



Legal Issues for International Meetings

By Michelle Bruno

As long as different cultures, legal systems and languages inhabit the countries and regions where meetings and trade shows are held, legal issues will be a consideration for international meeting planners. In his presentation for PCMA's Convening Leaders Conference last week, attorney Joshua Grimes outlined some important legal issues and provided suggestions for addressing them.

Meeting planners should closely scrutinize the legal contracts they will be required to sign with venues, hotels or third-party service providers. Some of the areas of concern include force majeure (FM) clauses, contract translation, dispute resolution, contract inclusions and attrition. Planners should also be vigilant about intellectual property rights and participant liability issues.

Force majeure

In order for contracts to function well, they must "have a workable force majeure clause," Grimes explains. In other words, the agreement should stipulate the conditions under which the contract is unenforceable such as meeting cancellation for an illegal, impossible or impractical reason. Planners should also tie the conditions of cancellation to U.S. Department of Homeland Security and World Health Organization warnings. During his presentation, Grimes offered attendees a sample FM clause:



"Hotel and Sponsor agree that "undue hardship" allowing cancellation of the Meeting without liability shall include, but not be limited to, the following events:

- (i) Service disruption of a major airline serving the meeting city,
- (ii) A terrorist incident occurring within 30 days of the Meeting that causes 30% of planned attendees to cancel their attendance,
- (iii) Issuance of a travel advisory for the Meeting location by the World Health Organization, or
- (iv) Any other comparable condition, making it inadvisable for either the Hotel or Sponsor to fulfill their obligations under this agreement."

Translation, dispute resolution and inclusions

Grimes offers planners some additional advice about international contracts:

- Grimes urges planners to put everything in writing. "The days of deals on a handshake are over," he says. Meeting organizers should create two versions of the

Continued on page 2



contract—one in English and the other in the local language—and stipulate which version of the contract governs.

- Although dispute resolution in the U.S would be more favorable to American planners, foreign contracts nearly always require that disputes be resolved in the country in which the meeting is held. Planners may want to engage in-country legal counsel in advance of the meeting in case unresolvable issues arise.
- Arbitration may be a viable way to resolve a legal dispute in a foreign country. The practice allows for the grievances of both parties to be heard by a neutral body with commercial expertise. Most courts, Grimes says, will respect clear agreements to arbitrate and an arbitration clause should be included in the contract.
- Contracts with hotels and venues must state what is and is not included in the price, such as breakfast, meeting space or service charges. A customary inclusion in one country may not be a customary inclusion in other countries.

Room block attrition

Planners should specify how and when damages for hotel room block attrition are calculated. Grimes offered presentation participants a sample clause to be used in contracts with international hotels:

“Hotel and Sponsor agree that Hotel will consider rooms and meals in Sponsor’s block as sold to Sponsor, and expend labor and resources in reliance upon Sponsor’s commitment to fill those rooms and consume those food & beverages. Accordingly, should Sponsor fail to fill its room block or not utilize the amount of food & beverages as set forth in the Contract, Hotel will incur the following damages:

(i) AED 350 per unused room in the room block, due to costs of labor, cleaning, electricity, sales & marketing, and related costs; and

(ii) AED 150 per person for each person below the contracted amount of food & beverage purchased, representing Hotel’s actual costs for food & beverages purchased and labor related to meals.”

The parties further agree that these actual damages shall be reduced or eliminated to the extent the Hotel is able to re-sell the rooms, food and. or beverages sold to Sponsor for Sponsor’s meeting dates.”

Hotel and Sponsor further agree that they have discussed the damages claimed by Hotel, and that Sponsor is satisfied that the damages listed in this Agreement would be Hotel’s actual damages if Sponsor cancels the Meeting or fails to meet its contractual obligations concerning the room block or food & beverages.”

Intellectual property

Some international meetings cover proprietary information or, as in the case of trade shows, display copyrighted and trademarked materials and products. “It’s important to ensure that information from the meeting can be protected. Most countries respect international treaties but some countries don’t,” Grimes explains. He advises planners to check with local laws to understand the protections in place and the redress that is available. “If you aren’t sure that your intellectual property can be protected, it might not be the right destination,” Grimes says.

Liability

Trade show and conference organizers are vulnerable outside the U.S. when it comes to being responsible for the health and safety of event participants. They face repercussions from the host country, as well as legal actions from meeting participants who are not respectful of the laws and local customs of the host country. Grimes suggests that planners place a behavior “primer” in registration materials to protect the organization from accusations that participants were not adequately warned of the dangers and risks associated with participating in an international meeting. He also advises that planners ask exhibitors and meeting delegates sign a waiver. “If you are an American or live in a litigious society, consider having a release that includes any behavior that an attendee may exhibit in the release,” he adds.

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