# THE UNSIGNED EXEMPTION CLAUSES: A STUDY ON THE LEGAL ISSUES FROM THE PERSPECTIVE OF HOTEL MANAGEMENTS

By

Anisah Ruzaila Bt Yaacob (2006146163) Dayang Tiziana Bt Datu S.Bahrun (2006107271) Dianne Do' Ngau (2006146177)

Submitted in Partial Fulfilment of the Requirements for the degree of Bachelor of Legal Studies (Hons)

University Teknologi MARA Faculty of Law

April 2009

The student/authors confirm that the work submitted is their own and that appropriate credit has been given where reference has been made to the work of others.

#### **ACKNOWLEDGEMENT**

Our collective thanks are due to many people who have contributed directly and indirectly to this research. In particular, we would like to express our utmost gratitude to Mr. Zuraimi Jufari, one of the hotel managers of Sheraton Hotel in Subang Jaya and Professor Madya Zafrul Hj Isa, one of the lecturers in the Faculty of Hotel and Tourism (as an expert opinion) for their cooperation in given us relevant and useful information on the topic. A special thanks to Madam Rasyikah Md Khalid, our supervisor for our Honours Project Paper (LAW533) for her advice, assistance and support throughout completion of this research. Besides that, we also would like to express our greatest appreciation to Mr. Bahrin Othman and Madam Siti Hafsyah Bt. Idris, Lecturer of Legal Research and Methodology (LAW557) for their advice and approval of the title for our research. Last but not least to everyone those have provided their assistance upon completion of this research.

#### **ABSTRACT**

Most of the hotel management do not aware about the rules and common law principles on exemption clauses until there is dispute arises in their premises. This raises a question whether there is actually any guideline for them to construct the exemption clause. This research is actually an attempt to critically determine the hotels' rights in putting up exemption clauses for its guests. Besides that, this research will also examine whether there is any provision in our law that stated clear guidelines in constructing an exemption clause in term of the unsigned document. Data and information of this research were gathered from library, internet databases and interviews. Findings showed that the hotel management who put up the exemption clause is regarded as the best way to avoid the guest from taking advantage toward the hotel management. However, in cases that involve negligence, the hotel management will still be liable. It is hoped that this research can be a useful guideline to the concerned parties (especially the hotel management) to apply the appropriate rule on exemption clause.

### TABLE OF CONTENTS

Ackno Abstra Conter List of List of	nts Cases	ii iii iv vi viii
CHA	PTER ONE: INTRODUCTION	
1.1 1.2 1.3 1.4 1.5 1.6	Background Problem Statement and Research Question Objectives of the Research Research Methodology Scope of the Research Limitations of the Research Significant of the Research	1 4 5 6 6 6 7
СНА	PTER TWO: LITERATURE REVIEW	
2.1 2.2 2.3	Introduction Literature Review Conclusion	8 8 19
СНА	PTER THREE: GENERAL PRINCIPLE ON THE USE EXEMPTION CLAUSE	OF
3.1 3.2 3.3	Introduction General Principle Types of Exemption Clause 3.3.1 By Signature 3.3.2 By Notice 3.3.3 By the Course of Dealing	20 20 22 22 23 26
3.4 3.5 3.6 3.7 3.8	Fundamental Breach The Contra Proferentum Rule Strict Interpretation of Exclusion Clause Liability for Negligence Conclusion	26 27 29 30 32 38

## CHAPTER FOUR: THE USE OF EXEMPTION CLAUSE IN HOTEL INDUSTRIES

4.1	Introduction	39
4.2	Analysis of Cases	39
4.3	The Innkeepers Act 1952	43
4.4	General Practice by Hotels in Malaysia	45
	4.4.1 Definition of Exemption Clause	45
	4.4.2 Suitable Place to Put the Exemption Clause	46
	4.4.3 Relevancy of Putting up the Exemption Clause inside the	
	Room	47
	4.4.4 Guidelines in Constructing the Exemption Clause	47
	4.4.5 Alternative Method that Might Be Used by the	
	Hotel Management	48
	4.4.6 The Effectiveness of the Exemption Clause	48
	4.4.7 Negligence Cases which Caused by the Hotel Employees	48
	4.4.8 Suggestion Regarding the Exemption Clause	49
4.5	Conclusion	49
	AND RECOMENDATIONS	
5.1	Introduction	51
5.2	Establishment of Research Objective	51
5.3	Recommendations	52
	5.3.1 Specific Law to Govern the use of the Exemption Clause	52
	5.3.2 The Amendment of the Innkeepers Act 1952	53
5.4	Conclusion	53
	ography	54
Appe	endices	
	Appendix 1: Innkeepers Act 1952	56
	Appendix 2: Interview Question and Answers	65
	Appendix 3: Example of the Usage of Exemption Clause in Hotel	72
	Industries	