



PROTECTING GLOBAL REPUTATIONS

Supporting private clients in conflicts and disputes

Global law firm Kobre & Kim, and international strategic communications consultancy, DRD Partnership, discuss common challenges facing international private clients in complex, contested situations, and offer a checklist of actions to manage reputational risk in cross-border disputes.

DRD PARTNERSHIP

KOBRE & KIM

LIES THAT HURT

Identified by the [World Economic Forum](#) as “the most severe global risk anticipated over the next two years,” misinformation is often considered to be a macro problem, nebulous and distant from the lives of HNW and family offices. In our experience, however, private clients involved in contentious situations experience misinformation as a very real and tangible threat.

Driven by ongoing litigation, negotiations and other private or commercial motivations, bad-faith opponents turn to complex and elaborate mechanisms to publicly discredit individuals. Exposé-type articles placed in online platforms – trade press, intelligence ‘portals’ and blogs – are then leveraged as primary sources to secure further negative coverage in more ‘established’ tier 1 media and are accompanied by ‘dossiers’ of professionally composed materials that are targeted at the client’s core stakeholders in a co-ordinated campaign. The potential for deepfakes and other technological advancements enhances the risk that such activism, built on misinformation, can move at lightning speed across borders and result in reputational harm in many jurisdictions and cross language barriers.

RIPPLE EFFECT

Private clients who are used to operating outside of the public spotlight and have no existing positioning in the press find such attacks particularly damaging in reputational terms. Overnight, their digital profile can turn from minimal and neutral into overwhelmingly negative, leaving them fighting an uphill battle to secure a balanced reputational position again.



But it doesn’t stop there. When false allegations are presented as facts and left uncorrected in the public domain, they can have a debilitating effect for clients and their families, as well as companies, charities and individuals associated with them. An ‘High Net Worth’ (HNW) individual may suddenly find themselves without access to banking facilities, facing difficult questions from commercial partners that leave transactions or assets at risk. In some cases, they could be investigated by alarmed regulators, or named in speculative questions on the floor of Parliament, where Members are protected against liability for their statements. Depending on the client’s circumstances, claims made online can even impact their freedom and safety, raising the stakes and the urgency of a response.

A single fabricated article can have a spiralling impact on a client’s ability to carry out business as usual. To prevent a rapidly evolving hostile campaign from doing further damage and to establish a path to recovery, a carefully calibrated mix of legal and communications interventions must be activated at the earliest opportunity.

JURISDICTIONAL JIGSAW

As a rule, clients with international portfolios and footprints find it significantly more difficult to remain in control of how the truth is presented in the public domain during conflicts and disputes.

Some of this is a function of complexity and probabilities. A private client embroiled in cross-border proceedings in a dozen jurisdictions will likely end up playing ‘whack-a-mole’ with publications around the world as their opponents seek to leverage local judicial systems and media to undermine the client’s case. What’s more, allegations made in far-off jurisdictions can catch the attention of foreign authorities, such as those in the United States whose remit includes investigating cross-border conduct with an alleged link to the U.S. financial system. This attention can then compound – if investigating U.S. authorities find corroborating evidence, they may issue a Mutual Legal Assistance request to law enforcement in the original jurisdiction, instigating a local investigation where one may not have been active prior. Governments may even use foreign reports to begin building a sanctions designation case where ties to a geopolitical competitor are alleged.

Due to the same complexity, clients involved in cross-border proceedings require a broader toolbox to get their position into the public domain as there are frequently many more audiences to engage with, and to turn a complex but vital message into a digestible form to counter the activist narrative. This broader spectrum of risks may lead to a misstep, amplifying the need for high-precision strategic communications planning and legal defence preparedness. The different statutory frameworks that the client needs to navigate in multi-jurisdictional litigation create further pitfalls. Each case pursued by the client internationally needs to be mindful of how local specificities will impact their position across the entire portfolio.

UNHELPFUL CONNOTATIONS

Another potential challenge is that being associated with certain jurisdictions inevitably carries unhelpful connotations that may affect third parties’ trust in the client’s narrative. Business activity in some countries, for example, increases the likelihood that the client will face [accusations of corruption](#), even if these have no basis in the client’s particular conduct. And it could make for a more appealing story, especially if the accusations fit into a publication’s editorial worldview. Equally, once the story involves an “offshore” jurisdiction, where many HNW individuals choose to establish corporate structures or settle trusts for many legitimate and established reasons, individuals could face pressure to detail previously private information about their history of wealth. The client’s business and personal life is then exposed to scrutiny, including by those who are motivated to cause mischief for the client or indeed who have an axe to grind.

CHECKLIST: 'MUST HAVES' FOR MANAGING RISK

The proliferation of risks facing HNW individuals that are involved in contentious situations necessitates a robust and active approach to reputation management. The below 'must haves' could help ensure that risk to client's personal and professional life is minimised amid the turbulence of multi-jurisdictional disputes:

01

Establish a central strategic team

To coordinate actions across jurisdictions. Ensure that local interventions are aligned with your strategic objectives and avoid unintended impact on proceedings in other locations.

02

Effectively deploy specialist advisors

The challenges outlined above require professional handling, with both lawyers and communications professionals experienced in navigating these types of disputes working in tandem.

03

Introduce escalation protocols and lines of communication

Between your team and decision-makers in companies, charities or other organisations that could be impacted by scrutiny, enabling your team to respond to incoming global developments instantly.

04

Forecast scenarios

That could play out two, three, and four steps into the life cycle of ongoing disputes and consider the implications of your present actions and statements on future decision making and best-case outcomes.

05

Take a forensic approach

To allegations that could be levied against you, ensuring that you are prepared to defend against any public attacks.

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