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**BLOGS**  
Antitrust

## District Court Dismisses Franchisees' Federal and State Antitrust Claims Based on Relevant Market Definition

The United States District Court for the Northern District of Illinois recently dismissed federal and state antitrust claims brought by a class of Quizno's franchisees against Quizno's Franchise Company and related entities. *Siemer v. Quizno's Co. LLC*, 2008 WL 904874 (N.D. Ill. March 31, 2008). The plaintiffs alleged that the defendants violated federal and Illinois antitrust laws by exercising substantial economic power within the "Quick Service Toasted Sandwich Restaurant Franchises market" to coerce franchisees to purchase essential goods from Quizno's affiliates and approved vendors. The plaintiffs claimed that these alleged tying arrangements were either illegal per se, or an unreasonable restraint of trade. The district court granted the defendants' motion to dismiss, holding that plaintiffs' market definition was too narrow. The district court also dismissed plaintiffs' federal civil RICO claim.

Citing United States Supreme Court antitrust precedent, the district court noted that the relevant product market must include all products that have reasonable interchangeability for the purposes for which they are produced – price, use, and qualities considered. The court further pointed to an almost identical case filed in the Eastern District of Wisconsin, *Westerfield v. Quizno's Franchise Co.*, 527 F. Supp. 2d 840 (E.D. Wis. 2007), in which the court, as reported in Issue 101 of *The GPMemorandum*, dismissed the plaintiffs' identical market definition as "patently absurd." The court in Illinois held that even assuming a franchise can be a tying product, the market in question should include all franchise opportunities any potential buyer would consider, not simply toasted submarine sandwich franchises. Finally, relying on the *Queen City* case from the Third Circuit, the district court held that when a plaintiff alleges "a proposed relevant market that clearly does not encompass all interchangeable substitute products even when all factual inferences are granted in plaintiffs' favor, the relevant market is legally insufficient and a motion to dismiss may be granted."