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BLOGS

Jurisdiction and Procedure

Court Finds Personal Jurisdiction Over Spouse of Franchise Owner

In a case handled by Gray Plant Mooty, Outdoor Lighting Perspectives Franchising, Inc. (“OLP”) filed suit against a former franchisee and its owners arising out of the operation of a competing business and the evasion of post-expiration obligations contained in the defendants’ franchise agreement. *Outdoor Lighting Perspectives Franchising, Inc. v. OLP-Pittsburgh, Inc., Amy Perlmutter and Outdoor Living Pittsburgh, LLC*, 2012 US Disc. LEXIS 25861 (W.D.N.C. Jan. 26, 2012). OLP sought a preliminary and permanent injunction against the defendants and all others in active concert or participation with them to prevent them from operating a competitive outdoor lighting business, infringing on OLP’s registered marks, engaging in unfair and deceptive trade practices or misappropriating OLP’s goodwill, and failing to return confidential information provided to them during the term of their franchise agreement.

The defendants moved to dismiss OLP’s claims against one of the franchisee’s owners, arguing that the owner could not be bound by the forum selection clause contained in the franchise agreement, as she did not personally sign that document. The court disagreed and found the owner bound by the forum selection clause because the clear and unambiguous terms of the contract bound all officers, stockholders, and immediate family members, and the defendant at issue was an officer, stockholder, and immediate family member.