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Choice of Forum/Venue

Missouri Federal Court Enforces Franchise Agreement Forum Selection Provision

A federal court in Missouri recently granted a franchisor's motion to dismiss and enforced the franchise agreement's forum selection provision. *Fogle Enters. v. CiCi Enters.*, 2022 WL 5246446 (W.D. Mo. Oct. 6, 2022).

A federal court in Missouri recently granted a franchisor's motion to dismiss and enforced the franchise agreement's forum selection provision. *Fogle Enters. v. CiCi Enters.*, 2022 WL 5246446 (W.D. Mo. Oct. 6, 2022). In early 2022, franchisor Cici Enterprises issued four default notices and a notice of termination to franchisee Fogle Enterprises. Fogle challenged the termination by filing a lawsuit in the Western District of Missouri where its pizza restaurant was located. Cici moved to dismiss the complaint based on the franchise agreement's designation of the courts in Dallas, Texas as the proper forum for the resolution of all claims between the franchisee and franchisor. Fogle opposed the motion on the basis of Missouri's "strong public policy in favor of protecting those who have unequal bargaining power," arguing that the franchise agreement was a contract of adhesion.

The court granted the motion over Fogle's opposition. It noted that forum selection clauses are prima facie valid and enforceable unless they would "actually deprive the opposing party of his fair day in court." This is the case regardless of whether these clauses were actually negotiated. The court held that Fogle failed to make any allegations concerning the protection of those traditionally thought to have unequal bargaining power, nor did Fogle make any claims that it entered into the franchise agreement because of coercion or fraud. The court further found there were no extraordinary conditions to require an alternative forum other than the convenience of the franchisee, and therefore dismissed the case.

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