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BLOGS

Jury Demand and Waiver

Wisconsin Court Finds Franchisee Waived Its Right to Trial by Jury

The United States District Court for the Western District of Wisconsin recently upheld the jury waiver provision in a franchise agreement under the Wisconsin Fair Dealership Law (WFDL). In *Novus Franchising, Inc. v. Superior Entrance Systems, Inc., et al.*, 2012 U.S. Dist. LEXIS 115640 (W.D. Wis. August 15, 2012), Novus Franchising and defendants Superior Entrance Systems, Inc. (SES) and Knute Pedersen were parties to a franchise agreement for the operation of a Novus business. Although SES's affiliate, defendant Superior Glass, Inc. (SGI), did not sign the franchise agreement, SGI actually operated the Novus business, paid Novus the royalty fees, and used Novus's trademarks.

The franchise agreement contained a provision under which the parties waived their right to trial by jury. The court found that the WFDL did not invalidate jury waivers. Defendants argued that the jury trial waiver should not extend to SGI because it did not sign the franchise agreement. The court rejected that argument, finding that because SGI was the principal beneficiary of the franchise agreement, it was equitably estopped from arguing that the franchise agreement did not apply to it.