



LEGAL CHALLENGES IN THE IMPLEMENTATION OF MULTIDOOR COURTHOUSE IN RESOLVING CORPORATE DISPUTES IN NIGERIA: LESSONS FROM NORWAY AND INDIA

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ABSTRACT

This paper critically examined the legal challenges inherent in the implementation of the Multi-Door Courthouse (MDC) model as a mechanism for resolving corporate disputes in Nigeria. The study was undertaken against the backdrop of persistent dissatisfaction with Nigeria's litigation-based justice delivery system, which has long been plagued by inordinate delays, high costs, procedural technicalities, and the resultant erosion of public confidence. Historically, dispute resolution in Africa relied on indigenous methods that emphasized consensus, reconciliation, and community participation. The growing recognition of Alternative Dispute Resolution (ADR) and the integration of the MDC model sought to bridge this gap by providing litigants with multiple options for resolving disputes in a more efficient, flexible, and culturally responsive manner. The aim of the study was to appraise the legal challenges in the implementation of the MDC in resolving corporate disputes in Nigeria. The findings revealed that although the MDC has made significant contributions toward decongesting the courts and promoting ADR in Nigeria, several challenges have hindered its optimal functionality. Chief among these were inadequate legal frameworks, jurisdictional ambiguities, limited awareness among corporate stakeholders, lack of enforcement mechanisms for ADR outcomes, and resistance from legal practitioners who remain largely inclined toward litigation. Institutional weaknesses, insufficient funding, and inadequate training of MDC personnel were also identified as barriers to the effective integration of ADR within the formal justice system. In addition, the absence of a unified national policy on ADR and the uneven adoption of MDC structures across Nigerian states have created inconsistencies that limit the growth of the system. In conclusion, the paper established that while the MDC has significant potential in transforming corporate dispute resolution in Nigeria, its success is contingent upon addressing the legal and institutional challenges that undermine its implementation. The paper recommended the enactment of comprehensive legislation that clearly integrates ADR and MDC mechanisms into the mainstream justice system, with provisions for enforcement of settlements as judgments of the court

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1. INTRODUCTION

We interact daily with each other as humans in different situations such as: family, business, personal, sports, employment, contractual among others. Many of these interactions will always, more often than not, give rise to rights and obligations which both side of the interactive process feels strongly entitled to. What happens when there is a failure to fulfill an obligation owed to another? The result will always be a corporate dispute. As a result, corporate disputes have become an unavoidable part of our interactive process. In recognition of this fact, it has become a known and accepted fact that one of the major functions of law is to provide reliable and objective systems for members of the society to resolve their corporate disputes.¹ A common factor in the justice delivery systems of most jurisdictions the world over, Nigeria inclusive is that it is primarily recognized as one of the basic obligations of a State. In most countries of the world great importance is attached to the law and the legal system which sets up the machinery known as judicial administration or the administration of justice.²

The colonialists brought to Africa, a method of corporate dispute settlement called litigation which is a formal mechanism for resolving corporate disputes have become the most common method utilized by Nigerians seeking resolution of their corporate disputes.³ Litigation is simply the process of taking legal action. It is an action brought in court to enforce a particular right. It is the act of process of bringing a lawsuit. When a person begins or commences a civil lawsuit before any court, the person enters into a process called litigation. Under the various rules of Civil Procedure that govern actions in State and Federal Courts in Nigeria, litigation involves a series of steps that may lead to a court trial and ultimately a decision which resolves an existing corporate dispute one way or the other.⁴

One of the major challenges that had for long been a major problem in the Nigerian judicial hemisphere as well as that of many other countries has been the issue of inordinate delay in the

¹ Alternative and Mediation Act 2025, Cap A18, LFN 2004, s 1

²C O Ajayi-Okunuga, 'Justice in Judicial Proceedings. Essays in honour of Judge Teslim Olawale Elias' E G. Bello and P B Ajibola(eds), *African Law and Comparative Public Law* (Niiholf Publishers:The Netherlands 1992) 20 – 30.

³ A Akeredolu, 'Court-Connected Alternative Dispute Resolution in Nigeria'(2011) (1) (1)*Unib Law Journal*, 45.

⁴E Ojukwu and C N Ojukwu, *Introduction to Civil Procedure*. (3rdEdn. Abuja Nigeria: Helen Roberts, 2009)301.



justice delivery system. The justice delivery system in Nigeria has in recent times come under attack for its slow-paced justice delivery system and excruciating delay in the administration of justice.⁵ Over time, a lot of issues and problems with the litigation system in Nigeria began to emerge most common of which was delay occasioned by long and protracted trials resulting to high cost of pursuing the determination and enforcement of an existing right in court.⁶

As a result of the foregone, the Nigerian populace, investors (local and foreign) as well as other major stakeholders began to express dissatisfaction with our courts system. This dissatisfaction led to increased resort to the recognition and utilization of a hitherto existing mode or systems of corporate dispute resolution collectively termed “Alternative Dispute Resolution.”⁷ Litigation in modern times has evolved the use of faster, or more efficient means of settlement or determination of disputes.⁸ One of these means is the alternative dispute resolution.⁹ Thus, it is now a known fact that litigation as a form of corporate dispute settlement and alternative corporate dispute resolution through multidoor courthouse systems now exist side by side in Nigeria and complement each other.

2. HISTORICAL OVERVIEW OF MULTI-DOOR COURT HOUSE PRACTICE IN NIGERIA

In Nigeria for instance, the court and the general administration of justice have been confronted by multi-faceted problems. There have been too many cases in the courts for adjudication. Some of these cases ought not to be in the court in the first place. A study¹⁰ conducted between 1996 and 1998 showed that about 10,000 fresh cases were filed in the Lagos State Judiciary alone. A result of this was that there was too much pressure on the resources, both human and financial, available to the State Judiciary. Besides, there was delay in obtaining trial dates. There were also difficulties in enforcing court judgments when obtained.¹¹

⁵ O J Orojo and M A Ajomo, *Law and Practice of Arbitration and Conciliation in Nigeria* (Lagos. Nigeria: Mbeyi & Associate Nigeria Limited, 1999) 4.

⁶Ibid.

⁷ H Folberg and others, *Resolving Disputes: Theory, Practice and Law* (2ndedn. New York: Aspen Publishers, 2010) 249.

⁸ J Amadi, *Modern Civil Procedure Law and Practice in Nigeria* (2nd edn, Port-Harcourt: Pearl Publishers International Ltd, 2020), 1665.

⁹ Ibid.

¹⁰ A Akeredolu, ‘Court-Connected Alternative Dispute Resolution in Nigeria’(2011) (1) (1)*Unib Law Journal*, 47.

¹¹Ibid.



The Lagos Multi-Door Courthouse (LMDC) is the first court-connected alternative corporate dispute resolution through multidoor courthouse centre in Africa. The centre was officially opened on Thursday, June 11 2002.¹² The LMDC is a collaborative project of the Lagos State judiciary and Negotiation and Conflict Management Group (NCMG) a non-profit organization promoting the widespread use of prompt, effective and economical means of resolving corporate disputes. The United State of American Embassy in Lagos provided the initial funds for the project. The Lagos Multi-Door Courthouse is a multifaceted corporate dispute resolution centre which for the first time in the history of the Nigerian judicial system offers court users viable, cost effective and time-saving alternative to resolving corporate disputes of diverse nature. This instead of the “mono door” of litigation which the court users are traditionally familiar, the Lagos Multi-Door Court provides three other supplementary “doors” as part of the court system, neutral evaluation and arbitration.¹³

The whole idea behind the establishment of the Lagos Multi-Door Court was not to dispense with litigation as a corporate dispute resolution mechanism. Indeed, for all practical purposes if that had been the intention of those who conceived the, idea, it certainly could not be realized. For all cases and parties are amenable to any of the alternative methods. Thus for such exceptional cases and parties, litigation will certainly come in handy to intervene to resolve them. However the Lagos Multi-Door Court was set up, in the words of the Executive Director of the Negotiation and Conflict Management Group “to enlarge resources for justice by providing enhanced, timely, cost-effective and user friendly access to justice for would-be and existing plaintiffs and defendants.”¹⁴

Some of the advantages of the Lagos Multi-Door Court include access to justice for a speedy resolution of corporate disputes, reduction in the cost of obtaining justice, harmonious coexistence, accommodation and tolerance in business relationship, public confidence and satisfaction with the justice system and high rate of voluntary compliance with the outcomes. The Lagos Multi-Door Court has recorded some measure of successes and this has led to a call for the replication of the concept in other jurisdictions in Nigeria. Already the High Court of

¹²E Ojukwu and C N Ojukwu, *Introduction to Civil Procedure*. (3rdEdn. Abuja Nigeria: Helen Roberts 2009) 301.

¹³ D I Efevwherhan, *Principles of Civil Procedure in Nigeria*. (2nd ed. Enugu: Snaap Press Ltd. 2013)1.

¹⁴ (n 12).



the Federal Capital territory, Abuja has established its own multi-door courthouse called Abuja Multi-Door Courthouse.¹⁵

The Multi-Door Courthouse concept has great potentials. It has saved users time, money, paper work and aggravation. Often, intake trained staff resolved corporate dispute during the intake process because of their training in conflict management, communication, negotiation, and problem solving. Besides, the intake services provided by the Multi-Door Courthouse the “doors” or corporate dispute resolution services, like mediation or arbitration, enjoy a comparable percentage of satisfied users. A major advantage of the concept to the judiciary is that it frees the court’s judiciary is that it frees the court’s judicial resources for those cases, which should not or cannot be resolved by the parties themselves. Thus, by providing alternative corporate dispute resolution through multidoor courthouse forum, the courts are better able to fulfill their responsibility of providing opportunities for resolving all types of conflict. The concept, in addition, affords the disputants the opportunity of participating in informal yet structured negotiation that lessens the cost, emotional strain and all the rancorous tendencies of traditional litigation.

3. PRACTICE AND PROCEDURES FOR MULTI-DOOR COURT HOUSE IN RESOLVING CORPORATE DISPUTE IN NIGERIA

A Multi-Door Courthouse is a courthouse or corporate dispute resolution centre designed to encourage courts and communities to find ways to offer citizens’ alternatives to courtroom trials for resolving corporate disputes.¹⁶ The initiative offers an intake and referral programme to assist in determining how and where various corporate disputes might be resolved. In addition, the Multi-Door Courthouse offers specific corporate dispute resolution services like small claims mediations, civil arbitration, domestic relations mediation, complex civil case evaluation and so forth.

One of the ideas behind the establishment of the Multi-Door Courthouse was to critically challenges and faults the traditional conception of a Courtroom as a corporate dispute resolution forum with only one door that is Litigation. Rather the concept, an Alternative Dispute Resolution programme, provides a comprehensive approach to corporate dispute

¹⁵J O Orojo and M AAjomo, *Law and Practice of Arbitration and Conciliation in Nigeria* (Lagos, Nigeria: Mbeyi& Associate Nigeria Limited 1999) 78.

¹⁶Orojo and Ajomo (n 15).



resolution.¹⁷ It follows, therefore, that the ideal courthouse is a multi-faceted resolution centre which offer disputants a number of options or “doors” in resolving corporate disputes. Therefore, instead of just one “door” leading to the Courtroom such a comprehensive justice centre would have as many doors” as possible through which disputants might pass to get to the appropriate corporate dispute resolution process.¹⁸ After all, disputants are more interested in the resolution of their corporate dispute and are likely to be favourably disposed to “any door” provided the “door” will meet their yearnings. Ordinarily, the Courtroom should be a place where corporate dispute begins, rather it should be a where corporate disputes end i.e. the last resort, after other viable alternative means of resolving corporate disputes have been considered, tried and exhausted.¹⁹

The Multi-Door Courthouse proposes that once a disputant approaches the court with a corporate dispute iii hand, the party is simply asking that he or she be directed to or be advised as regards the most appropriate “door” of the many “doors” in the court to enter. In other words, the disputant wants the corporate dispute to be referred to the most appropriate corporate dispute resolution hybrid.²⁰ A scholar described this process as “Match the forum to the fuss”. By this is meant that the same process cannot resolve all corporate disputes. While some corporate disputes are better resolved through negotiation or mediation, others tend to be more amenable to adjudicatory processes such as litigation, arbitration, minitrial, and so on.²¹

The Multi-Door Courthouse concept relies on sophisticated and responsive intake services staffed by workers trained in conflict management, communications and negotiation techniques.²² These trained workers are the first set of people that disputants meet on approaching the court. Usually, the trained staff diagnoses the corporate dispute and if possible resolve the corporate dispute on the spot. If, however, they cannot help resolve it on the spot,

¹⁷J K Gadzama, ‘Development and Practice of ADR and Arbitration in Nigeria’
<<http://www.nigerianlawguru.com/articles/arbitration/DEVELOPMENT%20AND%20PRACTICE%20F%20A.D.R.%20IN%20NIGERIA.htm>> accessed 20 August 2025.

¹⁸Ibid.

¹⁹Ibid.

²⁰F Ajogwu, *Commercial Arbitration in Nigeria: Law and Practice* (2nd ed. Lagos: Centre for Commercial Law Development 2013) 183.

²¹Ibid.

²²K Noussia, *Confidentiality in International Commercial Arbitration, a Comparative Analysis of the Position under English, US, German and French Law* (Springer-Verlag Berlin Heidelberg 2010) 12.



the trained staff refers the disputant to the most appropriate “door” in the judicial or social service system that will lead to resolution.²³

Multi-Door Courthouse is of American origin. As mentioned earlier some developed countries in the sixties such as the United States of America and Australia showed great interest in alternative form of corporate dispute resolution. The reason for this can be found in the alarming increase in cost of litigation, rising court costs and increasingly heavy court dockets. In addition, disputants found it difficult to access courts and were frustrated with the time and money involved in traditional court processes.²⁴ They therefore needed more efficient and satisfactory means to resolve their corporate disputes. Consequently, judicial and community leaders recognized that, in addition to conventional litigation, there was imperative need for other ways to administer justice in many types of civil and criminal cases.

The seventies also witnessed increased interest in alternative corporate disputes resolution. For instance, leading Jurist and Lawyers came together during the Pound Conference in Minnesota in 1979 to address popular dissatisfaction with the crowded justice system. It was at this Conference that Professor Frank E. A. Sander proffered a radically different vision of the American justice system in the name and style of the “Multi-Door Courthouse”.²⁵ In order therefore to address those concerns and several others, the proposal for Multi-Door Courthouse Project was accepted and designed to integrate such Alternative Dispute Resolution (ADR) methods such as mediation or neutral case evaluation into the American judicial process. The American Bar Association’s Standing Committee on Dispute Resolution first administered the concept as an experimental project beginning in 1983.

Procedure

A six-step intake model usually adopted in Multi-Door Courthouse was explained in *Court and Community: Partners in Justice*²⁶ as follows:

Step 1: Introduction: The intake-trained staff explains the intake procedure to the complainant and by providing g a comfortable atmosphere, the intake staff tries to develop a rapport with the complainant The intake staff seeks to court the confidence and trust of the complainant and

²³Ibid.

²⁴A AOluwabiyi, ‘A Comparative Legal Analysis of the Application of Alternative Dispute Resolution (ADR) to Banking Disputes’ [2015] 38 *Journal of Law, Policy and Globalization*, 5.

²⁵H Brown and Marriott, *ADR Principles and Practices*. (London: Sweet and Maxwell 1993)13.

²⁶(n 25).



assures the complainant the possibility of the corporate dispute being resolved without necessarily going through any of the adjudicatory processes.

Step II: Narration: The complainant is allowed uninterrupted period to explain his or her complaint while the intake staff records the essential information about the corporate dispute. The complainant also provides the names, contact and address of the person or persons complained against. Additional information as the in-take staff may require will be provided.

Step III: Problem Identification and Clarification: The in-take staff may also ask questions and seek clarification so as to enhance better and clearer understanding of the complaint and the various issues involved.

Step IV: Summary: After gathering the facts, the intake trained staff provides a synopsis of his or her understanding of the complaint.

Step V: Option List: The intake staff asks the complainant to help generate a list of ways in which the corporate dispute must be resolved. This stage involves examining the complainant's resources and evaluating the consequences of each option made.

Step VI: The Door: After completing the interview, the intake staff assists the complainant in constructing a plan of action or make proposal for the resolution of the corporate dispute. If the staff cannot help resolve the corporate dispute on the spot, he or she may refer the complainant to the most appropriate door for the resolution of the corporate dispute.

A number of factors determine how particular types of corporate disputes should be resolved or the door to which a complainant is referred. It is, however, critical in the field of alternative corporate dispute resolution through multidoor courthouse that each case be treated individually and according to the best interest of the parties. Thus, the nature of the corporate dispute and the relationship between the parties, among others, become critical factors for consideration in the choice of a forum for resolution of a corporate dispute. Although the Multi-Door Courthouse is of American origin, the concept has found favour and general acceptance outside the shores of that country.²⁷ This is attributed to diverse problems that have beset the administration of justice in some of these countries.

²⁷ A Kehinde, 'Alternative Dispute Resolution: Principles and Practice' Conference Paper Presented at the 23rd Advanced Course in Practice and Procedure Organized by the Nigerian Institute of Advanced Legal Studies, University of Lagos Campus, Akoka, Lagos and held from 3rd – 14th October 2003; A Kehinde, 'The Lagos Multi-door Courthouse and the Judge' [2004] (8)(3-4) *MPJFIL*, 340.



4. LEGAL ISSUES, LIMITATIONS AND CHALLENGES IN THE IMPLEMENTATION OF MULTI-DOOR COURT HOUSE IN NIGERIA

ADR cannot be a substitute for the larger justice system within which it must operate organically. One of the basic limitations of ADR is that it cannot define, refine, establish and promote a legal framework, although one is needed for it. Decisions or settlements reached through ADR methods such as negotiation, mediation and conciliation only constitute agreements between the parties and does not in any way establish any valid legal precedents. Existing laws can also not be refined through ADR. The interpretation or definition of any law within the legal framework of any country is the function of a court of law and this cannot be achieved through ADR. Decisions or settlements reached through ADR are also private and most times are unknown to non-parties and even where they become knowledge, they can only serve as a guide to encourage settlements of similar corporate disputes.

Secondly, ADR cannot redress systemic social injustices, discrimination based on ethnicity or gender, nor can it be used to address human rights violations. When human rights are under threat, it can only take the institution of the courts to declare such threats, perceived threats or violations as illegal and impose sanctions for the breach of human rights. Thus ADR is incapable of redressing systemic social injustices, discrimination based on gender etc.

When parties to a corporate dispute are of vastly different levels of power, ADR would be powerless in trying to resolve such conflicts. One of the reasons for this is that ADR thrives only where the parties agree to be subject to it. Thus, the party wielding so much power may refuse to subject itself to ADR and there is nothing that can be done in such circumstances except by recourse to the courts. The courts provide a level playing field for powers of unequal strength. Even the Federal or State Government and their Parastatals are subject to the control of the courts when judicial proceedings are involved.

ADR cannot resolve cases that require public sanction for demonstrative and equity purposes. Some corporate disputes may not only involve the interests of the parties directly involved alone but the interest of the society at large. Thus where cases require public sanction for demonstrative and equity purposes, it will be inappropriate for parties to seek to use ADR.

The challenges are as follows:

Lack of Adequate Understanding of the System



A large number of legal practitioners in Nigeria are yet to fully understand ADR methods and processes and as a result are ignorant of its workings. As a result, many legal practitioners do not even recommend ADR to their clients.

Suspicion of Major Stakeholders with Respect to ADR:

ADR is still viewed with so much suspicion by legal practitioners and some judges. Many legal practitioners believe that resorting to ADR will take food off their table and so they are usually very reluctant to recommend ADR to their clients. With such occurrences, it will indeed be quite difficult for the system to be fully appreciated and resorted to by parties to corporate disputes.

Mistrust by Client

A large number of potential clients and clients do not trust the ADR mechanisms as they are doubtful of its ability to meet their needs and so they will always opt for litigation. Also, some clients view resorting to ADR as a sign of the weakness of their case and so in order not to create this impression, they will always insist on litigation. Perhaps, this can be as a result of the fact that their legal representatives do not also take time to explain the pros and cons of ADR properly to them. Gadzama views this phenomenon as skepticism towards ADR and states that parties in corporate disputes are skeptical of settlement of corporate disputes outside courtroom and thereby not easily convinced to transfer matters to Arbitration or ADR.²⁸

Insistence on Litigation

Some businesses insist on resolving complicated commercial corporate disputes by initiating legal proceedings in Court while some legal practitioners prefer to litigate a matter subject to arbitration. In spite of the continual training of Judges on the role of arbitration in corporate dispute resolution, some Judges are still hesitant in referring matters to arbitration as a result of their fear that arbitration may gradually usurp their roles and the powers of the Courts. This ingrained culture of litigation is a major problem to the growth of arbitration in Nigeria.²⁹

²⁸ J K Gadzama, 'Development and Practice of ADR and Arbitration in Nigeria' from <<http://www.nigerianlawguru.com/articles/arbitration/DEVELOPMENT%20AND%20PRACTICE%20OF%20A.D.R%20IN%20NIGERIA.htm>> Accessed 20 August 2025.

²⁹ Emmanuel Ekpenyong. 2014. Nigeria: The Problems Militating Against the Growth of Arbitration in Nigeria. StrachanPartners.<<http://www.mondaq.com/Nigeria/x/322946/Arbitration+Dispute+Resolution/The+Problems+Militating+Against+The+Growth+Of+Arbitration+In+Nigeria>> Accessed 27th August, 2025



Courts have never felt comfortable to give away their duty of justice administration.³⁰ Historically, they have always desired to lead the process of justice administration, including the evolution of arbitration.³¹

Poor Drafting of Arbitration Clauses

With respect to Arbitration, a poorly drafted or ambiguous arbitration or submission agreement may lead to ambiguity and confusion. An arbitration or submission agreement which does not clearly state the number and method of selecting the arbitrators, the scope, venue, seat, language, rules of arbitration, and governing law of the arbitration may delay the arbitration proceedings or even defeat the parties' intention of resolving their commercial corporate dispute through arbitration.³²

Unfavourable Arbitration Clauses

Furthermore, the growth of international trade and investment is supposed to develop Nigeria's arbitral institutions and its culture of arbitration. But in most business transaction between Nigerian and foreign partners, the Nigerian partner is tacitly made to execute a ready-made template prepared by the foreign partner with the seat of arbitration at the foreign partner's country or other foreign jurisdiction. This trend has greatly hampered the growth of Nigeria as a foremost arbitration center in Africa and discouraged local partners from invoking the arbitration clause when a corporate dispute arises.³³

Attempts to Set Aside Arbitration Awards

Though an arbitral award is final and binding, the losing party may seek leave of Court to set aside the award on the grounds of misconduct of the Arbitrator. For commercial corporate disputes with huge financial implications, the losing party may even appeal to the Court of Appeal and then the Supreme Court if the application to set aside the award is dismissed. In such a circumstance, the winning party may be exposed to the same troubles faced by a litigant in conventional Courts.³⁴ Thus, widespread misuse of the courts by desperate counsel has been

³⁰ F Ajogwu, *Commercial Arbitration in Nigeria: Law and Practice* (2nd ed. Lagos:Centre for Commercial Law Development 2013) 183.

³¹K Noussia, *Confidentiality in International Commercial Arbitration, a Comparative Analysis of the Position under English, US, German and French Law*, Springer-Verlag Berlin Heidelberg, 2010) 12.

³² (n 19).

³³ (n 15).

³⁴(n 15).



identified as one of the biggest challenges inhibiting the growth of arbitration and other ADR processes in Nigeria.³⁵ Also some judges see arbitration and ADR generally as an extension of local litigation and are willing without let, to intervene, often by granting injunctions when requested to do so by one party.³⁶ A similar misuse of the courts occurs when arbitral awards or settlements agreed to under ADR mechanism are sought to be enforced. More often than not, counsel will advise their clients to resist enforcement and challenge an award through the Nigeria Courts system. Grounds of challenge are usually more like grounds of appeal in spite of the limited grounds for challenge stipulated under the Arbitration and Mediation Act 2023 of Nigeria.³⁷

Lack of Clear Legal Framework for Negotiation and other Dispute Resolution Methods:

the Arbitration and Mediation Act 2023 only recognizes Arbitration and Mediation and so other methods of ADR are neglected. This often leads to uncertainty as to within what legal framework such ADR methods like mediation, early-neutral evaluation and other hybrid processes can be conducted. Absence of rules of practices and procedures for some of these ADR methods also limits the parties' understanding of the processes and how to engage them.

5. PROSPECTS FOR THE PRACTICE OF MULTI-DOOR COURT HOUSE IN CORPORATE DISPUTES IN NIGERIA

ADR has gained popularity over litigation due to a number of factors which makes it more prospective compared to litigation. Some of those factors include but is not limited to the following:

Relatively Less Expensive and Cost Saving: This has been identified as one of the prospective advantages of ADR over litigation.³⁸ Negotiation, mediation and conciliation may involve less cost when compared to the cost of litigation. This is especially so when the efforts at negotiation, mediation or conciliation are successful. Where however, any of this method fails and the parties still have to resort to litigation, then it may not be correct to say cost has been saved, rather more cost may have been accrued. The situation may however not be totally

³⁵A AOluwabiye, 'A Comparative Legal Analysis of the Application of Alternative Dispute Resolution (ADR) to Banking Disputes' [2015] 38 *Journal of Law, Policy and Globalization*, 5.

³⁶Ibid

³⁷(n 35).

³⁸E Ojukwu and C N Ojukwu, *Introduction to Civil Procedure*. (3rdEdn. Abuja Nigeria: Helen Roberts 2009)296.



true for arbitration which has been perceived by some as more expensive than litigation even though this perception remains debatable. However, generally speaking, using ADR may be significantly cheaper than going to court, especially if the case is settled at a relatively early stage before costs build up, and if a relatively inexpensive method such as negotiation is used.³⁹ The implication of this is that negotiation may be cheaper than mediation or conciliation which may in turn be cheaper than arbitration. This potential advantage will decrease if ADR is not attempted until a relatively late stage (as costs will already have accumulated), and/or if a relatively expensive form of ADR such as arbitration is selected.⁴⁰

Faster Resolution of Disputes: It has been stated that resorting to ADR saves time.⁴¹ ADR offers a faster way to resolve corporate disputes. This enables the parties to avoid long and lengthy trials in courts which may still not end well for either side of the corporate disputes. It is now a common fact that our courts are overburdened with cases day in day out. The volume of litigation coming before the courts keeps on increasing at a proportion higher than can be comfortably handled by the courts. These are factors that come together in slowing down the justice dispensation process.⁴² Parties could, through the instrumentality of ADR, escape the disadvantages of pursuing a lengthy trial in court. A case can take months or even years to reach resolution in court and that time frame may be extended if there is an appeal.⁴³ The situation can be significantly worse in Nigeria. Through some ADR methods such as negotiation, mediation or conciliation, a corporate dispute can be resolved as quickly as it arises thereby saving the parties considerable time.

Not adversarial: Ojukwu and Ojukwu identify this feature as an advantage of ADR.⁴⁴ Going to court can risk making a bad situation worse. That's because the legal system is adversarial – it puts one side against the other, and at the end there is a winner and a loser. Using ADR methods especially negotiation, mediation, and conciliation where parties talk to each other to find a solution agreeable to them and with which they can live with, can help preserve an ongoing relationship. This is especially important in corporate disputes of commercial nature and corporate disputes involving parties who have one form of close and beneficial relationship

³⁹ H Brown and Marriott, *ADR Principles and Practices*. (London: Sweet and Maxwell 1993)13.

⁴⁰(n 39).

⁴¹ (n 26).

⁴²Ibid.

⁴³(n 27).

⁴⁴ (n 26) 295.



or another. This doesn't mean keeping silent when you disagree, or agreeing with someone when you don't. It means hearing the other person's point of view, and having them hear yours, and agreeing what happens next.

Flexibility and Reduced Formality: ADR processes are usually more flexible than the court process. It has been described as less formal, and more sensitive to disputant's concerns.⁴⁵ Negotiation, Mediation and Conciliation proceedings can be initiated through letters and carried out through meetings or even via phone calls or *skype* or exchanges of correspondences through mails or electronic mails. These methods will not involve formal hearings. Mediators and Conciliators will usually bring both parties together for a face-to-face discussion. With this, the flexibility of the processes can be assured as the proceedings leading to successful settlement are determined by the parties themselves and thus they are not subject to stringent and compulsory rules of practices and procedures as is the case with court litigation.

Litigation on the other hand is a process that follows a set of rules which have already been laid down over time and from which the parties are not free to deviate. Rules of court bind not only the parties but the court as well as the court cannot unlawfully travel outside them to do things the way the court whimsically deems fit.⁴⁶ Therefore both parties and the court must, therefore, obey the Rules of the court before which they have brought their corporate disputes for resolution.⁴⁷ In litigation proceedings, there are rules guiding the commencement of claims, rules regulating the making of interlocutory applications and so many other rules. As a result, the court environment has become too formal and sometimes intimidating to ordinary citizens who are not uneducated and have to be subjected to technical and complex procedures of the court.⁴⁸

Privacy of the Process: The process of litigation is open to everyone. As the latin maxim goes, *iustitia non est nisi fiat, sed fieri potest* (justice must not only be done, but must be seen to be done).⁴⁹ In contrast, ADR is widely acknowledged to be a private process where only the parties concerned as well as their legal representatives are involved in the process to the exclusion of

⁴⁵(n 26) 295.

⁴⁶ *Bhojsons Plc. v Daniel kalio* (2006) All FWLR (Pt. 312) 2038.

⁴⁷ *Bayero v Mainasara & Sons Ltd.* (2007) All FWLR (Pt. 359) 1285.

⁴⁸ M D Abubakar, *Alternative Dispute Resolution and Restorative Justice* (MIY 2010) 282.

⁴⁹ *R v Sussex Justices, Ex parte McCarthy* (1924) 1 KB 256, (1923) All ER Rep 233).



all other parties. Thus, where parties crave privacy and confidentiality, ADR tends to deliver these requirements better than litigation.

6. PRACTICE OF MULTI-DOOR COURT HOUSE RESOLVING CORPORATE DISPUTES IN OTHER JURISDICTIONS

Norway

The concept of the Multi-Door Courthouse (MDC) has gained traction globally as a transformative approach to corporate dispute resolution, offering litigants a suite of alternatives: mediation, arbitration, conciliation, and early neutral evaluation within a single institutional framework.⁵⁰ While Nigeria continues to grapple with legal and institutional challenges in implementing the MDC model, Norway presents a compelling case study of how a multi-door approach, though not formally labeled as such, has been effectively integrated into its legal and commercial corporate dispute resolution landscape.

In Norway, the resolution of corporate dispute is largely facilitated through a robust network of Alternative Dispute Resolution (ADR) mechanisms, many of which are coordinated by institutions such as the Arbitration and Dispute Resolution Institute (ADRI) of the Oslo Chamber of Commerce. Although Norway does not operate a Multi-Door Courthouse in the formal sense, the ADRI functions as a centralized hub offering arbitration, fast-track arbitration, and mediation services tailored to commercial and corporate dispute.⁵¹

One of the key strengths of Norway's system is its emphasis on party autonomy and procedural flexibility. Corporate entities are encouraged to include corporate dispute resolution clauses in their contracts, specifying arbitration or mediation through ADRI. This proactive approach reduces litigation risks and ensures that corporate disputes are resolved in a manner aligned with the parties' commercial interests.⁵²

However, the Norwegian experience also highlights the importance of institutional credibility and stakeholder engagement areas where Nigeria's MDC system faces persistent challenges. Furthermore, Norway's corporate dispute resolution framework incorporates conciliation

⁵⁰H Brown and H Marriott, *ADR Principles and Practices*.(London: Sweet and Maxwell 1993)13.

⁵¹ (n 50).

⁵² (n 50)..



boards at the municipal level, which handle low-value corporate disputes and encourage amicable settlements before cases escalate to formal litigation.⁵³

The lessons Nigeria may learn from here are:

1. Nigeria can learn to institutionalize ADR through centralized, professionally managed hubs like Norway's Arbitration and Dispute Resolution Institute, ensuring consistency and credibility in corporate dispute resolution.
2. Norway's emphasis on party autonomy and proactive inclusion of corporate dispute resolution clauses in corporate contracts highlights the need for Nigerian businesses to adopt preventive legal strategies.
3. The integration of ADR into Norway's legal culture supported by education, judicial endorsement, and enforcement shows Nigeria the importance of building public trust and stakeholder engagement beyond mere legislation.

India

The Indian legal system has long recognized the need for alternative corporate dispute resolution through multidoor courthouse (ADR) mechanisms to complement traditional litigation. The Multi-Door Courthouse model, though not uniformly institutionalized across all states, has been embraced in various forms through court-annexed mediation centers, Lok Adalats (people's courts), and private arbitration forums.⁵⁴ These platforms offer parties a range of corporate dispute resolution options mediation, arbitration, conciliation, and negotiation under one administrative umbrella.

In India's MDC practice, its integration with the formal judicial system. Courts routinely refer cases to ADR centers under Section 89 of the Indian Civil Procedure Code, which mandates the use of ADR in suitable cases. This statutory backing ensures that corporate dispute, which often involve complex contractual and financial issues, are filtered through mechanisms that offer specialized expertise and faster resolution.⁵⁵ Arbitration, for instance, is widely used in India for high-value corporate dispute, with parties empowered to appoint arbitrators with domain-specific knowledge. The Indian Arbitration and Conciliation Act of 1996 further

⁵³Ibid.

⁵⁴ S Blake, J Browne and S Sime, *A Practical Approach to Alternative Dispute Resolution* (New York: Oxford University Press Inc. 2011) 304.

⁵⁵ J Parris, *The Law and Practice of Arbitration*. (Great Britain: George Godwin Ltd 1974)1.



reinforces this practice by providing a comprehensive legal framework for both domestic and international arbitration, including enforceability of awards under Section 36.⁵⁶

Mediation, another pillar of the MDC model, has gained traction in India's corporate sector, especially in corporate disputes involving shareholders, joint ventures, and intellectual property. Court-annexed mediation centers, such as those in Delhi and Bangalore, offer structured processes facilitated by trained mediators.⁵⁷ The practice of Multi-Door Courthouse in India provides a pragmatic and adaptable model for resolving corporate dispute. Its emphasis on party autonomy, procedural flexibility, and integration with the judicial system aligns closely with the goals of Nigeria's MDC initiative.⁵⁸

Lessons that Nigeria may learn from the Indian situation are:

1. Nigeria can adopt India's statutory mandate under Section 89 of the Civil Procedure Code to encourage court referrals to ADR, thereby integrating the Multi-Door Courthouse model more effectively into the judicial system.
2. The widespread use of court-annexed mediation centers in India shows Nigeria the value of institutionalizing mediation within its MDCs to handle corporate dispute with speed and confidentiality.
3. India's emphasis on training and certifying neutrals highlights the need for Nigeria to invest in professional development to ensure quality and consistency in MDC corporate dispute resolution outcomes.

The study concludes that the Multi-Door Courthouse (MDC) represents a significant innovation in Nigeria's justice delivery system, particularly in addressing the inefficiencies of litigation in corporate dispute resolution. By offering disputants multiple options such as mediation, arbitration, conciliation, and neutral evaluation under judicial supervision, the MDC promotes flexibility, cost-effectiveness, and speed while preserving business relationships. However, its current application in Nigeria remains limited by structural and legal constraints, including inadequate statutory backing for some ADR mechanisms, weak enforcement of

⁵⁶ F Elkouri, and E Elkouri, *How Arbitration Works* (4th ed. Washington DC: BNA Books cited in Akeredolu) 49.

⁵⁷Ibid

⁵⁸Ibid.



settlements, insufficient awareness among disputants, and resistance from legal practitioners who still prioritize adversarial litigation.

Nonetheless, the prospects for the MDC in Nigeria are promising if key reforms are pursued. Experiences from jurisdictions like India and Norway demonstrate that statutory recognition, institutional credibility, and professional capacity-building are crucial to effective MDC practice. For Nigeria, expanding the MDC framework nationwide, harmonizing its procedures with corporate law, and ensuring stronger enforcement mechanisms would enhance investor confidence and support economic growth.

7. RECOMMENDATIONS

1. The practice and procedure of Multi-Door Courthouse in Nigeria should be strengthened through standardized guidelines and wider public sensitization to ensure uniformity and accessibility in resolving corporate dispute.
2. A comprehensive legal framework should be enacted to address the enforcement of ADR settlements, regulate neutrals, and overcome systemic resistance to the effective implementation of Multi-Door Courthouse in Nigeria.
3. The prospects of MDC can be maximized by expanding its establishment across states, training professionals, and integrating corporate-friendly ADR policies to enhance investor confidence and judicial efficiency.
4. Nigeria should draw from successful models in jurisdictions like India and Norway by adopting statutory mandates, institutional capacity-building, and professionalization of ADR practitioners to strengthen its Multi-Door Courthouse system.