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The following appears in Discovering Agreement: Contracts that Turn Conflict into Creativity (Amer. Bar Assoc., Flagship 2016). Reprinted with permission.
INTRODUCTION

The radio report of the second tower’s collapse came as I was turning into the office parking garage at the end of my morning commute. I rode the elevator to the 25th floor, picked up my computer, told my secretary to go home, and left the office. The tragedy of all those people whose lives ended so suddenly in their offices stunned me, and in the mental stillness that followed, a question I could not ignore began to grow in my mind. Was my legal practice the work I wanted to be doing on the day I died?

September 11, 2001 was the last day I was able to kid myself about how I felt practicing law.

I’d been working as an associate in big law firms since my graduation from law school four years earlier. A highly effective advocate, I often joked with colleagues and clients that the opposition had no chance; we would “squish ‘em like a bug.” At the same time, anxiety had become a constant in my life, like a low-grade fever I could never really shake off. There was plenty to love about the job. The pay was great. I was good at what I did. Clients loved me. I got along well with colleagues. But I felt an ever-increasing uneasiness in my role as enforcer and combatant.

September 11, 2001 was also a first day. It was the day I started to really study the relationship between power and violence.

Was it possible to respond to horrific violence in a powerful way without becoming perpetrators of harm ourselves? I began to think about Gandhi—an example of powerful nonviolence, “powerful” because his approach was effective to obtain results. Remembering Gandhi was a contemporary of Hitler, I started searching for what he had said about nonviolence in response to Nazi atrocities.

Gandhi believed a violent response will always have a cost. When asked, he said that a nonviolent response could, eventually, end the Nazi horrors, but that many, many people would die in the meantime. And he said something more. He said that while a nonviolent response is always better (because it does not carry within it the seeds for retaliation and further violence), if one is not capable of responding nonviolently, then one should take whatever measures necessary—even violent ones—to stop injustice.1

He named his approach to power and nonviolence by coining the word, “satyagraha.” The word itself holds the key to Gandhi’s approach. “Satya” means “truth” and “agraha” means “hold tight.” For him, the power of nonviolence was rooted in the principle and practice of “holding tight to truth.”

The more I learned about nonviolent principles and practices, the more I became convinced that a truly nonviolent response is the most powerful and effective way to end injustice and engage conflict. In the course of my studies, I witnessed nonviolent responses to harm bringing healing, restoring relationships, and a trustworthy foundation for community and safety.

But believing and practicing were a world apart from one another. As a lawyer—living in the arena of conflict—I hated the bullying. I hated being bullied, and I hated being a bully. Yet, it was my job to not only be a bully, but a paranoid one. It seemed to me that “truth” was not a useful word in the legal field. Truth is subjective, so we assume it is pointless to try and figure out what is true. We focus instead upon what we can get for the client. We understand “power” as being the ability to dominate and control a situation or outcome. We keep our eye on how to protect self and client while controlling the actions and choices of others.

The process that I have come to call “Discovering Agreement” developed out of my experiments with applying Gandhi’s principles of nonviolence and satyagraha in the context of a conventional legal practice, in particular, the negotiation, drafting, and enforcement of contracts.

A key moment came when I stopped seeing the other party as an opponent. My approach to negotiation conversations changed. It began with curiosity about what was driving the other parties’ choices. Once they realized I was genuinely interested in understanding their point of view, the other parties began to relax. By connecting with them at the point where they were most invested, I found I was able to open a meaningful dialogue.

I see ‘dialogue’ as distinct from ‘negotiation.’ Negotiations tend to be serial monologues with each speaker only listening to the other for the purpose of preparing a rebuttal or manipulative response. By contrast, dialogue is a conversation where participants are actively engaged in seeking mutual understanding, in trying to convey and receive true meaning. Dominic Barter, a well-known teacher (and he would insist student) of nonviolence, uses “dialogue” to mean, a nonhierarchical conversation among equals with no

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known outcome, conducted with willingness to be influenced and changed by what we hear. I found that my willingness to look at things from other people’s point of view, to sincerely try to understand their interests and needs, opened in them a reciprocal willingness to listen and understand why their actions were triggering objections from the estate.

It is never easy, in situations we are conditioned to see as adversarial, to drop the idea that the other party is an opponent. I was far from adept. I still feel angry when I look back at some situations, and I feel some regret for my own lack of skill in handling them at that early stage. But I learned from every experience, and each time, I did a little better. I stopped my “identify and defeat the enemy” game a little sooner each time and began to enter conversations by exploring what really mattered to each of the parties—why they wanted to enter the relationship and work together (rather than making the effort separately or with other co-parties). This was the practicum in “holding tight to truth”—my client’s truth and the other party’s.

Taking this approach interrupted more typical adversarial patterns, allowing everyone to begin releasing their defensiveness. Starting from a point of shared values and vision oriented us as partners in co-creating a future everyone desired rather than as adversaries battling for opposing positions. We were better able to listen carefully, clarify the needs, goals, and visions we each held, identify which were being served and which were not, and then co-design agreements that worked for everyone without sacrificing or betraying anyone’s core values and visions. And we were able to design for the parties their own, proprietary system for dealing with disruptive change and conflict—without having to resort to destructive legal proceedings.

The practice of “Discovering Agreement” has enabled me to continue to practice law—as a Satyagrahi. My public/work life and my interior/personal life are no longer on separate tracks. Being a powerful advocate for my clients does not require sacrificing my principles or betraying my deeply held values.

What follows is the first chapter from the book “Discovering Agreement”—a book about how the approach works, how it can be integrated into the practice of law, and what I have learned as I applied the principles and process of nonviolence to all of my work for clients and for myself. It is about a new way to approach contracts and contractual relationships—a new way to have the conversation.

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People who embark on legal careers almost universally do so because they envision a better world. They see a wrong that needs to be righted and believe they can help bring positive change through their work and expertise. This dedication to pursuing and achieving a better world is what gives meaning to their work. But often they find, no matter what their level of expertise or dedication, “The System” is structured and functioning as an obstacle rather than a vehicle for positive change. Lawyers and their clients routinely rant about the legal system, contracts, and courts, and how the legal system negatively impacts business and personal relationships, goals, and success.

CHANGING THE CONVERSATION

My client, J, was beaming as he introduced me to his buddy, “This is Linda, our lawyer. She did our contract with K.”

J’s smile evaporated when his friend replied, “I hope you never have to use it.”

The emotion in his reply told me that this man was speaking from harsh experience—the experience of trying to use contract terms and conditions to achieve safety and restore harmony.

If “using” the contract is a miserable eventuality, best avoided, why do we have them? Contracts should be helpful and positive. They should provide frameworks and systems for success. The general dread and distaste with which people approach contract formation and enforcement indicates that something has gone seriously wrong. This, in a nutshell, is why we need a new conversation about contracts.

In the current conversation, we start from the premise that the parties are opponents engaged in competition. Deal making is approached as an adversarial proceeding, with each party trying to win an advantage over the other. Never mind that the parties are in negotiation because they want to form a working relationship for mutually beneficial purposes. Lawyers talk about “winning the deal” and characterize their role as representing their client “against” the other party. Bargaining power is understood as the ability to dominate the situation and coerce the other party. We expect each side to fight for a greater share of benefits while trying to shift the burden of loss and risk onto their counterpart. The whole process is typically treated as a zero-sum game where any gain by one side imposes an equivalent loss on the other.

The contract document is considered the expression of the parties’ relationship, comprising hard-fought deal points and whatever weapons and shelters the lawyers
have managed to embed in the boilerplate (those murky paragraphs usually disregarded by the parties and left to the lawyers to parse and haggle over). If either party feels there is an un-even distribution of benefits or risks, then the relationship is experienced as one-up/one-down. The par-ties begin performance of their contrac-tual obligations with at least one of them operating under the bruised certainty that they have lost some-thing in the negotiation.

The lingering impact of this adversarial process is that the parties have formed a relation-ship based on scorekeeping and often have established characterizations of the other party as uncooperative, unfair, or bullying. Frequently, both par-ties feel they’ve been taken ad-vantage of, and this can trigger a tendency to look for ways to get back at the other, perhaps by giving only the barest minimum performance or by gaming the contractual language to circum-vent what one perceives as an unfair requirement.

By casting deal making as an interaction between opposing parties and memori-alizing the adversarial culture in the contract language, seeds of future dissent and conflict are planted in the parties’ founding interactions and document. When you think about it from a “non-legal” perspective, it seems like a pretty lousy way to begin a relation-ship.

There is, of course, legitimate tension between the interests of two parties when they are striking a bargain. We form cooperative business relationships to improve our position and performance in a competitive marketplace, and in almost every instance there is a balance that must be struck between cooperation and self-interest. Within these cooperative relationships, each of us remains wary of that ephemeral boundary between what is good for the overall, collective effort and what is best for us, as individuals. This inherent “Me vs. Us” tension puts plenty of strain on the cohesion and harmony needed to make the relationship work smoothly even before we engage in the conventional adversarial process of contract negoti-a-tion and drafting.

Contract law is designed to provide a structure and system for managing these tensions and dealing with the conflicts that arise in human cooperation. But how well is our current sys-tem serving the needs contracts are intended to meet? The system and its under-lying mindset are so deeply engrained in our collective psyche that we have ceased to notice them, much less question whether the contracting process is all it could be.

**EXPECTATIONS VERSUS REALITY**

From the business point of view, the overarching purpose of the contract is to create safety for the parties in their working relationship and shared endeavor. The document’s technical goal is to define a set of legally enforceable duties, rights, and
promises that the parties have consented to undertake, exchange, and be bound by. A written contract is the mechanism the parties use to establish clarity, predictability, and accountability—allowing everyone involved to enter the bargain with confidence and a sense of security.

Typically, the parties just assume that the existing legal system adequately supports this sense of confidence and security. They file the contract away and go about their daily business, making decisions on the fly, responding to a dynamic marketplace, and taking whatever actions make the most sense in the given moment with available information. Only when a problem arises does the contract come out of the drawer.

When the parties find themselves embroiled in a difficult conversation or set of circumstances, it quickly becomes apparent that “The System” has critical limitations and deficiencies. In practice, clarity is rarely a hallmark of business contracts, predictability is impossible in today’s fast-paced, disruptive marketplace, and using the legal system to impose accountability is incredibly slow, expensive, quixotic, and destructive.

When trouble does rear its ugly head, everyone starts scouring the contract language, comparing the agreed course of action with what has actually taken place, keeping score to see which party has wandered farthest (or most profoundly) from the stated terms. The parties may face changes in the law or changes in circumstances that no one anticipated at the time the contract was created. Usually, they discover that no one has been following it completely, and even if they think they have, the meaning of the contract’s terms is open to conflicting interpretations.

Contract language is parsed, spun, stretched, and twisted in lawyerly gamesmanship. Arguing about the meaning of the contract language pushes the conversation towards escalating conflict. Assigning blame is essential to knowing who will bear the burden of the loss that looms, and the focus on who is at fault for getting them into this mess increases the parties’ polarization. The contract is used in a duel to the death over competing interpretations and counteraccusations of breach. No wonder people hope they never have to use their contracts!

This is not to say that a written contract is worth-less. On the contrary, without a written document, the parties run an even greater risk that the legal system will be used to subvert their intentions, destroying relationships and value. Oral agreements can easily devolve into conflicts over existence, interpretation, and enforceability of the most basic terms.

Nevertheless, while it has its good points, the conventional approach undeniably generates toxic by-products. Combative mindsets generate tactics that damage relationships, setting up and perpetuating an adversarial power dynamic between the parties. Negotiation and drafting bog down in acrimonious haggling, and the ulti-
mate document is typically dense with terms and conditions that the parties don’t fully comprehend. Lawyers are perceived as a necessary evil, nay saying purveyors of pessimism who taint the parties’ relationship with distrust and paranoia.

For lawyers themselves, there is an uncomfortable dissonance between what clients tend to expect (the lawyer will win the deal and create terms that are bullet-proof) and the reality of what is possible. Many people delay bringing lawyers into their deal-making conversation out of distaste for the formal negotiation and drafting process. Once the contract is completed, they ignore or hide problems rather than deal with them early on, because pulling the contract out of that file drawer, arguing about interpretation, and casting blame make things worse rather than better. It is a toxic system and cycle.

Taking that rare step backwards and examining the way we approach contract negotiation, drafting, and enforcement reveals the plain reality that the prevailing mindset and procedures are not providing the safety and responsiveness that businesses and individuals have a right to expect. Long adherence to the adversarial mindset has generated a legal system and contractual norms that are neither agile nor efficient. Contractual language is vulnerable to reinterpretation, and litigation processes are slow, expensive, burdensome, and harmful to all parties. Litigation is virtually guaranteed to destroy whatever productive potential might have remained for the contracting parties’ relationship and endeavor.

RELINQUISHING POWER

What is more, the conventional process essentially dis-empowers the parties. Once a contract is created, the parties no longer hold the power over how its language will impact them. A third-party adjudicator has the ultimate power to decide what their contract means and how their conflict will be “resolved.” This third-party-decider structure leads to a process of drafting contracts and conducting disputes that emphasizes convincing an outsider to take coercive action on behalf of one party or the other.

The parties, essentially, pour their power into the document and then seal it with their signatures. If a dispute arises that the parties can’t resolve on their own, they must go as supplicants to the Great Interpreter (the court of law or arbitration). The adjudicator is the one who unlocks the scope and meaning of the contract terms, wielding the power of interpretation and coercion to impose a prescribed solution—whether the parties are happy with it or not.

The ultimate decision-making power has been deposited in the contract to be extracted by a so-called “disinterested” third party: “The System.” But is the system really a disinterested outsider?
The larger system is not designed to solve the parties’ particular problem; the system’s function is to dictate an outcome for their dispute. Admittedly, it would be unrealistic to ask the court system to handle the full complexity of real life on a case-by-case basis. The litigation process is already unwieldy and expensive in the extreme.

Over the course of litigation, each individual case is trimmed of its complexity and is stripped down to its core issues and facts, so it can be correlated to prior cases with the same or similar fact patterns and issues. This trimming and reframing is the locus of the lawyers’ and judges’ work, and much of the briefing, arguing, and agonizing is focused here. Once an identifiable pattern type emerges, the outcome associated with that pattern type is pulled from legal precedent and imposed on the situation regardless of whether the prescribed result is actually beneficial or wise in the fuller, deeper, particular context of the real-life parties and circumstances. Far too often, abstraction trumps context, reality, and wisdom. Outcomes that are bad for all parties and for the marketplace will be imposed where they satisfy precedent. Parties must be consoled by the assurance that even if the legally correct outcome does not make good sense for their unique situation, the greater good (systemic stability and predictability) has been served.4

**PREDICT AND CONTROL**

We think of dispute resolution as something that takes place after a dispute has arisen, but in actuality, formation and drafting of the contract is a crucial first step in dispute resolution. Contracts are largely treated as tools for predicting and controlling potential conflict and associated risk. The conversation revolves around imagining problems that could arise in the future and negotiating predetermined resolutions. Lawyers focus on creating mechanisms for enforcing promises and allocating the burden of loss should the parties face crisis or disagreement down the road.

These prefabricated resolutions are written into the contract with the intent of setting ahead of time the outcome that will be triggered if those particular circumstances arise sometime down the road. But it is impossible to accurately predict and control for all eventualities. The only thing certain is uncertainty. The context during planning can be very different from the context when the terms of the contract are eventually triggered, and what seemed like a great and fair solution at the time

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4 This has long been identified as a problem in the way our system handles contracts, see Holmes, Oliver Wendell, Jr. The Path of the Law.” 10 HARV. L. REV., 457, 460–61 (1897).
the agreement was drafted can turn out to be unrealistic and destructive under new circumstances.

When contract terms are inadequate for managing a crisis or conflict, the parties turn to the legal system that is unwieldy, slow, and directed more towards preserving precedent than creating productive solutions for the parties. This is the state of affairs that we all take for granted. We assume it is the only viable course of action. We have stopped asking ourselves whether the current state of affairs is acceptable to us. The whole system is essentially invisible to everyone involved. Eliminating blind spots starts with questioning the obvious.

SAFETY AND POWER

The meaning of the term “safety”—like the meaning of the terms “truth” and “justice”—is difficult to condense into a universally useful definition. The meaning of safety is unavoidably subjective, and experience teaches us that safety cannot be guaranteed. Nevertheless, it is worth giving the matter careful attention because it is the role of the contract and contract law to provide as much safety as possible in support of creative, productive co-venturing.

To optimize the effectiveness of contracts, we need to know what “safety” a contract is supposed to provide. In other words, in the context of a business contractual relationship, what do the parties need in order to be confident it is safe for them to move forward?

Parties want to know they have a foundational platform for their venture that they can put their weight on—that will support and sustain the success of their venture. They need sufficient predictability to enable them to plan effectively. They want to feel confident that they can rely on one another to live up to promises and obligations, and they want assurance that they each will have the power to protect and preserve their own wellbeing and the beneficial purpose of their bargain.

In sum, in the context of a contractual relationship, I find that it is useful to define “safety” as having sufficient predictability, so that the parties’ expectations are reasonably assured, enabling them to plan and venture with well-founded confidence that each will retain the power to take a meaningful role in responding to changing circumstances and will have an equal voice and be treated fairly should conflict arise.

TAKING BACK THE POWER

An axiom of contract law is that the contract is the parties’ “private law.” The idea is that parties should have the power to design their ideal business relationships and ventures by establishing their own, customized system for clarity and cer-
ertainty. The government enables private parties to write their own private law by agreeing to enforce the terms and conditions of their contracts because, theoretically, this encourages creativity and enterprise to the benefit of all of society. So long as it does not conflict with laws of the larger system or public policy, the proprietary system that the parties create, as described in their written contract, will be enforced.

We lawyers sometimes forget, and non-lawyers are often not aware, how much leeway the parties have to design their own legal systems using this private law embodied by the contract. Typically, we pull out the last couple of contracts we negotiated for similar deals (contracts that were based on antecedent versions of other past deals back-wards through time un-fathomed), and we begin revising. It is a rare contract that includes a structure that supports the parties in retaining the power to craft their own real-time responses to disruptive change, crisis, and disagreement and also provides a creative regenerative way, rather than a destructive way, to do so.

**ALTERNATIVE APPROACH—SENSE AND RESPOND**

No one can know or control what will happen in the future as a consequence of any given action or decision. Each transaction, every business endeavor, is a conversation, a co-creation with other actors—co-parties, forces of politics, marketplace dynamics, and the caprices of nature. Interdependence is a fact, whether we acknowledge it or not. Individual well-being is inextricably linked to the intentions, actions, and well-being of others. Every relationship is an ongoing conversation, and traditional contracts provide only a snapshot of one static point in the dynamic exchange.

Serious reflection on the contradiction between our belief in control and our experience of uncertainty reveal that the conventional “predict and control” approach is not optimal in today’s dynamic, disruptive marketplace. The inadequacies of the existing system challenge us to consider the possibility of creating a better system, one that the parties themselves can use to notice, explore, and resolve tensions that arise between them in the course of their transaction or endeavor.

It can be hard to trust that such a thing is possible in the context of a contractual dispute. The adversarial, coercive paradigm is so ingrained in our thinking we believe it is inevitable that conflict generates combat, and that combat can be resolved only within a hierarchical framework where some outside entity has the power to impose a resolution. But we’ve all experienced the reality of the “pyrrhic” victory and the sad destruction of what should have been beneficial relationships.

The way to escape the trap is to never enter it, to change whom the “decider” will be and shift the par-ties from adversaries to cooperative problem solvers.
FROM SWORDS TO PLOUGHSHARES

Yes, there are disputes that should be in the courts, but not every dispute, not even most disputes need to be litigated—especially not those disputes that have arisen from disagreements between co-parties who originally intended to work in harmony to their mutual benefit. What’s needed are structures and systems that will direct energy and effort toward solving the underlying problems that have given rise to the conflict and will put the power in the hands of those best qualified to understand and grapple with the complexity of context and circumstance—the parties themselves.

What can we do to enable the parties to function and even thrive in the midst of disruption and uncertainty? We can help the parties establish a firm foundation for a productive, resilient relationship. Rather than blindly accepting the existing system and its underlying logic, the formation of the contract becomes a moment of conscious choice. Instead of using the contract as a weapon of war, the parties use it to design and build a proprietary system for addressing change and engaging conflict that gives them a way to harness the creative potential inherent in conflict.

In addition to plotting their plan of action and settling their deal points, the parties can use the negotiation conversation to calibrate the appropriateness and the trustworthiness of the proposed relationship. The contract document becomes a handbook they use to maintain and—if needed—restore the trust necessary for a productive, successful, sustainable relationship.

This possibility is not as remote or revolutionary as one might imagine. The traditional practice of law is already expanding to embrace collaborative approaches, systems, and structures; examples of co-creative responses to the challenges of the modern marketplace are legion. In fact, the business world is leading the way in changing the perception that top-down, hierarchical structures are optimal for success. New operating assumptions and operational logics are being tested and proven on the radically challenging, digital, networked frontier.5

With the advent of the Internet, a new transparency has brought awareness of our global interconnectedness and interdependence. Expectations about the role of business in society are changing. Emerging leaders believe business should be a force for good in the world (defining “good” far more broadly than mere shareholder ROI6) and that business answers to an au-

6 Return on Investment.
authority and obligation of greater scope than regulations, statutes, and legal compliance.

Double and triple bottom lines that address societal and environmental impacts have become accepted measures of success. Designing contracts that recognize and address the greater good — for society and for the parties’ own relationship — is not just forward thinking, it is vital for the practice of law in the new reality of digital-speed, globally connected communities and enterprises.  
