



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.

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franchising and distribution disputes

overview

Franchising and distribution arrangements are important elements of our global economy. A strong franchising or other distribution network enables companies to grow revenues by expanding beyond their home markets to sell their products, services and customer experiences on a national or international stage. Many brands that are global household names today achieved their success through master franchisees and distributors who bring established products, services and customer experiences to international markets. And, entrepreneurs are provided a useful path to build businesses that have the support and brand recognition of established players.

We understand that franchising and distribution arrangements are different from other types of business relationships. We also know that when dealing with potentially hundreds of franchisees and distributors, disputes are bound to arise. When they do, McMillan zealously represents our clients' interests.

The litigators in our Franchise and Distribution Group have extensive experience representing franchisors and suppliers in all manner of franchising and distribution disputes, from defending claims for breaches of provincial franchise legislation, deficient disclosure documents and resisting injunctions designed to restrain terminations to enforcing non-competition clauses against, and recovering inventory and payments from current and former franchisees/customers.

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.

McMillan professionals help clients lead by:

- Advising on and litigating the applicability of franchise legislation to distribution and sales representative relationships
- Advising on and defending against alleged breaches of franchise legislation and other distribution-specific legislation
- Advising on the termination of franchisees and distributors and defending termination decisions
- Defending clients in class actions
- Litigating and enforcing intellectual property rights, restrictive covenants and non-competition clauses
- Recovering inventory and enforcing payment obligations
- Resolving disputes through alternative dispute resolution, including mediation and arbitration



franchising and distribution disputes

representative transactions

- Defending franchisors against rescission claims for inadequate disclosure under provincial franchise legislation.
- Defending franchisors against claims for improper termination of franchise agreements, encroachment, breaches of the duty of fair dealing and violations of franchisees' right to associate.
- Defending franchisors, licensors and suppliers on interlocutory injunction motions to restrain termination of their agreements pending trial.
- Defending suppliers and manufacturers in actions brought by their dealers and distributors for misrepresentation, breach of contract, and improper termination of their agreements.
- Defending licensors in disputes against their licensees for alleged breaches and improper terminations of their license agreements.
- Representing franchisors and suppliers in enforcing the terms of restrictive covenants.
- Representing automotive manufacturers in disputes with their respective dealers regarding allegations of non-compliance with provincial franchise legislation, improper termination of dealer agreements and in disputes involving the failure by dealers to implement facility improvements required by their manufacturers.
- Representing automotive manufacturers in NADAP disputes brought by their dealers involving allegations of encroachment and improper termination of dealer agreements.
- Representing franchisors and suppliers in actions relating to the seizing of assets and related disputes on leases and financing agreements.
- Representing franchisors in negotiating complicated multi-party settlements that involve sub-franchisees.
- Representing franchisors in litigation relating to claims made during CCAA proceedings.