

**BLOGS**

Post-Termination Injunctions: Noncompetes

New Jersey Federal Court Partially Enforces Noncompete Covenant Against Former Franchisee

A federal court in New Jersey recently granted a franchisor's motion for a preliminary injunction, enjoining the former franchisee from using the franchisor's marks and violating the franchise agreement's noncompete clause, as narrowed by the court. *GPI, LLC v. Patriot Goose Control Inc.*, 2024 WL 1704731 (D.N.J. Apr. 18, 2024).

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Although Patriot Goose provided sworn testimony that it no longer used GPI's marks, the court nevertheless granted GPI's request for a preliminary injunction as to the marks "to protect any potential future infringement" and "to avoid any potential issues that may arise in the future." With respect to the noncompete, applying New Jersey law, the court blue-penciled the noncompete to narrow its geographic scope. As originally written, the post-termination noncompete prohibited Patriot Goose from engaging in any business involving "the inhabitation of property by, and control of, birds and waterfowl" within 150 miles of Patriot Goose's franchise territory or any other GPI franchisee's territory for two years. The court determined that this geographic scope was overly broad, and GPI agreed to narrow the definition of a competing business. Ultimately, the court enjoined Patriot Goose from engaging in any border collie-facilitated goose control business within 50 miles of Patriot Goose's former franchise territory for two years. Additionally, the court tolled the two-year noncompete period for a few months because it found Patriot Goose had engaged in a clear violation of the noncompete.

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