

Understanding Entertainment Contracts in Entertainment Law: Choice of Law and Venue

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If you look toward the bottom of an entertainment contract, you are likely to read a section regarding the “governing” law chosen to interpret the contract and the venue which any lawsuits will be held. Although these statements may seem simple at first, they are likely to have a bigger impact on you in the event that your business relationship deteriorates and a lawsuit begins.

Contracts may be interpreted by many different laws from around the country. There is no law that says that any and every contract made within the United States of America must apply the law of a specific state when interpreting it. However, individuals drafting and entering into the contract may define the law of a state of their choosing when drafting the contract. For example, if a music contract is being entered into between an independent record label in Orlando and a band from Tampa, you can foresee that the contract they enter into would likely specify that the law of the State of Florida will be used when reading and interpreting the contract.

Choice of venue refers to the location when any resulting trial, adjudication, or mediation will occur. In the above circumstances, the likely venue would be a specific district in Florida. The challenge appears where contracts state that they are governed by the laws of the State of New York, but the proper venue to bring suit is in Colorado. I don’t know about you, but I am not interested in flying to Denver to have someone from Denver try to rule in my favor on the basis of law that they do not have experience with.

What does this mean to someone like you in need of guidance when reviewing a contract? It is important to weigh your options when negotiating and signing entertainment contracts. Additionally, Florida Law may provide you with benefits that the laws of other states might not. The choice of law provision also may play a part in the type of attorney that you hire. If you hire an attorney in Michigan to look over a contract governed by the laws of Florida, he better know Florida law and have someone to work with who is licensed in the state of Florida and who can assist him in his entertainment contract review.