Practices & Industries

Franchise & Distribution

Overview

As the franchise model has grown into a significant component of our national economy, so too have the legal challenges that confront franchisors and other distributors. Delivering products and services across different levels of a distribution network entails many types of business and legal relationships. And more and more, these relationships are regulated not only by complex contractual arrangements, but also by ever-changing legislative and regulatory initiatives aimed at addressing perceived imbalances among the businesses that manufacture, distribute, license, and sell to other companies and consumers.

Day Pitney's Franchise and Distribution practice helps clients navigate the myriad legal issues that can and do arise from these relationships. We help our clients make business and marketing decisions that can benefit their partners within their distribution channel, and we also provide the analysis, advice and negotiation skills needed to develop practical and cost-effective resolutions to disputes before they escalate. In those cases when litigation is inevitable, our team has the experience and available legal talent to aggressively advocate for our clients. Day Pitney's Franchise and Distribution attorneys manage an active docket of cases from individual termination to system-wide class actions that challenge the ways in which our clients manage their franchisee relationships. Our litigation competence is bolstered by firm wide resources and technology to handle the most complex e-discovery matters. Our team also represents its franchise clients in class action matters filed on behalf of consumers and also defend consumer fraud claims against franchisor clients concerning contractual and statutory disclosure issues.

One key to our success in this challenging field is our commitment to getting to know our clients' businesses and the industries in which they operate. No two businesses or distribution networks are alike, and by taking the time to understand our clients' financial and business goals, we are better able to provide effective advice and representation. Some of the industries we've come to know quite well include the hospitality, automotive, rental cars, real estate brokerage, tax services and food services industries.

Experience

No aspect of this advertisement has been approved by the highest court of any state. Prior results do not guarantee a similar outcome.

- Represented a national real estate brokerage franchise system in connection with a putative class action brought by franchisees alleging a variety of claims related to the handling of customer leads.
- Served successfully as franchise counsel to an automotive manufacturer in a long-running dispute with a class of former franchisees following the sale of one of its divisions. The matter culminated in trial in federal court followed by multiple appeals and collateral attacks in the Third Circuit.
- Provides routine advice and counseling to a national car rental franchisor with respect to its licensee organization concerning terminations, royalty disputes, territorial issues and exclusivity challenges.

- Represented a number of automotive manufacturers in connection with statutory dealer protest proceedings in New Jersey, Connecticut and Massachusetts.
- Obtained a directed verdict at trial in the U.S. District Court for the Southern District of New York on behalf of a real estate franchisor facing claims for fraud by the developer of a corporate residential facility.
- Favorably resolved a wrongful franchise termination claim under the New Jersey Franchise Practices Act against a business services franchise system and its corporate affiliate.
- Prevailed in an arbitration proceeding brought against our franchisor client concerning a dispute over the contractual provisions relating to the calculation of royalty payments.
- Successfully resolved a termination claim filed by a former franchisee of a heavy equipment manufacturer after obtaining favorable rulings concerning the nonapplicability of amendments to the New Jersey Franchise Practices Act to a pre-existing franchise agreement.
- Provided counseling and advice to an international manufacturer of motor vehicle parts concerning its contractual arrangements with its domestic distributor.
- Obtained an affirmance from the Second Circuit of a district court's dismissal of consumer fraud claims against an automotive client.
- Obtained summary judgment on behalf of a national franchise client in connection with a claim alleging that a termination violated federal antidiscrimination statutes.