Low	Medium	High	Mediation	Arbitration	Other	Online	Offline
AllSettle			●			●		●
ClicknSettle			●			●		●
CyberSettle			●			●		●
CPRInstitute	●			●	●		●	
Disputes.org	●			●	●		●	
eResolution		●		●	●		●	
I-courthouse		●				●	●	
Ilevel	●			●		●		●
InternetNeutral	●			●			●	
Webmediate								
Mediation Training Institute	●					●	●	●
National Arbitration Forum	●				●		●	●
NovaForum		●		●	●			●
OneAccord		●				● (Negotiation)	●	●
Online Mediators	●			●			●	
Online Ombuds Office	●			●			●	
Resolution Forum		●		●	●		●	●
Resolveitnow	●				●			●
SettleOnline			●			●		●
SettlementNow			●			●		●
Square Trade		●		●	●		●	
USSettle			●			●		●
World Intellectual Property Organization		●			●		●	●
123 Settle			●	●	●	●	●	●

* This table lists all ODR projects and ventures that we are aware of as August 1, 2002. <http://aaron.sbs.umass.edu/center/onlineadr/htm>.

9) Henry J. Brown-Arthur L. Marriott, *ADR PRINCIPLES AND PRACTICE*, 2nd ed., London: Sweet & Maxwell, 1999, p.384.

1) Virtual Magistrate (VMAG)

VMAG¹⁰⁾, a precursor of ODR founded by Chicago-kent Law School and Illinois Technology Foundation in the U.S. in 1996, was expected to be the court in cyberspace because of the persuasiveness of its judgements.

VMAG is the only global dispute resolution service in cyberspace utilizing the unique features of the Internet, which attempted prompt, highly accessible, cheap and informally provisional online resolution of disputes belonging to specific jurisdictions.

Namely, the features of VMAG represent a logical use of the Internet and the Web for ADR involving relatively simple disputes. The initial rules confine the dispute resolution system to a very narrow set of cases, resulting in the rejection of a number of complaints in the early years of the system's operation. Even after the rules were modified, to complaints were filed and no additional dispute were decided.¹¹⁾ At present, the jurisdiction of VMAG comprehends disputes over contents and intellectual properties including the infringement of copyrights or trademark rights, the abuse of business secrets, defamation, frauds, false transactions, privacy intrusion and other complaints on malignant contents.

2) Online Ombuds Office (OOO)

OOO is a project established by the Center for Information Technology and Dispute Resolution at the University of Massachusetts. OOO existed when VMAG was founded in 1996. However, OOO gained more support as it provided mediation service that facilitated communication between parties involved in disputes.

The role of an ombudsperson is not passing judgement but providing means for smooth communication between parties and helping them reach an agreement. An ombudsperson is not a judge or a mediator who passes judgement. Because there is not risk, many individuals willingly try OOO. Because of the advantage of its online service, OOO is receiving requests not only for disputes related to the Internet but also for those in the real world. OOO is emphasizing the use of technologies in dispute resolution rather than dispute resolution itself.¹²⁾

3) Cybertribunal

Cybertribunal is an experimental project undertaken at the University of Montreal in September 1996. Its

10) <http://vmag.org>, 07 Jan., 2004.

11) Henry H. Perritt, "Dispute resolution in Cyberspace: Demand for new forms of ADR," <http://www.disputes.net/cyberweek2000/ohiostate/perritt1.htm>. 17 Jun., 2003.

12) Karim Benyekhlef/Pierre Trudel-Vincent Gautrais, "Some reflections on conflicts management in Cyberspace," http://www.disputes.net/cyberweek2000/ohiostate/Cyberjus_ENGLISH.htm. 17 Jun., 2003.

goal is to identify the feasibility conditions for light, effective conflict prevention and resolution mechanisms for the various actors taking part in Cyberspace transactions. Cybertribunal combines the unique characteristics of traditional resolution methods and those of cyberspace based on the theory and practice of online arbitration and online mediation. Cybertribunal not only plays the role of a court or a judge in dispute resolution process but also provides a ground for dispute resolution mechanisms, namely, 'arbitration' and 'mediation' in cyberspace. The mediators and arbitrators working together in Cybertribunal are jurists and non-jurists, professor, and lawyers from a number of countries specialized in the fields of international commercial transactions and new information technologies.

The advantages of Cybertribunal lie in its accessibility through basic communication tools such as electronic mail or the Internet, the provision of 'Incident Site,' materials and information in which is not accessible except to the concerned parties, the office and the mediator or arbitrator, being free of charge for all processes, etc.

4) BBBOnline

BBB(The Better Business Bureau)¹³⁾ is a non-profit corporation founded in 1912, providing online ADR service with financial support from America Online, AT & T Corp., Bank of America, etc. BBBOnline investigates the reliability of e-commerce companies and, if the reliability reaches a certain level, it allows companies to use its logo so that consumers may trade with a sense of security. If a dispute occurs between its member company using its logo and a customer, BBBOnline provides dispute resolution service.¹⁴⁾

This begins a process of resolution in which the BBBOnline acts as an unbiased party to open the lines of communication. Once that process commences, BBBOnline use a variety of techniques to facilitate an early settlement of the dispute. However, if informal complaint conciliation fails to resolve the problem, the BBBOnline may offer more formal telephone or in-person mediation or formal arbitration services. BBBOnline also provide complaint counseling and referrals to appropriate private or government agencies when it is appropriate.

5) KCAB

The Korean Commercial Arbitration Board(KCAB)¹⁵⁾ in Korea has established and been operating a online dispute service system that enables online process in the existing way since August 2000. Through the

13) <http://www.dr.bbb.org/news/comp-1999.cfm>, 16 May., 2003.

14) Customers display a certain membership seal in their physical store, or a Web seal or trust mark online, as a sign that they adhere to a code of business practices. These practices include participation in ODR if a dispute arises.

15) <http://www.kcab.or.kr>, 23 Jan., 2004.

system, KCAB supports 12 kinds of services in Korean and English including the application and reply of online mediation and consultation, mediation-related forms, cases of arbitration award, the use of major foreign arbitration agencies.

Ⅲ. Legal issues of Online Arbitration

1. Procedural governing law

Arbitration must be based on state immunity and delocalization, but because the procedure of the recognition and enforcement of arbitral awards should be executed, it cannot be separated from each country's municipal law.

In addition, the New York Convention provides that if the composition of the arbitration organization or arbitral proceeding is not consistent with the involved countries' agreement or, in case there is no such an agreement in the countries, if it is not consistent with the countries' law, the recognition and enforcement of arbitral award are refused. Because involved parties can freely agree on a procedural law in principle, the law may be included in an existing municipal law or arbitration rule but rather it is necessary to establish new and simple rules accustomed to online arbitration.

2. Substantial governing law

If a common law, which is applied only to cyberspace transaction, is to be clarified rather than a country's law is applied as a procedural law, there must be substantially repeated continuous practices and legal conviction, but the reality does not meet such requirements yet. Accordingly, for example, the cyber tribunal rule interprets as 'in consideration of practices in cyberspace' but it is necessary to make efforts to illustrate the practice of transaction in cyberspace in rules until transactions in cyberspace are widely settled.

3. Place of arbitration

In online arbitration is no specific place where arbitral proceeding is executed. As discussed earlier,

however, a place of arbitration necessary when online arbitration has to be associated with a specific country. The involved parties may select a certain place in the arbitration agreement or a subsequent complementary contract and designate the place as a place of arbitration or entrust the arbitral tribunal to select a place of arbitration.

4. Documentation of arbitration agreement

Most countries provides in their arbitration law that an arbitration agreement must be made in writing. Then if it is not written, an arbitration agreement is not effective? Does an arbitration agreement require documentary evidence? Furthermore, what on earth is meaning of 'in writing'?

As a remarkable movement in the 1990s, the Chinese Contract Law in 1999 defines 'in writing' broadly as 'in a form that the contents can be viewed' including telegram, telex, fax, EDI and email.

In addition, it should be noted that if a document must be issued in order for an arbitration agreement to be effective in a country where an arbitration agreement must be made in writing and if the adoption of treaties or model laws recognizing arbitration agreements by email is limited to international contracts, there is a problem for arbitration agreements to be effective as domestic contracts.

5. Authentication and confidentiality of documents and signatures

Documents or signatures sent online must guarantee their authenticity (free from forgery), and confidentiality is a characteristic of arbitration. For these, security (from hacking) is necessary. For this, cryptographic technique has been developed rapidly. Electronic signatures purpose to prove the authenticity of electronic documents and encryption purposes to keep the secret of materials and communication. In the area of asymmetric encryption technology using private key and public key was developed IC cards that have the functions of electronic certificate and private key. In addition, methods that guarantee authenticity without the involvement of certification companies are being studied. However, although technologies have already become applicable to online dispute resolution procedure their reliability and convenience need to be tested and, moreover, arbitrators and involved parties must be able to utilize such advanced technologies.

6. Starting arbitral proceeding

It is basically not a problem to use various electronic methods such as email, telephone conference and chatting room in the stage of arbitration. For example, however, a report by the ICC Arbitration Committee Meeting points out that it is problematic to execute online arbitration with ICC arbitration rules depending on situations such as the contents of arbitration request agreement and the delivery of evidence.

7. Duties of executing and entrusting arbitration awards

The New York Convention (Clause 1 of Article 4) provides that the original copy or a duly certified transcript of an arbitration award must be submitted to claim the execution of the arbitration award. With regard to the rule that arbitration awards must be kept in the court (Clause 4 of Article 32 of the Arbitration Act in Korea), there is an opinion that it is not necessary. It is convenient to keep ad hoc arbitration awards not in individual houses but in the court, so although it is not necessary to enforce it legislatively it is better to keep them in the court if possible. Because of this reason, it is necessary for a while to execute arbitration awards with paper and ink and documents can be regarded as important exceptional online means for acknowledging online procedure. However, recently relevant laws¹⁶⁾ were revised so that electronic documents can be officially stored and, if necessary, be searched, viewed and certified and there are attempts to establish 'the Act on the Introduction of Electronic Document Archives.'

IV. Limitations of ODR and Development Direction

1. Limitations of ODR

Can online dispute resolution methods replace exiting mediation and arbitration methods? As the amount of each trade in e-commerce grows large, online disputes will involve large amounts of money. In addition, as new generations execute administrative tasks just using the key board or the touch screen, their values

16) Korean laws related to electronic document archives include Article 327 of the Customs Act, Article 4 and 5 of the Act on the Promotion of Office Automation for Trade, Article 18 and 20 of the Act on Promotion of Information and Communication Network Utilization and information Protection, etc. and the Amendment of the Framework Act of Electronic Transaction presented before the National Assembly.

will change and their thoughts will be simplified and quickened and then dispute resolution procedure may also be simplified.

Next, online dispute resolution is advantageous in that it is cheap because involved parties do not need to print and send a large volume of documents or stay in a remote place. However, if it is a complicated dispute over a large amount of money, such a cost shall be extremely small compared to the money in dispute. Rather, even the sum of expenses of travelling by the involved parties, mediators and arbitrators may be insignificant considering the possibility of reconciliation through face-to-face contract.

In addition, online procedure is disadvantageous in that it cannot communicate atmosphere. In most cases, it is most desirable to end disputes with constructive reconciliation between the parties, but in decisive moments it is necessary for mediators and arbitrators to make efforts to understand the real meaning of words spoken and to create peaceful atmosphere. Sometimes in a conference room, special atmosphere is fostered and it induces a great decision. In conclusion, as negotiation and inquiry are made through the Internet in ODR, communication through typed texts (particularly in English) and lack of nuance, which is possible with voice and body language, are another limitations of ODR.

For example, WIPO rules allow telephone or video conference for inquiry but such a method cannot create peacemaking atmosphere, which is an art. Lack of atmosphere may not be a matter in ODR for a small amount but it can be a big problem in complicated disputes or disputes over a large amount of money considering the trend that international trades are diversified, enlarged in amount and lengthened in period.

2. Directions for the development of ODR

1) Inducing people to use the ODR system

ODR procedures must be easy to find and easy to access, preferably by a link directly on the site where the controversy arises. Parties involved in disputes need to know correct information about the kinds of dispute resolution procedures, applicable substantial and procedural laws, the legal binding power of decisions, and it is necessary to develop a system that promotes concerned parties autonomous agreement. For this reason, it is most essential to win people's confidence in neutrality, equality and reliability of the procedure as well as the substance.¹⁷⁾ Prospective parties to B2C transactions will tend to want information from ODR Providers on how previous disputes have been handled, including the outcomes and reasoning

17) Hong, Sungkyu, *op.cit.*, pp.178-179.

applied. Transparency at this level will help meet the general need for prescriptive guidance. Yet, actual parties to disputes will frequently want the nature and outcomes of the ODR proceeding kept confidential. Encouraging transparency between the parties will buttress the integrity of the proceedings.

Accordingly, involved parties can understand the issues of disputes by presenting their complaints in a more structured form from the stage of presenting problems. In addition, for effective communication, structured expression, free expression style, real-time/non-real-time conversation, etc. should be employed properly together with telephone, video conference, etc. Furthermore, because there can be failure in electronic communication means such as video conference, technological aspects should be reinforced for establishing a perfect system.

2) Expenses resulting from disputes

It is important for designers of ODR systems to understand the apparent attractiveness of the charge back mechanism. It was because of expenses that eBay was reluctant to introduce permanent ODR system despite its success in an experiment with OOO. Because the greatest advantage of cyber auction or e-commerce is its conveniency for consumers, it seldom deals with high-priced goods or services. Thus in current B2C that is mainly for small transactions, expenses for ODR service should be less than the amount of transactions in principle. However, if economic efficiency and promptness is overemphasized as the purposes of ODR system, it may be criticized as 'second-class justice' as it oversimplifies procedure in order to avoid expenses resulting from concerned parties' substantial intervention in the procedure.

3) The use of networks and its limitations

Because ODR does not limit the address and the geographical location of concerned parties, online will be used in all processes including the submission and delivery of documents, hearing, questioning and answering. Because there may be concerned parties who do not the Internet, however, it is necessary to guarantee accessibility to the system for non-Internet users and to equalize the cost of communication among countries.¹⁸⁾ Moreover, the introduction of a video conference system as handy as a telephone may enhance the effect of ODR significantly.¹⁹⁾ In addition, it is necessary to equip the system for preventing eavesdrop and confirming the opposite party.

18) If one party pays exclusively or much more than the other party for a dispute resolution, a real or at least a perceived bias inevitably appeals. It is a form of business affiliation that should be avoided, because it lessens trust, and maybe also the quality of justice.

19) Bruce Leonard Beal, "Online Mediation: Has Its Time Come?," <http://www.disputes.net/cyberweek2000/ohiostate/beal.htm>, 23 Feb., 2002.

For example, participants in ODR may misrepresent their gender, age, nationality, etc. and it has negative effects on arbitration and negotiation. In order to guarantee the identity of participants, those who participate in ODR must authenticate their identity and this is possible by tightening the management of password and ID for access and, if email is used, to attach electronic signatures.

Lastly, an automatic interpretation system on the Internet may be required to solve the language problem.

4) Necessity of international cooperation

The starting point of this study was the fact that existing dispute resolution in the domestic court has limitations because of the trans-boundariness of the Internet.²⁰⁾ Therefore, the use of the ODR may help relieve the pressure to resolve the very important legal issue of 'jurisdiction' by providing an outlet for the resolution of dispute that does not rely entirely on a determination of which 'local laws' apply to a given transaction.

Here a feature that ODR should be equipped with is its appropriateness for transnational disputes. The use of networks mentioned earlier is an element for this but, in case of domestic ODR, it is necessary to secure cooperation with overseas agencies and the possibility of compulsory execution for effectiveness.

Currently ODR providers are getting economically stabler over time but there are new participants and minor capitalists, whose abilities have not been proved, so the circle of ODR is in disorder. It is not unusual in a new market but it must be remembered that some ODR companies may go bankrupt. Accordingly, it is necessary to apply strict criteria for the establishment and operation of ODR business to prevent the disorderly occurrence of ODR companies and to win foreigners' confidence from the early stage.

V. Conclusions

The meaning of ODR lies in the prompt and economical resolution of disputes by applying the information/communication element (Internet) to existing ADR. However, if the promptness and economical efficiency are overemphasized, the fairness and appropriateness of dispute resolution may be compromised and consequently ODR will be belittled and criticized as second-class trials. In addition, as communication is mostly made using texts in ODR it is difficult to investigate cases and to create atmosphere and induce dynamic feelings, which are possible in the process of dispute resolution through face-to-face contact. Despite

20) Hong, Sungkyu, *op.cit.*, p.181.

such difficulties, ODR is expanding its area not only in online but also in offline due to its advantages such as promptness, low expenses and improved resolution methods, and is expected to develop rapidly as the electronic government decided to adopt it in the future.

Accordingly, the following points must be focused on for the continuous expansion and development of ODR.

First, in the legal and institutional aspects for the development of ODR, it is necessary to establish a framework law on ADR. A framework law on ADR comprehending existing mediation and arbitration should be established and it must include contents of ODR, which utilizes electronic communication means. However, it is too early to establish a separate law for ODR because ODR must develop based on the theoretical system of ADR.

Second, although ODR is expanding rapidly, it may take time to be settled as a tool of dispute resolution. As discussed earlier, additionally, if the amount of money in dispute is large or the dispute is complicated, ODR may have a negative effect on the resolution of the dispute. Thus, it is necessary to apply ODR to trifle cases or domestic cases in the early stage, accumulating experiences and correcting errors. Moreover, in order to settle numerous disputes effectively, ODR cases should be analyzed systematically and cases should be classified by type so that similar disputes may be settled automatically. What is more, these requirements should be reflected in developing ODR system.

Third, the application of ODR is being expanded to consumer disputes, domain name disputes, commercial disputes, legal disputes, etc., millions of cases are settled through ODR, and 115 ODR sites are in operation throughout the world. Thus ODR requires not temporary but continuous attention, and mediators and arbitrators participating in ODR should be more intensively educated on negotiation and information technologies. In particular, government-led research projects should be promoted to establish ODR model and these projects should be supported by comprehensive researches on mediation, arbitration and ODR.

Fourth, what is most important in the continuous development and expansion of ODR is to secure confidence in ODR and advertise ODR to users. For this, incentives and rewards should be given to specialists such as lawyers when they participate in ODR as mediators and arbitrators in order to improve their expertise. What is more, from the early stage, the government and public institutions should have initiative in promoting ODR so that parties involved in disputes recognize the substantial contribution of ODR to dispute resolution.

Lastly, dispute resolution through ODR is performed by organizations such as Korea Institute for Electronic Commerce and Korea Consumer Protection Board and partially by Korean Commercial Arbitration Board. ODR is expected to expand its area to commercial disputes in offline in the future. In response to this, Korean Commercial Arbitration Board, which is an organization for commercial dispute resolution, needs to be restructured.

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