

**BLOGS**

Preliminary Injunctions

## Court Denies Franchisee's Motion to Stay Enforcement of Preliminary Injunction Pending Interlocutory Appeal

In the continuation of a case that appeared in Issue 244 of the GPMemorandum, a federal court in Michigan denied the motion of former Little Caesar's franchisees to stay the enforcement of a preliminary injunction order pending their appeal of the order to the United States Court of Appeals for the Sixth Circuit. *Little Caesar Enters., Inc., v. Miramar Quick Serv. Rest. Corp.*, 2019 WL 3997161 (E.D. Mich. Aug. 23, 2019). As previously reported, in July 2019, the court granted Little Caesar's motion for a preliminary injunction enforcing its termination of the franchisees' franchise agreements.

The district court considered the franchisees' request to stay enforcement of its injunction under Fed. R. Civ. P. 62(d), considering the same factors in assessing whether to grant the stay as in deciding whether to issue an injunction. First, the court found that the franchisees were unlikely to succeed on the merits of their appeal because they failed to advance any new factual or legal arguments to alter the court's original conclusion that Little Caesar was likely to succeed on the merits of its claim that it had good cause to terminate the franchise agreements. Second, the court found that any injury the franchisees suffered from the loss of their businesses, absent a stay, was compensable with monetary damages and, therefore, not irreparable. Third, and on the other hand, the court found that Little Caesar did stand to suffer irreparable harm from a stay, in the form of customer confusion and reputational damage arising from the franchisees' unauthorized use of Little Caesar's trademarks. Finally, the court determined that it was in the public's interest to deny the requested stay in order to protect the rights of a trademark holder and prevent customer confusion. Because all factors weighed against the defendants, the court denied the motion to stay the injunction pending appeal. Little Caesar was represented by Gray Plant Mooty in this action.

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