

When the Party's Over: Issues at the End of a Franchising Relationship

Andrew Terry
Professor and Chair of Discipline
Business School
The University of Sydney
NSW 2006
AUSTRALIA
andrew.terry@sydney.edu.au

Maree Chetwin
Associate Professor
Accounting & Information Systems
University of Canterbury
Christchurch 8140
NEW ZEALAND
maree.chetwin@canterbury.ac.nz

Presented at the 29th Annual
International Society of Franchising Conference
Historical Building
University of Oviedo
Oviedo, SPAIN
June 18-20, 2015

When the Party's Over: Issues at the end of a franchising relationship

*Andrew Terry⁺ and Maree Chetwin**

This article considers issues that may arise on a termination or expiry of the franchise relationship. The meanings of the terms "expiry" and "termination" may not be clear from the agreement and may give rise to different consequences. The legal nature of a continuing relationship post expiry before an agreement is renewed, abandoned or otherwise brought to an end may also be an issue. Renewal may be on the terms of the franchisor's then current franchise agreement which may be quite different from the original franchise agreement. Covenants in restraint of trade must protect a legitimate interest of the franchisor and may have to be tested for reasonableness between the parties and in the public interest.