

## FRANCHISING AND DISTRIBUTION

Franchises are regulated by a myriad of international, federal and state laws and regulations. Armstrong Teasdale's Franchising and Distribution lawyers have extensive experience counseling clients in these areas, including the development of new franchised companies operating both traditionally and digitally, preparation of franchise disclosure documents, compliance with federal, state and international regulatory requirements, contract negotiation, dispute resolution, trials and appeals, and representation in arbitration proceedings.

**Franchisor and Franchisee Relationships:** We regularly review and negotiate documents relating to franchise networks (including franchise agreements) and both the sale and purchase of franchises, and maintain an active practice in dispute resolution, both in avoidance of litigation and in handling litigation, through all stages. We have handled claims on grounds including breach of the franchise agreement, injunctive relief and trademark infringement, and third-party liability issues.

**Litigation:** We maintain an active litigation practice in the franchise area, mostly on behalf of franchisors. The firm's trial lawyers have successfully handled complex franchise cases, including class actions, in both federal and state courts; domestic and international arbitrations; and state, federal and international regulatory proceedings. Our lawyers routinely handle contract disputes, intellectual property, including Lanham Act matters, vicarious tort liability cases, unfair competition and business-related torts, and litigation regarding relationship laws and disclosure statutes.

**Franchise System Development:** We assist clients in assessing whether franchising is an appropriate method for distributing goods and services and, if so, whether the use of regional franchise brokers, sub-franchising or area development agreements is the most efficient. We also advise clients on antitrust and competition law considerations related to franchising and distribution issues.

**Compliance with Disclosure Laws:** State disclosure requirements differ throughout the country and can carry harsh penalties for violations. Our lawyers have experience in registering franchises in jurisdictions where prior registration is required. We prepare and update franchise disclosure documents, franchise agreements and other documents necessary for the creation, operation and growth of franchise systems worldwide.

**Distribution:** We also represent non-franchised clients engaged in the distribution of various types of goods and services. We have negotiated and drafted distribution agreements and assisted clients in their ongoing operations, including litigation and alternative dispute resolution worldwide arising from dealer termination issues, breach of distributorship agreements and unfair competition claims.

**Trademark and Licensing:** Trademarks are integral to franchising and licensing. Armstrong Teasdale's Intellectual Property practice group works in collaboration with the Franchise and Distribution practice on trademark-related issues to serve clients whose businesses need trademark or involve licensing of intellectual property such as computer software, business plans and trademarks.

**Franchise Acquisitions:** Franchisors and franchisees face unique challenges in acquiring and divesting. Our Franchising and Distribution lawyers have deep experience representing clients on both the buy and sell sides of such transactions and understand the intricacies of the deal structure. We also leverage individuals from our robust Mergers and Acquisitions, Debt Finance and Tax practices to provide comprehensive guidance, no matter the specific strategic goals.

## EXPERIENCE

### **Pricing Policy Compliance Training for Manufacturer Resellers**

Provided training for resellers of a privately held manufacturing and distribution company to ensure compliance with the company's Minimum Advertised Price Policy. Training included overview of relevant antitrust laws and discussion of real-world pricing scenarios.

### **Multimillion-Dollar Private Offering and Controlling Interest Acquisition in Franchisor**

Represented a group of investors in a multimillion-dollar private offering and acquisition of a controlling interest in a leading U.S. dog daycare franchisor. Handled investment documentation for private offering by buyer entity, operative documents for the acquisition, and conduct of due diligence.

### **Favorable Outcome for Franchisor in Breach of Contract Case**

Obtained damage award in favor of franchisor in breach of contract action brought against franchisee and guarantors.

### **Representation of International Franchisor in Catastrophic Injury Case**

Represented an international franchisor in a catastrophic injury case litigated to the Nebraska Supreme Court, including presentation of oral argument on behalf of the franchisor before the Nebraska Court of Appeals.

### **Successful Outcomes for Hotel and Real Estate Franchisors in Trademark Infringement Matters**

Successfully pursued trademark infringement actions on behalf of international hotel and real estate franchisors.

### **Acquisition of Franchise Restaurants**

Represented a private investment firm in its acquisition of franchise restaurant outlets across multiple states. Handled the acquisition agreement and other operative documents, due diligence, franchise documentation and licensing.

### **Successfully Enforced Franchise Agreement Terms**

Successfully enforced terms of franchise agreement for franchisor to dismiss franchisee's claims and require filing according to contract's venue clause.

### **Successfully Defended Franchisor's Trademarks and Trade Names**

Served as lead counsel in various holdover franchisee disputes, successfully restraining former franchisees from using franchisor's trademarks and trade names.

### **Defense of Franchisee Against MMPA Claims**

Successfully defended a franchisee oil change service against claims under the Missouri Merchandising Practices Act.

### **Summary Judgment Affirmed on Appeal for Hotel Franchisor**

Obtained summary judgment and affirmation on appeal for national hotel franchisor accused of negligence for franchisee's alleged conduct.

### **Summary Judgment in Breach of Distributorship Agreement**

Won summary judgment on behalf of national manufacturer client against a former distributor who sued claiming breach of exclusive distributorship agreement.

### **Won Permanent Injunction in Trade Secret Case for National Franchisor**

Won a permanent injunction in a trade secret case against a former executive on behalf of a national franchisor.