

## 2024 AAA Mass Arbitration Infographic Shows Threat Gaming Companies Face

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The [first-ever infographic on mass arbitration from the American Arbitration Association](#) (AAA) confirms that mass arbitration constitutes a real threat for consumer-facing companies, especially gaming companies. In 2024 alone, AAA registered a total of 92 mass arbitrations, representing more than 280,000 individual cases. Gaming/entertainment was the largest industry sector represented, with more than 100,000 cases submitted.

The fact that less than 9% of the cases proceeded to the merits, and less than 1% of the consumer cases closed with an actual award in 2024, highlights the extortionate nature of mass arbitration where the median value of the awards (around \$7,500 for consumers) pales in comparison to the millions of arbitration fees that companies are required to pay to adjudicate these claims.

Faced with tens of thousands of copycat and often unvetted individual arbitration demands, companies are being forced to choose between paying exorbitant arbitration fees just to call the plaintiffs' bluff, or agreeing to substantial settlements vastly disproportionate to the merits or amounts in dispute in the underlying claims.

Despite the increasing popularity of mass arbitration, businesses may still be unfamiliar with this litigation strategy and ill-equipped to mitigate risks. The AAA infographic serves as a reminder that it is never too early for companies to update their online terms of use. The best protection against mass arbitration is a well-drafted arbitration clause. As [Cooley recommended previously](#), there are several strategies that businesses should consider, including:

- Consideration of alternative arbitration providers that protect against extortionate demands.
- Pre-dispute resolution steps requiring mandatory individualized conferences to reduce the number of actual claimants.
- Batch arbitration and/or bellwether arbitration provisions to decrease the plaintiffs' fee leverage.

Please contact Teresa Michaud or Marc Suskin if you want to explore ways to limit your company's exposure to mass arbitration and avoid getting caught in next year's statistics.

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