

A pineapple with its green crown sits in a field of green grass. The background is a bright blue sky with soft white clouds. A white rectangular box with a dark teal border is centered over the image, containing the conference title and dates.

THE HOSPITALITY LAW CONFERENCE

April 24 - 26, 2017 • Houston, Texas

Restaurant Delivery Services

Here to Stay, or DOA?

2017 HOSPITALITY
LAW CONFERENCE

APRIL 24 - 26



David Denney

Founder, The Denney Law Group



Denney Law Group

- Executive Committee/Board Member, Greater Dallas Restaurant Ass'n
- Adjunct Professor/Professional Advisory Committee, International Culinary School at the Art Institute of Dallas
- Frequent Speaker and Writer on Restaurant, Bar and Food Law





caviar

 FAVOR

Prime  W

UBER EATS

seamless



GRUBHUB



ZULAFOOD



Millennials

- Heavy users of delivery
- 74% of Millennials would use restaurant delivery if available
- 39% plan to increase use of restaurant delivery
- Buy first car later than any other demographic group



Pros

- Marketing (gets your name out there for new guests)
- Keeps the restaurant busy at non-peak times
- Delivery customer wouldn't be eating out anyway
- Compete with meal kit/grocery delivery services
- Extra sales to the bottom line



Cons

- Delivery Customers more often order what they know
- Delivery occurs at peak times, not off-peak
- Delivery customer loses the restaurant “experience”
- Grocery price gap means restaurant food > expensive
- Hard costs include branded packaging,



Soft Costs

- Trademark use – authorized?
- Quality, condition, appearance, accessories
- Delivery person behavior
- Contractual limitations of liability
- No consequential damages



The Agreement

- Restaurant is solely responsible for preparing and packaging the food and beverages, and is solely responsible for the quality, condition, availability, and freshness of its products.



The Agreement

- **INDEMNIFICATION.** **The Restaurant**, at its expense, **will defend, indemnify and hold harmless Caviar** against all loss, cost, liability, damages and expense, including reasonable attorneys' fees, **arising out of all third party claims arising out of the Restaurant's obligations or performance under this Agreement, including** claims related to (i) the **death of or injury** to any person, (ii) Restaurant's failure to redeem any consumer's purchase, (iii) any allegation that any item provided by Restaurant infringes or misappropriates any intellectual property right of any third party, (iv) computation and payment of Local Taxes to the appropriate taxing authority, (v) **all matters concerning the quality and condition of the food and beverages and the preparation of the food and beverages,** and (vi) failure by Restaurant to comply with any applicable Laws.
- **Caviar**, at its expense, **will defend, indemnify and hold harmless Restaurant** against all loss, cost, liability, damages and expense, including attorneys' fees, **arising out of all third party claims arising out of Caviar's obligations or performance under this Agreement, including** claims related to (i) the **death of or injury to any person**, (ii) Caviar's failure to redeem or fulfill any Customer's Order.



What to do?

- Negotiate the legal provisions of all delivery services
- Implement policies and train on them
- Consider online ordering/delivery to control all steps
- Car, Vespa, bike, rickshaw, etc. (get appropriate insurance!)
- Create an app for online ordering (with or without delivery)

