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In The News

Marc Lieberstein Examines Revenue-Generating Alternatives for Franchises and Associated Risks

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With over 800,000 franchise establishments operating in the United States, franchising was responsible for more than \$850 billion in economic output and supported more than eight million jobs in 2024, according to FRANdata. But are franchise owners spending enough time considering other ways to monetize their franchise brands outside the franchise operation?

Intellectual Property Partner and Franchise and Licensing Partner Marc Lieberstein authored an article for the American Bar Association's *Franchise Law Journal* examining revenue-generating alternatives for franchises and the associated risks.

Marc wrote: "Clearly, brand licensing represents a potential for significant revenue growth. In addition to the brand itself, franchisors also make use of various patents, trade secrets, and proprietary methods. Opportunities may exist for franchisors to license patents, trade secrets, and other proprietary methodologies. Aside from 'straight' intellectual property licensing, franchisors also may consider alternative distribution channels, such as ecommerce, ghost kitchens, concessionaires, and nontraditional locations, to increase revenues. All of these alternatives, however, increase the risk of claims for encroachment, unfair competition, or breach of the franchise agreement."

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