

Franchise & Distribution Noncompete Agreements

Virtually all modern franchise agreements include a provision that restricts the franchisee's ability to compete with the franchise system during the term of the agreement and for a specific period thereafter. Our lawyers have drafted and enforced these noncompete agreements for our franchisor clients in order to: (1) protect the goodwill associated with the franchisor's trademarks; (2) protect confidential business information and training; (3) protect existing franchisees from unfair competition; (4) protect the integrity of the franchise system, and (5) provide the franchisor with an opportunity to "re-franchise" the territory free from interference by a former franchisee.

The lawyers in our Franchise & Distribution Practice Group have been instrumental in developing a vast body of case law enforcing noncompete agreements on behalf of our franchisor clients throughout the United States. In fact, our lawyers "wrote the book" on franchise noncompete law by editing the Second and Third Editions of *Covenants Against Competition in Franchise Agreements*, published by the ABA Forum on Franchising. With deep knowledge of the unique nature of the franchise relationship and mastery of the important nuances in franchise noncompete law, our lawyers have been very successful enforcing noncompete agreements and protecting franchise systems from the competitive activities of former franchisees.

Our Experience

- Editing the Second and Third Editions of "Covenants Against Competition in Franchise Agreements," ABA Forum on Franchising, 2012
- Publishing "Covenants Not to Compete and Nonsignatories: Enjoining Unfair Conspiracies," Franchise Law Journal, Winter 2006
- Enforcing in-term covenants preventing franchisees from operating competing businesses during the term of the franchise agreement
- Enforcing post-termination noncompete agreements throughout the U.S.

- Enforcing post-termination noncompete agreements against nonsignatories
- Enforcing noncompete provisions against bankrupt franchisees who attempt to use the bankruptcy courts to evade their noncompete obligations