



## franchise and distribution

### overview

Among the important drivers of today's global economy are franchising and distribution arrangements. With a sound franchising or other distribution network, built on a solid legal foundation, companies can increase revenues by selling their products and services at a greatly expanded national or international level. Well-constructed franchise and distribution arrangements create a true win-win outcome. Many of today's best-known brands owe much of their success to the master franchisees and distributors who use their experience, ambition and local knowledge to bring established products and services to new markets. At the same time, franchise and distribution arrangements enable entrepreneurs to build their own successful businesses with the support and brand recognition of well-established companies.

We understand that businesses involved in franchising face unique contractual and legal challenges. Franchisors have invested valuable time and money in developing brands and products, and they are entrusting third parties to uphold standards and maintain goodwill. In many provinces, franchisors also must comply with statutes requiring franchise disclosure. Franchise participants require specialized legal counsel that can help protect their valuable assets, while maximizing their business opportunities.

Lawyers in our Franchise and Distribution Group have deep experience advising on franchising and distribution arrangements and represent some of the world's largest franchisors and distributors. Our team – which includes a former in-house counsel and franchise law specialist from one of the world's best known fast service restaurants - advises clients throughout the entire franchise life cycle, from assessing and establishing a franchise system, drafting the legal documents required to ensure effective operation of the franchise, assisting to resolve disputes between franchisor and franchisee, to purchasing and selling a franchise.

We are experts on provincial franchise legislation, serve on the Canadian Franchise Association's Legal and Legislative Affairs Committee and routinely write and lecture on franchise and distributorship issues.

In the distribution area, we advise major manufacturers, wholesalers, distributors and dealers on a full range of distribution matters, helping them create and maintain their legal relationships.

McMillan professionals help clients lead by:

### firm profile

McMillan is a modern and ambitious business law firm serving public, private and not-for-profit clients across key industries in Canada, the United States and internationally. With recognized expertise and acknowledged leadership in major business sectors, we provide solutions-oriented legal advice through our offices in Vancouver, Calgary, Toronto, Ottawa, Montréal and Hong Kong. Our firm values – respect, teamwork, commitment, client service and professional excellence – are at the heart of McMillan's commitment to serve our clients, our local communities and the legal profession. For more information, please visit our website at [www.mcmillan.ca](http://www.mcmillan.ca).

### contacts

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## franchise and distribution

- Drafting the complete range of franchise and supporting agreements including master franchise agreements, and distribution and sales representative agreements
- Structuring license and distribution arrangements
- Preparing franchise disclosure documents, and keeping them current
- Advising on the financing, acquisition or sale of existing franchise systems or individual franchise locations
- Assisting with the termination of franchisor/franchisee, distributor and agency relationships
- Advising on the acquisition or sale of distribution businesses
- Resolving franchisor/franchisee disputes
- Advising on and enforcing the protection of trademarks and other proprietary rights
- Advising on legislation governing advertising, contests, packaging and labeling, and other regulatory matters
- Preparing territorial restrictions and non-competition covenants
- Advising on the development of distribution networks

## representative transactions

- Assisting distributors to assess whether their proposed business arrangements are subject to Canadian franchise laws
- Advising on the acquisition, disposition and financing of franchise systems and individuals locations
- Advising vehicle manufacturers on the establishment of dealer networks in Canada, including drafting/updating dealer agreements and compliance with franchise legislation
- Assisting franchisors with the drafting and updating of franchise agreements, franchise disclosure documents and disclosure protocols
- Adapting international franchise agreements and disclosure documents for use in Canada
- Drafting and negotiating distribution agreements, agency agreements licensing agreements, development agreement, territorial restrictions / rights and non-competition covenants and other support agreement for clients in various industry sectors
- Advising distributors and franchisors on intellectual property strategy, protection, and enforcement



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- Advising distributors and franchisors on legislation governing advertising, contests, packaging and labeling, and other regulatory matters
- Advising distributors and franchisors across industries on dealer and franchisee disputes, compliance issues, and terminations