

Current Legal Alerts for Existing Franchise Groups

Franchisors with **class action waivers** in their arbitration agreements need not worry that franchisees will be allowed to arbitrate class wide claims following a recent decision by the Supreme Court of the United States upholding class action waiver provisions. *See American Express Co. vs. Italian Colors Restaurant*, 133 S. Ct. 2304, 2013 WL 3064410 (U.S. 2013).

Unless a franchisor can show evidence of irreparable harm, **non-competition provisions** in franchise agreements may be insufficient to warrant injunctive relief against a competing former franchisee despite language in the agreement that irreparable harm will occur should the franchisee violate the non-competition provision. Irreparable harm will not be presumed simply because of a breach of contract. *See Tutor Time Learning Centers, LLC v. Kog Industries*, No. 12-CV-4129, 2012 WL 5497943 (E.D.N.Y. Nov. 13, 2012).

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