

Michigan Business Courts

The State of Michigan recently authorized the establishment of Business Courts. These courts are designed to enhance the efficiency and responsiveness of the Michigan court system to business disputes.

On Oct. 16, 2012, Michigan Governor Rick Snyder signed legislation aimed at increasing the efficiency of the Michigan court system and enhancing responsiveness for business cases. Beginning January 1, 2013, every County Circuit Court in Michigan will be authorized to establish a Business Court. Circuit Courts with at least three circuit judges will have a Business Court; those with fewer judges may petition the Supreme Court of Michigan for a Business Court.

Every Circuit Court in our immediate service area meets the three judge minimum for establishing a Business Court. Two Circuit Courts in this area – Oakland and Macomb – have already conducted pilot programs on the concept and have reported some success. Business Courts will consist of sitting circuit judges appointed to the Business Court.

Michigan Business Courts will hear cases which present a business or commercial dispute and the amount in controversy exceeds \$25,000. Cases assigned to the Business Court dockets include business governance, business torts, intellectual property, trade secrets, securities, business-to-business, environmental, employment, and insurance coverage disputes. Excluded from the docket are personal injury, product liability, medical malpractice, consumer protection, commercial landlord/tenant, non-commercial real estate, and commercial class action matters. A case need only be partially eligible for the Business Court docket to be assigned to those courts, even if one or more of the counts is excluded from these dockets.

We expect that the Business Courts will be beneficial to our business and commercial clients. These courts' familiarity with business and commercial issues and practices, and their repetition in handling such cases should make the potential case results more predictable and consistent with commercial law and values. Hopefully, Michigan's experience will eventually be at least somewhat similar to that found in Delaware, which has traditionally heard business and commercial disputes in specialized courts.

We are experienced and knowledgeable in the cases which are and will be heard by Business Courts. We will be active in the Business Court system, and will be well positioned to enhance our clients' experience and results in these courts.