

## RECENT EXAMPLES 2017/2019

**Franchisor 1** directly competes with the franchisees by making the own brand, that has been jointly built, available to competitors, in particular the successes. Demonstrable lies are being spread in the appeal, on behalf of the franchisor, including (non-existent) consultation between parties. The franchisees see this endless discussion as a barrier for further proceedings.

**Franchisor 2** personally threatens a member of the franchisee association to terminate the franchise agreement if the association follows through with a planned lawsuit. Franchisor 2 also continues this threat.

**Franchisor 3** (other than franchisor 2) has cancelled all franchise contracts of the members of the franchisees' association due to the fact that the association has a discussion with the franchisor. In addition, the franchisor has started an offensive to divide the members of the franchisees' association, by (among other things) reporting that the board is unreliable and that business is no longer being done.

**Franchisor 4** violates contractual exclusivity provisions (area protection for franchisees) by developing its own e-commerce activities aimed at customers of the franchisees in those areas. Franchisees want to make agreements for the suddenly lost turnover but the franchisor refuses this. In fact, customers are explicitly asked by the franchisor not to buy in the franchise shop but to order online. This proposition is further reinforced by price differentiation, extra offers, free delivery and so on. Suppliers are forced to participate.

**Franchisor 5** charges financing costs for logistics operations to franchisees, while there are actually no costs but revenues: The franchisor receives X days after delivery the payment from the franchisee but pays its suppliers after 3 x X days. The late payment to suppliers has consequences for their product price (which is therefore higher), which higher price is charged to franchisees. With this the franchisor shifts the costs of its financing advantage to the supplier who forwards it to the franchisees.

**Franchisor 6** forces franchisees to purchase their products from a sister company and negotiates lower prices for its own shops. Franchisees are also forced to purchase their inventory from an external supplier, supposedly under market conditions, but the franchisor himself receives a kickback.

**Franchisor 7** puts franchisees associations under pressure to accept a new standard franchise agreement and links it to the payment of bonuses that are already due. ("No new franchisor, no bonus"). The proposed franchise agreement is considerably degraded and has become one-sided. The franchisor wants the exclusive rights to the customer data, transaction data and so on, even when it concerns customers of and transactions with franchisees. In addition they want the exclusive right to only make online sales themselves in the exclusive franchisees' area and they reserve the right to come up with a different (comparable) formula and with that directly compete with the franchisees.

Blekerijlaan 1  
NL 3447 GR Woerden

T 0348 41 97 71

F 0348 42 18 01

E [info@vakcentrum.nl](mailto:info@vakcentrum.nl)

I [www.vakcentrum.nl](http://www.vakcentrum.nl)

Finally franchisor 7 wants to stipulate that with every intended sale of a shop by a franchisee (regardless if this is meant to remain in the formula or not) it has a preferential right to the purchase, **and therefore does not have to pay goodwill!!!!**

**Franchisor 8** has renamed fixed annual contributions from suppliers without consulting with franchisees and then renamed them internally, as a result that these contributions do no longer count as bonuses that need to be shared with franchisees.

**Franchisor 9** makes unilateral unreasonable changes and at the same time creates an atmosphere of threat and intimidation among franchisees in order to 'suppress' resistance to those measures; these franchisees rent the space from their franchisors and they do not dare (or rarely dare) to stand up for their own interests for fear of retaliation or termination of contracts and lawsuits.

**Franchisor 10** refuses to do anything according to the NFC as long as there is no statutory basis.

**Franchisor 11** refuses to share customer data (collected in the shop) with the franchisee and forbids for example personal emailing with the customer under the guise of customer protection. This is possible via headquarters, which is free of charge the first three times.

**Franchisor 12** decides to conclude contracts for only 9 months and then do nothing for 3 months to have no obligations in the 'weak' period.

**Franchisor 13** refuses to comply with the NFC and forces its customers to cancel their membership with the sector organisation.

**Franchisor 14** writes to the advisor of the sector organisation that upon disclosure they will take legal action against the organisation and the advisor in particular.

**Franchisor 15** terminates the membership of 8 franchisees at the trade association after an individual dispute. The entrepreneurs in question do not dare to explain.

**Franchisor 16** increases the fee to pay logistic costs and automation, and refuses to show that the fee has actually been used for this. After it appears that this is not the case for a considerable amount, the franchisor refuses reimbursement or even justification.

**Franchisor 17** negotiates with great difficulty and puts a lot of pressure on the franchisees association to accept what it offers. If after 1 year it appears that what has finally been put on paper does not suit the franchisor, because the agreement states that something must be repaid to franchisees, the franchisor declares that what has been put on paper is unclear and therefore cannot be implemented.

**Franchisor 18** refuses any negotiation structure with franchisees and implements unilateral commercial conditions with significant negative consequences for franchisees, telling them that they should trust that the changes are important to the formula.

**Franchisor 19** hides crucial agreements concerning e-commerce and competitive conditions in a standard Data Processing Agreement with the single comment that the General Data Protection Regulation is required for this.

**Franchisor 20** forces a franchisee to terminate the agreement due to a backlog, but refuses to reach agreements on the backlog if a substantial amount does not first appear on the account. This while the backlogs already date from years back and the franchisee had been able to reduce that backlog.

**Franchisor 21** asks the franchisee to pay for the company's goodwill and inventory and offers a contract which states that at the end of the agreement the franchisee is required to resell without goodwill and for a substantially reduced amount for inventory (not in proportion to the depreciations).

**Franchisor 22** sells a shop, that has not been doing well for years, as a strong business to the chef who has been working there for a year, and without providing him the information about these years. Since the chef worked there, he should have known. He had not asked about it either.

**Franchisor 23** an empty building - where everyone (the established retailers) has an interest in getting the building rent - remains empty due to a connection with the franchise agreement of the person who wishes to operate it. To obtain the building, there must be an agreement from an unbound establishment with a completely tied establishment. A dispute that cannot be bridged. The franchisor is price-determined and not the free market at a tied establishment. The franchisor even has the option of claiming the building as a lessor with urgent own use. The building therefore remains empty. The franchisee becomes concise in the entrepreneurship.