

15. **Binding Arbitration and Class Action Waiver If You Live In (or, If a Business, Your Principal Place of Business Is In) the United States.** We hope we never have a dispute, but if we do, you and we agree to try for 60 days to resolve it informally. If we can't, you and we agree to **binding individual arbitration before the American Arbitration Association ("AAA") under the Federal Arbitration Act ("FAA"), and not to sue in court in front of a judge or jury.** Instead, a neutral arbitrator will decide and the arbitrator's decision will be final except for a limited right of review under the FAA. **Class action lawsuits, class-wide arbitrations, private attorney-general actions, and any other proceeding where someone acts in a representative capacity aren't allowed. Nor is combining individual proceedings without the consent of all parties.** "We," "our," and "us" includes Microsoft, Skype (see section 10) and Microsoft's affiliates and, if you use Skype Pay by Mobile, your mobile phone carrier.
- a. **Disputes Covered—Everything Except IP.** The term "dispute" is as broad as it can be. It includes any claim or controversy between you and us concerning the Services, the software related to the Services, the Services' or software's price, your Microsoft account, ~~your Skype account~~ advertising, marketing, communications, your purchase transaction, billing, or these Terms, under any legal theory including contract, warranty, tort, statute, or regulation, **except disputes relating to the enforcement or validity of your, your licensors', our, or our licensors' intellectual property rights.**
 - b. **Mail a Notice of Dispute First.** If you have a dispute and our customer service representatives can't resolve it, send a Notice of Dispute by U.S. Mail to **Microsoft Corporation, ATTN: CELA Arbitration, One Microsoft Way, Redmond, WA 98052-6399, U.S.A.** (or to your mobile phone carrier at its principal place of business in the United States marked ATTN: Legal Department). Tell us your name, address, how to contact you, what the problem is, and what you want. A form is available at <http://go.microsoft.com/fwlink/?LinkId=245499>. We'll do the same if we have a dispute with you. After 60 days, you or we may start an arbitration if the dispute is unresolved.
 - c. **Small Claims Court Option.** Instead of mailing a Notice of Dispute, you may sue us in small claims court in your county of residence (or if a business your principal place of business) or King County, Washington, U.S.A. if you meet the court's requirements.
 - d. **Arbitration Procedure.** The AAA will conduct any arbitration under its Commercial Arbitration Rules (or if you are an individual and use the Services for personal or household use, or if the value of the dispute is \$75,000 or less whether or not you are an individual or how you use the Services, its Consumer Arbitration Rules). For more information, see www.adr.org or call 1-800-778-7879. To start an arbitration, submit the form available at <http://go.microsoft.com/fwlink/?LinkId=245497> to the AAA and mail a copy to us. In a dispute involving \$25,000 or less, any hearing will be telephonic unless the arbitrator finds good cause to hold an in-person hearing instead. Any in-person hearing will take place in your county of residence (or, if a business, your principal place of business) or our principal place of business—King County, Washington if your dispute is with Microsoft. You choose. The arbitrator may award the same damages to you individually as a court could. The arbitrator may award declaratory or injunctive relief only to you individually to satisfy your individual claim. Under AAA Rules, the arbitrator rules on his or her own jurisdiction, including the arbitrability of any claim. But a court has exclusive authority to enforce the prohibition on arbitration on a class-wide basis or in a representative capacity.
 - e. **Arbitration Fees and Payments.**

- i. **Disputes Involving \$75,000 or Less.** We will promptly reimburse your filing fees and pay the AAA's and arbitrator's fees and expenses. If you reject our last written settlement offer made before the arbitrator was appointed, your dispute goes all the way to an arbitrator's decision (called an "award"), and the arbitrator awards you more than this last written offer, we will: (i) pay the greater of the award or \$1,000; (ii) pay your reasonable attorney's fees, if any; and (iii) reimburse any expenses (including expert witness fees and costs) that your attorney reasonably accrues for investigating, preparing, and pursuing your claim in arbitration.
 - ii. **Disputes Involving More than \$75,000.** The AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.
- f. **Conflict with AAA Rules.** These Terms govern to the extent they conflict with the AAA's Commercial Arbitration Rules or Consumer Arbitration Rules.
- g. **Must File Within One Year.** You and we must file in small claims court or arbitration any claim or dispute (except intellectual property disputes—see section 15(a)) within one year from when it first could be filed. Otherwise, it's permanently barred.
- h. **Rejecting Future Arbitration Changes.** You may reject any change we make to section 15 (except address changes) by sending us notice within 30 days of the change by U.S. Mail to the address in section 15(b). If you do, the most recent version of section 15 before the change you rejected will apply.
- i. **Severability.** If the class action waiver is found to be illegal or unenforceable as to all or some parts of a dispute, then those parts won't be arbitrated but will proceed in court, with the rest proceeding in arbitration. If any other provision of section 15 is found to be illegal or unenforceable, that provision will be severed but the rest of section 15 still applies.
- j. **Mobile Phone Carrier as Third-Party Beneficiary.** If you use Skype Pay by Mobile, your mobile phone carrier is a third-party beneficiary of your agreement with Microsoft and Skype to resolve disputes through informal negotiation and arbitration. Your mobile phone carrier agrees to do everything Microsoft and Skype agree to do in section 15.