

BLOGS

Choice of Forum/Venue

Maryland District Court Enforces Forum Selection Clause

In *ServiceMaster of Fairfax, Inc. v. ServiceMaster Residential/Commercial Services, L.P.*, 2017 WL 3023342 (D. Md. July 17, 2017), a multi-unit franchisee brought suit against ServiceMaster in Maryland state court for, among other things, violations of Maryland's franchise disclosure laws. ServiceMaster removed the case to federal court in Maryland and moved to transfer the case to the United States District Court for the Western District of Tennessee pursuant to the forum selection clause contained in the parties' franchise agreements. Gray Plant Mooty represented ServiceMaster in the case.

The franchise agreements' forum selection clause provided that all litigation must be venued in Tennessee unless the law to be applied under the choice of law clause required otherwise. The choice of law clause for at least one of the franchise agreements had been amended to state that Maryland's franchise disclosure law allowed franchisees to initiate actions in Maryland for claims arising under the franchise law. The court concluded that the permissive admonition contained in the amendment to the choice of law clause did not alter the mandatory nature of the agreements' forum selection clause. Having so concluded, the court applied the framework set forth by the Supreme Court in *Atlantic Marine* for assessing the enforceability of a valid and mandatory forum selection clause. Under that framework, the court concluded that the franchisee failed to carry its burden to establish that the public interest weighed against transferring the suit to the parties' agreed upon forum. In reaching its conclusion, the court found that the franchisee had failed to show that any of the complained-of conduct occurred in Maryland. The court also reasoned that the case did not involve difficult questions of Maryland law.

Related People

Maisa Frank

Partner

Washington, D.C.

202.295.2209

maisa.frank@lathropgpm.com