

Practices

Franchise and Licensing

According to the International Franchise Association, franchise companies and their operating franchisees contribute nearly 6 percent to the gross domestic product of the United States. The franchise ecosystem is comprised of approximately 3,500 franchisors operating and supporting more than 773,000 locations and 13.2 million jobs across the country. These franchisors are themselves aided and supported by several hundred franchise suppliers. Lawyers play a critical role in enabling franchise systems to develop, grow, and thrive and yet relatively few large law firms provide services to the franchise community. While most *AmLaw 100* firms have elected not to service the franchise market place, Akerman has built one of the largest, most creative, and most respected teams of franchise lawyers and professionals in the country.

Akerman offers its franchise and licensing clients a team of lawyers strategically located across the country and resident in the cities with the largest franchise activity. These lawyers assist franchise companies of all sizes as they confront numerous legal challenges—from federal, state, and international laws and regulations, to the protection of trademarks and other intellectual property, to changes in the areas of brand standards, product safety, joint employer, officer and vicarious liability, cybersecurity, encroachment, antitrust, and unfair competition. Akerman assists clients with all phases of franchising, licensing, and distribution in the United States, and in association with law firms in other countries, around the world.

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Our Team

Related Work

Antitrust and Trade
Regulation
Automotive Retail
Cannabis
Commercial Disputes
Corporate
Data Privacy and
Security
International
M&A and Private Equity
Trademarks

The Akerman franchise team assists startup, regional, national, and international franchisors, brand owners and investors, and licensors, as well as subfranchisors, multi-unit franchisees, and other businesses, on a wide range of matters, including structuring, acquiring, and selling individual franchise locations and entire franchise systems; handling state franchise registrations; counseling on state, federal, and international legal compliance matters; managing, negotiating, and documenting international franchise offerings, managing franchise terminations and resolving and litigating or arbitrating disputes. Our client roster includes businesses in a wide range of domestic and international consumer-oriented and business-to-business sectors from startup franchisors to some of the world's largest franchise companies spanning various industries, including hospitality, restaurant, healthcare, automotive, retail, cannabis, health and wellness, private equity and real estate.

The Akerman franchise team provides value to franchise clients in accordance with the following fundamental pillars of service:

Efficiency

Using proprietary and non-proprietary technology, highly refined processes, data analytics, and experiential learning, the Akerman franchise team provides fast, efficient, and best-in-class service to franchise management and legal teams and the ecosystem that supports them. The Akerman approach results in quicker and more accurate updates to franchise disclosure documents, significantly shorter “dark periods” during the state renewal process, accelerated turnaround times for negotiated addenda and other documents, and faster resolution of legal challenges faced by franchisors.

Effectiveness

Several professionals on the Akerman franchise team have experience working inside of franchise companies and understand that legal issues must be

addressed in alignment with business objectives. The Akerman franchise team also appreciates that some challenges require the assistance of professionals with expertise in technology, finance, business consulting, accounting, and other disciplines in order to achieve best outcomes. This combination of in-house service and a culture of collaboration with outside professionals enables the Akerman franchise team to partner with the firm's clients to collectively advance the business interests of franchise systems while developing innovative and effective approaches to mitigate or eliminate legal risks associated with various business decisions.

Predictability

Many law firms specialize in selling time to clients. The Akerman franchise team provides solutions to the legal, regulatory, and franchise relationship challenges faced by clients. We believe the cost for those solutions should be predictable, and that the firm should share in some of the risk if the time invested by Akerman franchise team members exceeds the value assigned to the matter by the client. Consequently, we offer our franchise clients a variety of fee arrangements, including monthly retainers, fixed fees, capped fees, success fees, and budgeted fee options. This approach provides budget certainty and ensures that clients feel comfortable reaching out to our team before an "issue" becomes an expensive "problem" in the franchise system.

What We Do

- Drafting and maintaining franchise disclosure documents
- Managing state franchise registration and exemption filings
- Structuring relationships, where possible, to avoid regulatory compliance requirements
- Responding to comment letters and other regulatory actions

- Advocating for franchisors in mediation, arbitration and litigation
- Acquiring and selling entire franchise systems
- Acquiring and selling franchise-owned and corporate-owned operating units
- Documenting franchise transfers among franchisees
- Creating state of the art franchise agreements, development agreements, and other related addenda and agreements
- Negotiating and documenting franchise relationships with operators in non-traditional venues, including airports, transportation hubs, sports stadiums, casinos, college campuses, and corporate headquarters.
- Providing timely advice on franchise relationship issues
- Protecting trademarks, trade secrets, and other intellectual property assets
- Providing franchise counseling for non-US franchisors entering the US
- Drafting development, master franchise and other agreements for international use
- Providing franchise counseling for US franchisors expanding internationally
- Providing franchise bankruptcy and restructuring advice
- Providing COVID-19 compliance and best practices advice
- Providing franchise-related real estate leasing and development advice
- Counseling regarding labor, employment and joint employer matters

We also offer current and prospective clients a full spectrum of training courses designed to educate

their teams on best practices and legal requirements. Both emerging and established franchisor organizations benefit from practical and legally sound content in technical and topical programs. The types of content franchisor sales and operations staff receive from the Akerman training programs include:

- Record keeping system requirements and best practices
- Franchise sales compliance, handling disclosures of co-applicants, handling checks and payments, avoiding inadvertent misrepresentations and financial performance representations, avoiding encroachments, actively tracking territorial grants, rights of first refusals
- Documenting the franchisor's performance of its contractual obligations, the do's and don'ts of documentation and record creation and management
- Prohibited practices, franchisee compliance, notice requirements, the required contents of a proper notice, additional persons who should be notified
- Vetting and contracting with approved suppliers
- Compliance with relationship laws
- Compliance with advertising laws