

# Tech Lite Autumn 2020

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www.myerson.co.uk 0161 941 4000



# Introduction

In this Autumn 2020 edition, we explore ways to help your business navigate the new norm we find ourselves in and secure pole position on the road towards the Fourth Industrial Revolution. We take a detailed look at:

- Living in the Fourth Industrial Revolution
- Securing Investment 5 Things You Need to Know
- Force Majeure Clauses Friend or Foe?
- The Job Support Scheme
- Tech Litigation & Dispute Resolution
- Maintaining a Happy Workforce





Have a Question?







### Is Manchester set to pave the way for global technological transformation?

The world stands poised to embark on a technological revolution that promises to fundamentally change the way we live and work. New and rapidly evolving technologies are creating industries, transforming our attitudes to the role of technology in our public and private lives, and fuelling societal transformation.

The world's path to the fourth industrial revolution is paved by a long history of British innovation. The first industrial revolution used steam to mechanise production, made possible by British engineer Thomas Savery's pump. The second industrial revolution harnessed electrical power to enable mass production, with British scientist Michael Faraday's electromagnetic devices providing the conduit for practical electrical use. The third industrial revolution utilised technology and IT to automate production, with British scientist Tim Berners-Lee's invention of the world-wide-web.

Now, as the world enters into the fourth industrial revolution, a revolution that promises to blur the distinction between the physical and digital world with rapid innovation in all technological areas from artificial intelligence to biotechnologies, the UK draws upon its wealth of unparalleled industrial history and technological expertise to guide its journey through the changing landscape of the digital commercial world. The primary theme of the fourth industrial revolution is not only the nature of the innovation itself, but the scale, scope, and speed that it will be delivered. The revolution is unprecedented and exponential.

### Key Trends of the Fourth Industrial Revolution

The fourth industrial revolution will lead to rapid development and innovation in all sectors, from 3D printing, augmented reality and quantum computing. Some of the key trends we are seeing are:

**Blockchain Technology** - demand is growing in the financial and insurance sectors, as consumer confidence in using blockchain technology for financial services is on the increase. In response, banks and traditional financial providers are expanding their service offering to provide decentralised finance to consumers alongside their traditional products.

**Cloud Computing** - as the fourth industrial revolution ushers in a new era of digital technology, cloud computing is proving essential in improving cybersecurity and allowing businesses to rapidly implement software as a service, utilise platform offerings and create their own applications with speed and ease.









**5G Network** - 5G is necessary to support an ever-increasing demand to process and send real-time data both in the systems and Apps that we use, and the cloud servers that support them.

**Robots and autonomous vehicles** – Car manufacturers are currently investing considerable sums into the development of autonomous vehicles which promise to reduce pollution, congestion and risk of collision and transform our daily commutes.

**Big Data** - is enabling the creation of Smart Cities capable of self-monitoring pollution levels, controlling traffic flow and monitoring individuals' behaviour, the spread of viruses and other public health matters.

**The Internet of Things (IoT)** – continues to deliver a multitude of wearables, devices, apps and other technologies. Organisations are shifting their focus from the value in the product itself, to the value in the data the product collects.

**Genomics and Gene Editing** - is bringing a new age of gene therapies and gene editing technologies as a result of developments in intelligent computers.



Artificial Intelligence and Machine Learning increased speed and bandwidth available as a result of 5G and the IoT is set to fuel the development of AI and machine learning to create a boom in its commercial and consumer usage.

### Manchester: leading the frontier?

The UK has set its sights on becoming a global leader in technological research and development to harness the opportunity to sell its goods and services on a global platform. In our Summer Tech Lite Edition we looked at how the North West is becoming a favourite for foreign investment in Tech, and this trend looks set to continue as research for the Digital Economy Council (UK Tech Ecosystem Update prepared by Tech Nation and Dealroom) found over \$4 bn has been invested into young UK-based Tech companies since January 2020. The report also confirms the UK's standing as being Europe's number one Tech Nation; investments into the digital tech companies in the UK are higher than in any other European country.

The North West has a sophisticated mix of industries, with Manchester being one of the most economically diverse regions in the UK having industrial specialisms in health innovation, digital and creative industries, manufacturing and professional services as well as internationally renowned research centres. Manchester is also the home to several unicorn companies including The Hut Group, Boohoo.com, AutoTrader UK and On the Beach Holidays, as well as up and coming unicorns such as UKFast, F2G and VST Enterprises, leading many to wonder whether the world's first industrial city will lead the next revolution?









A 2020 report by Startup Genome found that Manchester benefits from international connectivity, a wealth of local university talent, and the largest venture capital concentration outside of London resulting in one of the world's strongest start-up economies. The report's findings on Manchester come after recent appraisals by Tech Nation that Manchester is Europe's fastest-growing major tech cluster, and will be welcome news as the North West seeks to draw on its strengths in sectors such as cyber-security, e-commerce, life sciences and digital technologies to pave the way through the current period of economic uncertainty caused by COVID-19.

The Local Industrial Strategy (the report led by the Greater Manchester Combined Authority (GMCA), the GM Local Enterprise Partnership and the UK Government identifying the long-term policy priorities) published in 2019 set out the blueprint to establish Manchester as a leader in digital, health innovation and advanced manufacturing such as the locally pioneered graphene. The plans lay the blueprint for the region to boost economic output in such sectors, in addition to achieving carbon neutral status by 2038.

### **Britain: Brexit and beyond**

The result of the long-term trade negotiations between the UK and the EU, and the rest of the world, will shape the position of the UK as a place for technology and business investment in the future. Irrespective of the conclusions of such negotiations, Britain has shown its willingness to harness technology to navigate the increasing complexities of the COVID-19 pandemic and is likely to amplify its tech service offering as it seeks to reposition itself as a global trading partner.

One thing is for certain; businesses and individuals will continue to adjust as we emerge from the pandemic and re-build the economy, but with any new challenge comes an opportunity and our tech team are here to assist businesses in this changing environment.





Have a Question?







### Securing Investment - 5 Things You Need to Know

Our tech specialists have witnessed how investment in the UK's tech companies continues to flourish, being actively involved in a large number of private equity and venture capital transactions during the lockdown period and as measures began to ease. Therefore, we take a closer look at the key steps to take when seeking investment for your technology business.

- 1. **Planning & Scoping** An essential part of ensuring the successful conduct of any investment is to spend time scoping out the transaction in the early stages in order to mitigate and/or avoid difficulties arising later in the deal which could possibly delay the transaction.
- 2. **Share Capital** It is imperative that the company's share capital is correct. At the point a company is looking to obtain investment from a venture capital or private equity house, it may have already gone through a number of investments rounds (friends and family and series A for example). Any errors in issuing shares during earlier rounds will need to be corrected so that an accurate share capital table can be produced and supplied to the investor.
- 3. Ownership of Intellectual Property The main assets of a technology company will usually be its intellectual property (IP). It is, therefore, crucial to ensure that the company owns the intellectual property it uses (or has the appropriate licences in place for the same) and that it has the ability to exploit the same for the purpose of its business. As part of any due diligence, it will be necessary to carry out a full intellectual property audit to trace the source and ownership of all intellectual property utilised by the company. An IP audit will help businesses identify any IP issues and whether any documentation is missing, with the appropriate advice being sought on how to resolve and document any necessary transfers of ownership.
- 4. Contracts of Employment/Service Agreements Investors will want to ensure that your key members of staff and management team are tied into the business. Appropriate contracts of employment and/or service agreements should be considered to document the terms that are in place. This will also ensure that any IP developed by employees during the course of their employment belongs to the company and not the employee themselves.
- 5. **Share Options** Share options are a key tool used by technology companies to motivate and incentivise key employees and the management team. These need to be carefully reviewed as the terms of an investment could either cause such options to be triggered or even terminated if their terms are substantially affected. Such documents need to be included in negotiations to ensure that they are either exercised in a way that benefits all parties or ensures that any terms that could cause them to be terminated are avoided.

Our specialist tech team at Myerson helps companies to respond quickly and efficiently to the investors' solicitors enquires. We provide clear and strategic advice on investment documents to ensure that a balance is struck between the competing interests of investors and founders and that both parties remain incentivised and their interests protected.







## **Force Majeure Clauses – Friend or Foe?**

As businesses around the world continue to operate in a myriad of lockdown restrictions and stressed economies, many are having to navigate challenging and uncertain events in their respective markets. Which begs the question are Force Majeure Clauses - Friend or Foe?

There may be a perception that the challenges of recent times should not have a material impact on Tech focussed businesses; however, the reality is that even the performance of software focussed contracts will involve the supply of goods and services – as long as people are required to support the supply of such products and services, an operational need must be catered for.

In the current climate, tech businesses may have concerns over whether:

- they can comply with their contractual obligations; and
- their business-critical trading partners can continue to do the same.

Some businesses began a migration process back to office working over the summer, only to begin the migration back to working from home a few weeks later.

We therefore now find ourselves in a hybrid situation of some essential office working continuing, mixed with large portions of personnel working from home.

Therefore, a key question for both tech suppliers and customers is whether they are expected to recommence their obligations in their commercial contracts which may have been suspended during the more severe period of government restrictions and/or which may need to be suspended if further lockdown restrictions are implemented. Central to all these issues will be a need to interpret force majeure clauses.

### Step 1 - Identify the force majeure clause

Should you find your business in circumstances which, due to COVID-19 related events or otherwise, create the risk of non-compliance with your contractual obligations, it is important to understand the force majeure provisions in your contracts.

Although considered by many as a standard "**boilerplate**" clause, the wording of force majeure provisions can actually vary in significant ways from contract to contract, so an in-depth analysis of what rights your business has or obligations your business may be under in each affected contract is an important first step.

**Important note** - There is no concept of force majeure under English law so if there are no explicit written terms dealing with this subject, the concept of force majeure cannot be implied into your contractual relationships as a governing principle.









### Step 2 - Analyse what the clause says and its effect

Typically, force majeure clauses will permit a party to a contract to suspend performance of its obligations in the event of natural disasters, acts of God or other events outside of a party's reasonable control.

Some force majeure clauses may, for example, name pandemics as specific events which will allow a party to suspend the performance of its affected obligations, whereas others may lack this wording and force parties to rely on references to events that have indirectly arisen due to COVID-19, such as the imposition of government-imposed restrictions. In such circumstances, it is important to consider whether government restrictions are the actual cause of a party being unable to perform its obligations, for example, government restrictions should not be a mere "inconvenience" or "added logistical barrier", in order for a party to rely on force majeure relief.



Some force majeure clauses only allow a party to rely on them where the force majeure event makes the performance of certain obligations (which may also be stated in the clause) impossible and therefore be very restrictive in their applications whilst others may allow for relief where events merely 'hinder' the performance of certain obligations.

### Step 3 – Continue to assess evolving circumstances

Companies that are more successful in relying on force majeure clauses are ones which constantly monitor what is and is not possible for their businesses to do on an ongoing basis. Due to the rapidly changing nature of lockdown and national measures, such as initial Government announcements encouraging businesses to return to offices swiftly followed by further announcements and guidance encouraging office workers to continue to work from home over the coming winter, businesses need to be able to adapt quickly to these circumstances.

As a result, more force majeure clauses may need to be activated. It is critical, therefore, to identify specifically what is preventing a business from operating as normal and at what point normal services can be expected to recommence.

Businesses should also assess whether they have introduced measures for health reasons, other operational reasons or purely because of financial implications, or a mixture of reasons, and analyse each against the wording of the force majeure clause.

For example, if a business takes the decision to make staff redundant because of a drop in revenue (as a result of the pandemic), could it then rely on the pandemic as a force majeure event if it were unable to meet its contractual obligations due to a lack of staff? If the decision to make staff redundant is purely for financial purposes, it is unlikely that this would give rise to a force majeure event despite it being directly related to the impact of the pandemic, unless the force majeure clause expressly allowed for this.









### Step 4 – Are there any procedural requirements for reliance on the force majeure provisions?

Prudent negotiators of contracts would not only specify carefully selected events to count as a valid force majeure triggers but also require that the party seeking to rely on the same first conforms to a number of minimum standards such as:

- promptly notifying the other party of the existence and effect of the force majeure event;
- demonstrating causality between the existence of the force majeure event and the inability or hindrance of the company in performing its obligations; and
- evidence that the business cannot perform its obligations despite using its reasonable endeavours to mitigate the effects of the force majeure event.

A requirement to mitigate the effects of the force majeure implicitly requires that a business has adequately prepared itself for adverse issues which it may face.

**Important Note** - Be prepared to defend the content and execution of your company's disaster recovery plans and use of second and third-tier suppliers.

### Conclusion

To conclude, the discussion around the use of force majeure clauses is increasingly relevant to tech companies. We have recently witnessed Dell making tough decisions about its workforce as sales during the pandemic have fluctuated with an increase in sales for personal computers but a decrease in businesses investing in data centres.

Not only will businesses need to have an awareness and an understanding of the force majeure clauses in their current contracts but also an appreciation as to how such clauses are interpreted against an evolving landscape of government action.



Such action needs to be distinguished between guidance and mandatory orders which affect the operation of force majeure clauses in substantially different ways.

Force majeure clauses are one tool businesses should consider as they seek to stand the storm of the pandemic over the winter period; however, the driving factor of decision making will be not only which agreements are and are not capable of continuing, but also the need to retain staff with the expertise and knowledge to provide the support for the business to continue operating.

See our article on the next page for further information on the Governments latest plans for supporting employers.









### The Job Support Scheme: Further Government Financial Support for Employers

On 24<sup>th</sup> September 2020, Chancellor Rishi Sunak announced a new Job Support Scheme as part of further plans to protect UK businesses and workers beyond the 31<sup>st</sup> October 2020 when the Coronavirus Job Retention Scheme (CJRS) ends.

### What is the new Scheme?

From 1<sup>st</sup> November 2020, the new Job Support Scheme will safeguard viable jobs where businesses see a decrease in demand over the winter period due to COVID-19. The Scheme will enable businesses to keep employees as part of the workforce where fewer working hours are required.

In summary, the Scheme will mean that:

- the employer will pay employees for hours worked; and
- for unworked hours, the employer and government will each pay one-third of the employee's salary for those hours (with the employee forfeiting the remaining third).

An employer is **not** expected (or perhaps not permitted) to top up pay to 100%.

This guarantees that an eligible employee will be in receipt of a minimum of 77% of their normal salary (up to a cap).

The Scheme will run for six months from 1<sup>st</sup> November 2020 until 30<sup>th</sup> April 2021 and is designed to work alongside the existing Jobs Retention Bonus (under which employers can still claim £1,000 for every employee who is brought back from furlough through to 31st January 2021).

### Which employers are eligible under the Scheme?

- All employers with a UK bank account and UK PAYE schemes.
- Large businesses will have to meet a financial assessment test. A large business must have a lower turnover now than before experiencing difficulties from COVID-19.
- There will be **no** financial assessment test for small and medium enterprises.
- There will be **no** requirement that the employer previously used the Coronavirus Job Retention Scheme.









### Which employees will be eligible under the Scheme?

Employees must be on an employer's PAYE payroll on or before 23<sup>rd</sup> September 2020 (a Real-Time Information submission notifying payment to that employee to HMRC must have been made on or before this date). There is no requirement that the employee previously used the Coronavirus Job Retention Scheme. For the first three months of the Scheme, the employee must work at least 33% of their usual hours. The government will re-assess this after three months.

There is no requirement that an employee works the same pattern each month; however, each short-time working arrangement must cover a minimum period of seven days.

Employees cannot be made redundant or be under a notice of redundancy in any period for which there is a claim under the Scheme.

### What amount can be claimed?

Funds are available for hours not worked by employees. The amount contributed by the government will be calculated based on an employee's 'usual wages', capped at a third of wages for those hours or £697.92 per month, whichever is the lower.

The calculation for 'usual wages' will be similar to the Coronavirus Job Retention Scheme. For employees who have been furloughed, their original or underlying pay will be referenced and not furlough pay.

The government's contributions will be made in arrears, reimbursing the employer each month.



Employers will be responsible for Class 1 employer NICs and Pension contributions.

### How do employers claim?

Employers will be able to make a claim through the government website from December 2020. As funding is received in arrears, a claim can only be submitted in respect of a given pay period, after payment to the employee has been made and that payment has been reported to HMRC by way of an RTI return. The government has issued a helpful <u>factsheet including examples of how the Scheme will work:</u> Further guidance on how the Scheme will work will also be issued before November.









### Next steps for employers?

Employers will need to plan ahead of November and ensure that they have in place appropriate arrangements and documentation for those employees participating under the new Scheme.

### This means:

- Current reorganisation plans may need to be revisited;
- Current furlough arrangements may need to be formally terminated;
- Potentially higher numbers of employees in the workplace may mean that changes need to be made to ensure a COVID-19 safe environment;
- New working arrangements and working hours under the Scheme will need to be agreed, notified in writing and subject to review;
- New pay arrangements under the Scheme will need to be agreed, notified in writing and subject to review (as the new Scheme envisages a reduction in pay).
- Importantly, it is a requirement of the Scheme that the new arrangements are notified in writing to the employee, and that the document is available to HMRC on request.

Employers are advised to monitor and keep up to date with details of the Scheme as further details are expected. A separate support scheme will be put in place for the self-employed.

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You can reach our <u>Employment Team</u> for further guidance on 0161 941 4000 or via <u>email.</u>







Have a Question?





### Tech Disputes. What if things don't go to plan?

The COVID-19 pandemic has caused much uncertainty in 2020 (and possibly beyond) as businesses grapple with changes to their marketplace, fluctuating demand, disrupted supply chains, and an increased reliance on remote working and IT solutions. Due to COVID-19 and its international impact, we anticipate seeing a sharp rise in contract disputes across all sectors, especially within the tech sector. We explore what a business should do if it finds itself in a dispute.

### **Tech contract disputes**

Tech disputes are varied and cover a multitude of different issues arising from technology-related goods and services agreements; creation, innovation and implementation of new software; licencing and outsourcing of existing software; and disagreement over intellectual property such as licencing of patents and copyrights and ownership of IP.

The commonality with tech disputes is that they need resolving - especially if the parties wish to preserve a commercial relationship and keep a project/service offering on track.

### **Check your contract**

If you find yourself involved in a dispute, (either with one of your customers or suppliers), one of the first things to do is check your contract. Your contract may either be in the form of standard Terms and Conditions or a bespoke written agreement. Either way, the contract should contain all the terms of agreement between the parties; what their obligations are under it; and what they should do in the event of a dispute.

### Litigation & choice of law

Most contracts will have some form of dispute resolution clause which sets out the process the parties must follow when a dispute arises. These clauses can also include provisions for litigation, arbitration, mediation, expert determination, or a combination of them.

Conventionally, a dispute resolution clause will state that disputes which arise must be dealt with by litigation through the courts of a particular country.









### Points to consider:

- You should choose in advance what national courts will have jurisdiction to settle the dispute, for example, the courts of England and Wales. There may be practical business reasons for choosing a particular jurisdiction. For instance, the jurisdiction where the contract is to be performed. This may be the preferred choice as this location is likely to be where one (if not both) of the parties to the contract have a presence and are therefore more closely connected with a specific country.
- 2. A jurisdiction clause binds the parties. Therefore, if you have expressly agreed to submit to the courts of a country, you will find it difficult to argue later that those courts are not the correct forum for the dispute.
- 3. If a contract requires a dispute to be resolved through the courts, then it is also essential to check whether the contract has an address for service clause. This is especially relevant if the English courts are to hear the dispute and one or more of the parties is based outside of England and Wales.
- 4. A further important consideration is what law applies to the contract when there is a dispute? There is no universal law of contract, and different rules apply in other countries. The differences in national laws may be small, but these can have a significant impact on the way a contract is interpreted. Therefore, it is recommended that you agree, in advance, what law will apply to the contract in terms of the performance of it and remedies for breach. You can do this by inserting a choice of law clause into the contract.
- 5. A choice of law clause designates what law applies to the contract and should remove any uncertainty regarding the interpretation of the contract terms. The appropriate law is that which is most closely connected with the contract, i.e. where it is performed. However, the parties are free to choose what law applies to the contract.

### Arbitration as an alternative to litigation

The rapid rise in technology businesses has seen an increasing number of disputes being referred to arbitration. According to the International Chamber of Commerce (ICC), filings for telecommunications and technology-related disputes account for approximately 7% of 869 new cases filed in 2019.

Arbitration is a private, out of court, dispute resolution process where an independent arbitrator or specialist panel of arbitrators make an official decision that ends the dispute. The decision of an arbitral tribunal is final and binding on the parties, and the arbitral award is enforceable.

Arbitration clauses are particularly attractive for tech businesses because they allow the parties to choose a tribunal familiar with the technology to settle a dispute. This can be hugely beneficial, especially where the dispute is likely going to involve complex technological or scientific issues.

Whilst the final and binding nature of an arbitration decision is a positive; you should bear in mind that it is just that – **final and binding**, unlike a decision of a court, which can up to a certain point be appealed, there is no right of appeal against an arbitrators decision.









### Points to consider:

- **Privacy/Confidentiality** court proceedings are open to the public, and documents detailing the dispute are publicly available, save for exceptional circumstances. Arbitration hearings are private and confidential. This is particularly important if a party is concerned about preserving their reputation and intellectual property and wants to avoid the dispute being heard in public.
- Enforceability Arbitral awards are much easier to enforce than court judgments internationally. The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958, (the New York Convention) enables an arbitral award to be enforced in most countries around the world. As of June 2020, the New York Convention has 164 state parties. There is no equivalent for the enforcement of court judgments. Given that technology contracts often have an international element, the ability to enforce an arbitral award virtually anywhere in the world is a huge advantage to businesses.
- Flexibility/Neutrality Where national courts usually have strict procedural rules that the parties must adhere to, arbitration is much more flexible, and the parties are free to agree, subject to what contract the contract says, which arbitrators are appointed; whether the rules of a particular arbitration institution would apply (for example The London Court of International Arbitration); and what country the arbitration takes place whether in a neutral country or the parties' home turf.

### Beyond litigation and arbitration - other examples of alternative dispute resolution

There is a myriad of other alternative dispute resolution procedures that the parties can agree such as mediation; expert determination; and multi-tier/escalation clauses.

### **Mediation**

Mediation is a dispute resolution process where the parties try to resolve the matter with assistance from a professional mediator. Mediation is an out of court process. Unlike litigation and arbitration, the mediator does not decide the dispute or make a judgment. Therefore, any agreement reached in mediation must be recorded in a written settlement agreement for it to be binding.

Mediators are specialists in dispute resolution and vary in quality and experience. Some mediators have specialist industry experience that might be particularly helpful in tech disputes which involve an argument over performance or implementation of systems.

The main benefit of mediation is that it is much more cost-effective than litigation and arbitration. Disputes can be resolved quickly through mediation, and they can even be carried out remotely over video conferencing platforms, which may be especially useful where parties are based in different countries.

### **Expert determination**

You may include a clause that specifies that disputes are to be resolved by the parties, referring them to a binding expert determination. The obvious benefit of expert determination is that it is a quick and cost-effective way of resolving a dispute without resorting to litigation. A possible downside is where the expert gets a decision wrong, and the parties are still bound by the decision by operation of the contract.









### **Escalation clauses**

Parties are free to choose what dispute resolution procedures will apply to their deal. They do not have to elect for just one and can have a combination by including an escalation clause.

Escalation clauses direct the parties to resolve disputes in stages, through a combination of structured negotiation, mediation, and litigation or arbitration.

Some of the possible combinations can include:

- negotiation followed by arbitration or litigation;
- mediation followed by arbitration or litigation;
- negotiation followed by mediation and then arbitration or litigation.

The tiered style of drafting allows the parties to follow a set procedure that is designed to resolve any disputes that arise. There is no one size fits all escalation clause, and its effectiveness will very much depend on the circumstances of the deal and an analysis of what disputes will likely arise if things go wrong.

### **Adjudication**

Adjudication is yet another form of alternative dispute resolution procedure. Like arbitration, adjudication is a process where a dispute is resolved by the decision of a single adjudicator, often made within a tight timescale with limited grounds of appeal. Adjudication is more commonly found in construction and engineering contracts and can be overlooked for other types of dispute. However, in November 2019, The Society for Computers and Law (SCL) launched an adjudication forum for the resolution of technology disputes. The key features of the SCL Scheme are:

- A three-month procedure for resolving technology disputes;
- No restriction on the size or scope of the dispute that can be referred;
- Choice of specialist adjudicators from a pre-selected panel set up by SCL;
- Adjudicator's decision is binding but can be appealed in litigation or arbitration.

As technology disputes are on the increase, the SCL Adjudication platform allows parties to elect for a fast, flexible out of court procedure to resolve disputes. There is no reason why parties would not be able to agree to incorporate an SCL Adjudication as part of a dispute resolution clause, if appropriate to their deal.

### Summary

It is important to plan for the uncertainty caused by COVID-19 by having well-drafted dispute resolution clauses in tech contracts. As highlighted, tech disputes can raise important practical considerations such as:

- What court will hear the dispute?
- Where will it be heard?
- Is the dispute to be resolved by a judge or a panel of specialist arbitrators?
- Is there a tiered process setting out negotiation and/or a mediation process before formal litigation is started?
- Will resolution result in a judgement or an award, and how will that be enforced?
- Do the parties have to submit to an expert's determination?

The answer to the above questions can radically alter the complexion of any litigation and advice given. Dispute resolution clauses seek to cut through the uncertainty that can arise when faced with technical and complex litigation. Therefore, they should be given careful consideration during the drafting stage and, of course, when disputes arise.







Maintaining a Happy Workforce - Caring for an Employee's Mental Health

Whilst Autumn can be a lovely time, with the vibrant colours the changing season brings, for some, just as the leaves fall, as can people's moods. The thought of dark mornings, cold days and long winter nights can be hard at the best of times, but the added reality of the isolation lockdown restrictions can bring, may see many people simply wanting to fast forward to Spring. Therefore, now more than ever, it's important for businesses to look after their employee's mental wellbeing.

### The Unspoken Cost

Research by the mental health charity, Mind, has shown that a culture of fear and silence about mental health is costly to organisations. Their results found:

- more than one in five employees have confirmed that they had taken a day off sick to avoid work due to mental health;
- 14% of employees resigned due to stress and a further 42% considered resigning when employers asked how workplace stress had affected them;
- 30% of employees did not feel able to talk openly with their line managers if they were feeling stressed; and
- 56% of employers would like to do more to improve staff health and wellbeing but feel that they don't have the right training or guidance.

The last statistic is probably the most important as it shows a shift in attitudes towards mental health and wellbeing and one to be embraced by businesses: having a happy, healthy workforce is one of the pivotal requirements to ensure the success of a business. Over the past few months, we've all become accustomed to the phrase "we're all in this together", and many now feel that this sentiment should permeate the workplace. An open and supportive working environment benefits both employees, employers and fuels organisational performance.

Mind has produced a handy guide which sets out six standards organisations should consider implementing to support employee mental health, together with practical examples.

### 6 Mental Health Standards









### The six standards are:

- 1. Prioritise employee's mental health by developing and delivering a strategic programme of activity.
- 2. Proactively ensure that working methods and organisational culture drive positive mental health outcomes.
- 3. Promote a culture of openness surrounding mental health.
- 4. Increase organisational confidence and capability.
- 5. Provide mental health support, tools and guidance to employees.
- 6. Increase transparency and accountability through internal and external reporting and communication.

As many of us now look set to be working from home for the long-term, the usual support we can access in our work may not be as readily available during this period. Therefore, it's key to identify the things that keep us well and those that may negatively impact our wellbeing during this period. Whilst businesses vary in working practices and environments; it is important to adopt a range of strategies and methods of communication to remote workers, employees that are on furlough and those who don't have access to computers or laptops. As an SME ourselves, we have implemented the following simple steps which have helped with employee engagement, a sense of belonging, team spirit and positivity - despite the current climate. Since March 2020, we have:

- Upgraded IT and sourced additional equipment having the right tools to enable us to do our job is paramount. Ensuring staff have the necessary equipment to operate effectively from home removes avoidable stress and burden from your employees.
- **Communications from the top** our CEO and COO have provided us with regular updates from their home offices, from how we as a business are doing and the challenges we may face, to how their baking skills are progressing. These insights allow regular 'virtual' interaction with staff.
- Morning Teams meetings various departments across the firm start the day with a Teams catch up. These 10-minute conversations allow for our teams to see each other (either in gallery view or speaker view, it's our choice), check in on how people are feeling, what they have on for the day and to pass work amongst the team as necessary. The calls are important for face to face (albeit virtual) interaction.
- **Routine and structure** as far as possible we have maintained our regular working routines and practices, including holding regular meetings, webinars, seminars and training sessions. The format of these may have changed, but the importance of them remains. It's vital that all staff feel they are supported, receiving the appropriate training and supervision and that they still have the opportunity to progress with their careers. We are also reminded to take a break as it's too easy to sit at your computer screen all day without the usual office distractions (or home-schooling distractions!).
- **Positive News** we have pro-actively been sharing positive news whether that's the latest deals to complete, success in litigation or welcoming new babies to the Myerson family.
- Socially Distanced Socials our social committee has worked hard to come up with new and interesting social activities that help to promote a team spirit (beyond a weekly quiz!). We have held virtual bingo, treasure hunts, bake off's and even completed our "Not the Hadrian's Wall Walk" after we had to cancel our actual charity walk along Hadrian's Wall.

We know that for many this Autumn and Winter is going to prove challenging; however, we hope that some of the hints and tips in this Autumn edition of Tech Lite will help your business along the way.







# You're in safe hands!

If you have any questions, contact a member of our expert Corporate Commercial Tech Sector Team today.

- Call: 0161 941 4000
- Click: <u>www.myerson.co.uk</u>
- Email: <u>lawyers@myerson.co.uk</u>





Myerson Solicitors LLP Grosvenor House, 20 Barrington Road, Altrincham WA14 1HB Tel: 0161 941 4000 | Fax: 0161 941 4411 lawyers@myerson.co.uk | www.myerson.co.uk | 🎔 @myersonllp

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