Contracts with Foreign Companies May Require a Rewrite

A recent California case may force companies doing business with foreign entities to reconsider—and maybe rewrite—their contracts, points out Sheppard, Mullin, Richter & Hampton in its **Corporate & Securities Law Blog**.

In *Rockefeller Tech. Invs. (Asia) VII v. Changzhou Sinotype Tech. Co.*, No. B272170, the California Court of Appeal held that parties may not contract around the formal service requirements of the Convention on the Service Abroad of Judicial and Extrajudicial Documents, commonly referred to as the Hague Service Convention.

Authors **Hwan Kim** and **Neil Popovic** write that the decision could have profound implications for international business.

"The *Rockefeller* decision arguably makes it impossible to require foreign companies from some of the largest economies including China, Japan, Germany, U.K., India, Korea, Russia and Mexico, to show up in a California court based on notice provided by mail, courier (FedEx), or email even if the parties agreed to such forms of notice in their contract," the authors warn. "This will have profound consequences for companies with global supply chains such as Apple and GM, for investment funds with foreign investors, for engineering and construction companies that procure materials and handle projects around the world, such as AECOM, and potentially for any company that imports or exports goods to or from the United States."

Read the article.