

A solid yellow right-angled triangle pointing towards the top-left corner.

BLOGS
Procedure

Federal Court Dismisses Franchisee's Declaratory Judgment Lawsuit on Ripeness Grounds

In *Casual Dining Development, Inc. v. QFA Royalties, LLC*, 2008 WL 4186692 (E.D. Wis. Sept. 5, 2008), the plaintiffs, Quiznos franchisees, filed a complaint for declaratory relief related to the Area Director Marketing Agreement between the parties. The plaintiffs sought a declaratory judgment excusing them from their development quota obligations under the development agreement. The plaintiffs argued that their failure to develop additional franchises was the result of unfavorable press and negative customer attitudes toward the franchisor. However, as the Court noted, the plaintiffs filed their lawsuit even though Quiznos had not taken any action against them for their non-compliance with the development agreement. Quiznos had neither defaulted nor terminated them. Because the plaintiffs' claims were entirely contingent on a series of future events and there was no "substantial controversy between parties having adverse legal interests," the court held that the request for declaratory judgment was not ripe and dismissed the claims.