

Technology, Media & Telecommunications issues in the Hospitality sector

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In this article, Tara Marlow, Head of our Hospitality practice, interviews Nick O'Connell, of our Technology, Media & Telecommunications team, to discuss some of the areas in which their respective practices overlap.

Tara: As you know, our regional Hospitality practice has grown rapidly over recent years, and we now support an extensive range of clients who operate within the hotel and leisure industry. Each client, whether a hotel owner, hotel or restaurant operator, tour operator or an investor has different requirements which can cover anything from advice on corporate structure, licensing, acquisition/disposal, appointment of an operator to manage a hotel, employment issues or dispute resolution.

We have recently opened our new office in Ras Al Khaimah, one of the Northern Emirates in the UAE, and that decision was driven, at least in part, to support its plans to further enhance and develop the Emirate's tourism industry.

The [Technology, Media & Telecommunications practice](#) provides a range of services which are relevant to companies involved in the hospitality, leisure and travel industry. In your view, what are the main TMT areas that companies operating within this industry, need specialist legal support for?

Nick: Thanks Tara. I appreciate that the Hospitality industry is fairly broad, and requirements will obviously vary depending on the nature of the particular enterprise – be it a hotel operation, restaurant, tour operator or a golf club. Using hotels as a basic reference, one key area where specialist TMT legal support is essential is in respect of technology.

Hotels use technology to enhance guest experience in a variety of many different ways, ranging from streamlining the reservation process to providing in-room entertainment and communications systems.

Tara: Can you give me some specific examples of the type of legal support that the TMT team would provide in this area?

Nick: Well, one example is in the context of software licensing, implementation and support services.

Most hotels employ a combination of 'off-the-shelf' and customized software applications in order to manage a variety of functions, such as reservations and F&B inventory. Such software applications must be appropriately licensed to the hotel by the software provider, and suitably maintained (eg. by an annual maintenance agreement with a service provider), so as to ensure that updates are applied and any errors in respect of such applications do not adversely affect operations.

Another example of the type of Technology work we handle is in advising some of the well-known international on-line travel or accommodation booking service providers about the extent to which

their on-line activities may need to be licensed in the Middle East region.

Tara: What about on the 'media' side of your TMT practice?

Nick: One area in which we encounter a lot of queries from Hospitality sector clients is in the context of advising on local advertising regulations.

By way of example, we are often asked to advise on local restrictions on the advertising of alcohol, and on local requirements relating to promotional activities – competitions and so on.

An interesting issue that we have been asked to consider on a number of occasions is the use of social media as a platform for promotional activity in the UAE. Not many people know that promotions in the UAE are regulated on an emirate-by-emirate basis, and social media platforms typically require, as part of their terms, that promotions be compliant with local law. For that reason, clients planning on-line promotions in the UAE, or directed at consumers in the UAE, need to know what they must do in order to be compliant with local requirements. We are also asked to assist with developing social media policies for employees, and things like 'Bring Your Own Device' policies. We have also advised on reward programmes, which are very popular in a hospitality context, and raise a number of legal issues.

Reviewing agreements relating to in-house entertainment is another example of the wide-ranging Media work that we handle in a hospitality context. A related area that we often handle in the course of our Media practice is the 'MICE' sector (Meetings, Incentives, Conferences and Exhibitions), which is closely aligned with the Hospitality sector in many ways.

Tara: And on the 'telecommunications' side?

Nick: When it comes to the Hospitality sector, there is a significant overlap between our Technology practice and our Telecommunications practice.

We often advise on contractual matters in respect of procuring technology hardware, which includes telecommunications systems, and related services such as implementation and maintenance.

A regular query that we encounter relates to the use of VoIP in a corporate context. The regulation of VoIP, and other telecommunications-regulatory issues, is very topical for the Hospitality sector – particularly when the legal regime in the UAE for such products may be quite different to other jurisdictions in which our Hospitality sector clients have experience.

Tara: Thanks for your insight. Given the increasing development and sophistication of the hospitality and travel industries in the region, I think there will be more and more opportunities for us to work together.

Nick: Thanks Tara, I look forward to it. TMT issues can really have a big impact on the day to day operations of a company operating within the hospitality industry, and we are keen to provide our clients with as much support and advice as possible, to avoid any potential pitfalls along the way.

Tara: By the way, when are you going to come and visit our new offices in Ras Al Khaimah?

Nick: I can't wait. I think Ras Al Khaimah has so much going for it. The beaches and mountains are outstanding. There are already a number of first class hotels, and the plans that are currently being put in place will bring more and more visitors from around the region, and beyond. The opening of Al Tamimi's office there is a great initiative.