

A yellow triangle graphic pointing downwards, located to the left of the 'BLOGS' header.

BLOGS

Tortious Interference

Jury Finds Franchisor Not Liable for Tortious Interference by Termination of a Franchisee's Development Agreement

Following a two-week jury trial in federal court in Philadelphia on a real estate developer's tortious interference claim, a jury recently returned a complete defense verdict in favor of *Dunkin' Donuts. Selzer v. Dunkin' Donuts Inc.*, No. 2:09-cv-05484-GP (E.D. Pa.). Gray Plant Mooty represented the franchisor in this case, which involved a Pennsylvania real estate developer who had entered into an agreement with a Dunkin' Donuts franchisee to develop his stores in York, Pennsylvania. The franchisee had entered into a store development agreement with Dunkin', giving him the exclusive right to develop ten stores during a certain time frame. The franchisee developed three stores. The real estate developer constructed the stores for him and then acted as the franchisee's landlord.

The franchisee was unable to develop the remaining seven stores, and eventually Dunkin' terminated the store development agreement. The real estate developer sued Dunkin' for tortious interference with contractual relations, seeking several million dollars, representing monies it contended it would have received had Dunkin' fulfilled its obligations under the development agreement. The real estate developer asserted that Dunkin' had unlawfully failed to approve the franchisee's fourth location for development and then wrongfully terminated the development agreement. It further contended that, absent Dunkin's wrongful conduct, it would have received profits from the construction of the remaining seven shops as well as substantial rental income from each shop. Numerous witnesses testified, including damages experts for the developer and Dunkin' Donuts. The jury found that Dunkin' was not liable and awarded no damages.

Related People

Maisa Frank

Partner

Washington, D.C.

202.295.2209

maisa.frank@lathropgpm.com