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## BLOGS

Post-Termination Injunctions: Noncompetes

# Michigan Court Grants Franchisor's Motion for Preliminary Injunction on Noncompete and Lanham Act Claims

In *Victory Lane Quick Oil Change, Inc. v. Darwich*, 2011 U.S. Dist. LEXIS 70062 (E.D. Mich. June 29, 2011), a federal court in Michigan granted a franchisor's motion for a preliminary injunction against its former franchisee for breaching the noncompete provision in the parties' franchise agreement and violating the Lanham Act. Although the franchisee's principal argued that he sold his oil change business to his brother, who was now operating it as Saline Quick Lube, the court noted that the franchisee remained the tenant of record on the lease for the premises. As a result, the franchisee was arguably "connected with," or ha[d] an "interest in," or was "assist[ing] any person or Entity engaged in a Competitive Business" in violation of the franchise agreement. Accordingly, Victory Lane was likely to prevail on the merits of its contract claim.

As to the Lanham Act claim, the court noted that, like Victory Lane, Saline Quick Lube used a logo with a black and white checkered pattern surrounding the name of the company. Although the company names were different, the general look and overall impression was similar. Moreover, because Saline Quick Lube operated in the same location as the former Victory Lane franchise, confusion was even more likely. Considering all the preliminary injunction factors, the court held that Victory Lane was likely to prevail on its Lanham Act claim as well.