

GETTING THE DEAL THROUGH®

Franchise

in 33 jurisdictions worldwide

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Overview

- 1 What forms of business entities exist that would be relevant to the typical franchisor?

Franchises may be subject to any form of business entity existing under Dutch law, in particular:

- private limited liability companies;
- public companies;
- sole proprietorships;
- general partnerships; and
- limited partnerships.

The private limited liability company and the public company are legal entities. The general partnership, limited partnership and sole proprietorship are non-legal entities. Whether a business entity is a legal entity or not affects the liability of the franchisor.

- 2 What laws and agencies govern the formation of business entities?

The formation of business entities is in particular governed by:

- book 2 of the Dutch Civil Code for legal entities;
- book 7a of the Dutch Civil Code; and
- the Commercial Code.

In addition, there are several specific laws, for example:

- the Works Councils Act;
- the Commercial Register Act 2007; and
- the Commercial Register Decree 2008.

All business entities must be registered in the Commercial Register.

- 3 Provide an overview of the requirements for forming and maintaining a business entity.

The requirements for forming and maintaining a business entity depend on what form of business entity is incorporated. In the event a private limited liability form is used by the franchisor, the following requirements apply:

- A minimum capital contribution of €18,000, which can be made in cash or in kind. In the case of a contribution in kind, an accountant's certificate is required. In the case of a contribution in cash, a bank statement is required.
- A statement of no objection from the Dutch Ministry of Justice.
- A notarial deed of incorporation including the articles of association.

- 4 What restrictions apply to foreign business entities and foreign investment?

Business entities that are incorporated under foreign law, but active on the Dutch market rather than within their own country, are subject to the Companies Formally Registered Abroad Act (CFRA Act). The CFRA Act does not apply to members of the European Union (EU members) and countries that are members of the European Economic Area Agreement. All other entities will have to comply with certain requirements, which also apply to Dutch entities (registration in the Commercial Register, statutory minimum capital and the filing of annual accounts with the Commercial Register where the business entity is registered).

- 5 Briefly describe the aspects of the tax system relevant to franchisors. How are foreign businesses and individuals taxed?

In principle, taxable profits realised by corporate entities that are for tax purposes resident in the Netherlands, for example, Dutch limited liability companies (BV and NV), are subject to the Dutch corporate income tax rate of 25.5 per cent insofar as the taxable profit is in excess of €200,000. The first €40,000 of taxable profit is taxed at a reduced rate of 20 per cent and the subsequent €160,000 of taxable profit at a rate of 23 per cent. Dividends received and capital gains derived from a shareholding to which the Dutch participation exemption applies are exempt from Dutch corporate income tax.

Dividends distributed by a Dutch tax-resident company are generally subject to 15 per cent Dutch dividend withholding tax. A reduced rate or an exemption from Dutch dividend withholding tax may be available, for example, as a result of the application of a tax treaty or if the Dutch participation exemption applies. In principle, dividends distributed to an EU shareholder holding more than five per cent are also exempt from Dutch dividend withholding tax. In general, Dutch (corporate) taxpayers can credit dividend tax withheld against (corporate) income tax due.

Individual shareholders holding more than five per cent in the nominal share capital of a company (substantial interest) are generally subject to Dutch individual income tax in respect of dividends received and capital gains derived from such substantial interest at a flat rate of 25 per cent. Individual shareholders holding less than five per cent in the nominal share capital of a company are generally subject to Dutch individual income tax at a flat rate of 30 per cent calculated over a deemed return of four per cent on the average value of such shareholder's total amount of savings and investments. Individuals performing franchise activities in the Netherlands, either in the form of tax transparent partnerships or as sole entrepreneurs, are generally being taxed with income tax at progressive rates up to a maximum rate of 52 per cent. Dutch individual entrepreneurs may apply a number of beneficial tax facilities.

No taxes are levied upon the set-up of a business in the Netherlands. Dutch capital tax, which was due upon the incorporation of a company with a capital divided into shares, was abolished from 1 January 2006.

The acquisition of Dutch real estate properties is subject to a six per cent Dutch real estate transfer tax. In certain circumstances, the acquisition of more than 33.33 per cent in a Dutch real estate company is subject to Dutch real estate transfer tax as well.

Wages paid by a Dutch employer are subject to Dutch wage withholding tax and Dutch social security premiums. The Dutch wage withholding tax is creditable against the Dutch individual income tax liability in full. Attractive tax benefits are available for foreign employees if these employees have certain specific skills that are scarce in the Netherlands.

Dutch value added tax is charged at a rate of 19 per cent, albeit that reduced rates of six per cent and 0 per cent apply in respect of certain supplies, for example, the supply of agricultural products. Imports performed by Dutch entrepreneurs generally are subject to Dutch value added tax. In principle, the importing entrepreneur may credit or refund the value added tax paid on the imported supplies. Exports from the Netherlands are generally exempt from Dutch value added tax.

6 Are there any relevant labour and employment considerations for typical franchisors? What is the risk that a franchisee or employees of a franchisee could be deemed employees of the franchisor? What can be done to reduce this risk?

In principle, franchisees are deemed independent entrepreneurs. Hence, no labour and employment considerations apply. However, franchisees may qualify as 'quasi-employees' on the basis that the relationship between the franchisor and franchisee does not correspond with the franchise agreement as it is in fact an employment relationship. Case law shows that this is often the case with self-employed persons such as driving instructors and door-to-door salesmen.

Each 'cooperation agreement', such as a franchise agreement, is considered on its own merits. The name and wording of the contract between the parties is not decisive. The courts look at the intention of the parties when entering into the franchise contract, as well as the way in which the parties have given substance to their relationship. If it is established that the franchisee is obliged to perform the agreed duties in person, the franchisor pays the franchisee, directly or indirectly, for these duties and a relationship of authority can be established which manifests itself in the right of the franchisor to give instructions which the franchisee must follow, an employment relationship can be assumed. Particularly in franchise relationships, the following criteria prove to be decisive: equivalence of the contracting parties, the ability of the franchisee to let someone else perform the duties (for example, third parties or employees of the franchisee), the franchisee bearing the business risk and economic independence of the franchisee.

As long as the franchisee is truly a franchisee, not only pursuant to the contract but also in the day-to-day activities, no employment relationship should be deemed to exist. The franchisor can choose to ask the franchisee to submit a declaration of independent contractor status, which the franchisee can obtain through the Dutch tax authorities. Such a declaration is valid for one calendar year. If a franchisee can produce such a declaration, the authorities will in principle not assume a (fictitious) employment relationship for that year.

7 How are trademarks and know-how protected?

Registered trademarks are protected by the Benelux Treaty for Intellectual Property. The registrant of a Benelux trademark has exclusive rights for specific classes of goods or services in Belgium, the

Netherlands and Luxembourg if a trademark is registered in the public trademark registry of the Benelux Office for Intellectual Property (BOIP). In addition, the registrant has exclusive rights for specific classes of goods or services in the European Union if a trademark is registered as a community trademark in the public trademark registry of the Office for Harmonisation of the Internal Market (OHIM) of the European Union. A preliminary trademark search can be conducted on the BOIP website: <http://register.boip.int/bmbonline/intro/select.do?language=en>.

Know-how is in principle not protected by any intellectual property right. However, know-how may be protected under the general provisions of Dutch unfair competition law (including civil tort). Know-how could be contractually protected by including confidentiality (non-disclosure) obligations in an agreement (for example, a franchise agreement). See question 31.

8 What are the relevant aspects of the real estate market and real estate law?

In the Netherlands, there are no restrictions on the acquisition of real estate by foreigners. Therefore foreign franchisors would not face difficulties should they wish to purchase real estate to lease to franchisees. However, franchisors will have to take the protection of lessees under the semi-mandatory Dutch lease law into account, even if the properties have been made available to the franchisees in the franchise agreement and no specific lease agreement has been drawn up.

In the Netherlands, the lessees of retail space (which includes shops, restaurants takeaways, etc) are protected by various conditions of semi-mandatory lease law, including but not limited to:

- a minimum lease term of two times five years and limited grounds for termination by the lessor;
- termination or rescission can only be effected judicially (also in the event of breach of contract); and
- the turnover rent may be affected by market rent review.

The court can be requested to approve a deviation from semi-mandatory law.

Laws and agencies that regulate the offer and sale of franchises

9 What is the legal definition of a franchise?

There is no legal definition of a franchise in the Netherlands but the Dutch Franchise Association (NFV) has produced the following guideline: 'Franchising is a system for distributing products and services and/or exploitation of technology, based on close and lasting cooperation between legally and economically independent businesses.'

The NFV is an association that acts directly in the interests of its member franchisors and indirectly in the interests of franchisees, with its primary goal to promote a healthy and balanced development of franchising in the Netherlands (see: www.nfv.nl).

10 Which laws and government agencies regulate the offer and sale of franchises?

Franchising is not specifically regulated in Dutch law. Instead, the general laws of contract apply. Book 6 of the Dutch Civil Code sets out the requirements relating to the formation of contracts. These provisions must be read in conjunction with the more general rules regarding juridical acts, that is, acts intended to invoke legal consequences provided in book 3 of the Dutch Civil Code.

However, the Dutch Competition Authority (NMa), which ensures compliance with European competition law, must be kept in mind (see questions 34 and 35).

Franchisors that are members of the NFV are bound by the rules in the European Code of Ethics for Franchising (Code), drawn up by the European Franchise Federation (see: www.eff-franchise.com).

There are no specific government agencies that regulate the offer and sale of franchises.

11 Describe the relevant requirements of these laws and agencies.

As franchise agreements are not specifically regulated in the Netherlands, such agreements are primarily governed by the freedom of contract principle; respective rights and obligations are defined by the will of the parties, as set out in the agreement.

All contracts concluded under Dutch law are subject to the general requirements of reasonableness and fairness (see question 32).

12 What are the exemptions and exclusions from any franchise laws and regulations?

As there are no specific franchise laws or regulations, there are no exemptions or exclusions.

13 In the case of a sub-franchising structure, who must make pre-sale disclosures to sub-franchisees? If the sub-franchisor must provide disclosure, what must be disclosed concerning the franchisor and the contractual or other relationship between the franchisor and the sub-franchisor?

The allocation of respective responsibilities between the franchisor and the sub-franchisor towards a (prospective) sub-franchisee will depend on what has been agreed between them. This is not specifically regulated by Dutch law. If nothing has been agreed, in principle the sub-franchisor (assuming that this will be the contracting party of the sub-franchisee) shall be responsible for pre-sale disclosures towards the sub-franchisee.

14 What is the compliance procedure for making pre-contractual disclosure in your country? How often must the disclosures be updated?

Pre-contractual disclosure requirements stem from unwritten law and case law, which dictate the duty to inform (on the part of the franchisor) and duty to investigate (on the part of the franchisee). Parties are entitled to rely on the accuracy of each other's information and must always bear in mind each other's reasonable expectations.

15 What information must the disclosure document contain?

Consistent case law indicates that franchisors must present a prognosis regarding the expected success of a new franchise location, based on a thorough and careful assessment of the market and the new location. This should include an assessment of the primary competitors in the area and the estimated turnover. The franchisor will have a continuing obligation to provide the franchisee with advice and assistance. The franchisor will need to make available its financial data and the terms of the licence under which the franchisee will operate. In the Netherlands, a franchisor will typically have a handbook containing know-how and other information relating to the chain, which will be given to the franchisee upon conclusion of the contract.

16 How do the relevant government agencies enforce the disclosure requirements?

Not applicable – see question 10.

17 What actions can franchisees take to obtain relief for violations of disclosure requirements? What are the legal remedies for such violations? How are damages calculated? If the franchisee can cancel or rescind the franchise contract, is the franchisee also entitled to reimbursement or damages?

The actions and legal remedies available to franchisees for violations of disclosure requirements vary as set out below.

A misinformed franchisee can base a claim for nullification on error in case the franchisee can prove that the contract has been entered into under the influence of an error and would not have been concluded had there been a correct understanding of the facts. Such a claim for nullification will only succeed where the misinformation is of a sufficiently serious nature. An alternative would be to base a claim on deceit but in this instance the franchisee would have to prove intent on the part of franchisor. Generally this is (very) difficult to prove. Nullification has retroactive effect. If the actions (or omissions) of the franchisor (also) qualify as a civil tort, the franchisor has an obligation to compensate all damages of the franchisee. On the basis of error the contract may, upon request, be modified by a judge (for example, the contract price for the franchisee may be reduced).

An alternative course of action is to base a claim for (partial) rescission or specific performance on breach of contract in case the franchisee can prove that the franchisor has failed in the performance of an obligation. In the case of rescission for breach of contract, the defaulting party may be required to compensate the damages which the other party suffers as a result, unless the failure is not attributable to the defaulting party. If the franchisee can prove that the franchisor, by misinforming the franchisee, has committed a breach of contract, it can either claim rescission, alternative compensation or specific performance, all combined with losses due to delay.

In the case of breach of contract or tort, the franchisor has an obligation to compensate all damages of the franchisee. These damages include both losses and lost profits. The main principle is that the breaching party should bring the franchisee into the position it would have been in had the civil tort or breach of contract not been committed. The burden of proof as to the damages is on the franchisee. If the damages cannot be assessed precisely, the Dutch court may estimate the amount of damages according to the general principles of reasonableness and fairness. In doing so, the Dutch courts have a large margin of discretion. The damages awarded will depend on the circumstances of the individual case.

18 In the case of sub-franchising, how is liability for disclosure violations shared between franchisor and sub-franchisor? Are individual officers, directors and employees of the franchisor or the sub-franchisor exposed to liability? If so, what liability?

See also question 13. The potential liability of the franchisor or sub-franchisor will depend on what has been contractually agreed between them regarding responsibilities towards sub-franchisees. In the event nothing has been agreed, in principle the sub-franchisor (assuming that this will be the contracting party of the sub-franchisee) will be liable towards the sub-franchisee. However, the franchisor may be liable towards the sub-franchisor in case the franchisor, in its turn, has neglected its obligations.

Under Dutch law, the private company with limited liability and the public company limited by shares both have legal personality (see question 1). In principle, therefore, liability rests with the business and not with individual officers, directors or employees. Individual officers or directors will only be exposed to liability in the event of improper management on their part which amounts to a personal culpability of the directors. The burden of proof will rest on the franchisee.

19 In addition to any laws or government agencies that specifically regulate offering and selling franchises, what are the general principles of law that affect the offer and sale of franchises? What other regulations or government agencies or industry codes of conduct may affect the offer and sale of franchises?

See questions 10, 11 and 32.

20 What other actions may franchisees take if a franchisor engages in fraudulent or deceptive practices in connection with the offer and sale of franchises? How does this protection differ from the protection provided under the franchise sales disclosure laws?

If a franchisor engages in fraudulent or deceptive practices, the franchisee may base a claim for annulment of the contract against the franchisor on the basis of deceit or error (misrepresentation). If the actions (or omissions) of the franchisor (also) qualify as a civil tort, which is always accepted in case of deceit, the franchisor has an obligation to compensate all damages of the franchisee. See question 17 for an explanation regarding damages.

There is no distinct difference in legal protection when the franchisor has violated its disclosure obligations.

Legal restrictions on the terms of franchise contracts and the relationship between parties involved in a franchise relationship

21 Are there specific laws regulating the ongoing relationship between franchisor and franchisee after the franchise contract comes into effect?

The ongoing relationship between the parties after the contract comes into effect will primarily be governed by the terms of the agreement concluded between them. In addition, the principle of reasonableness and fairness will play an important role. See question 32.

22 Do other laws affect the franchise relationship?

The Data Protection Act (DPA) lays down several requirements for processing of personal data. 'Personal data' is any data relating to an identified or identifiable person. 'Processing' means almost anything that can be done with personal data, such as collecting, storing, erasing, using or retrieving. The DPA applies to both processing of personal data by automatic means and to processing other than by automatic means. The DPA also contains restrictions relating to the transfer of personal data to other countries. Applied to a franchising context, the DPA would be relevant, for instance, where the franchisee or franchisor collects customer details pursuant to a customer loyalty programme. The DPA is the Dutch implementation of the EU Data Protection Directive.

For details of competition laws that have an impact on franchise relationships, see questions 34 and 35.

23 Do other government or trade association policies affect the franchise relationship?

The Code may affect the franchise relationship where the franchisor is a member of the NFV. For example, the Code provides that the franchisor shall provide the franchisee with initial training and continuing commercial and technical assistance during the entire life of the agreement.

24 In what circumstances may a franchisor terminate a franchise relationship? What are the specific legal restrictions on a franchisor's ability to terminate a franchise relationship?

Either party may terminate the agreement for cause, in case of serious breach by the other party of its obligations. The criteria for what constitutes a serious breach should be carefully considered before actually terminating, since the Dutch courts will have the discretion to decide that a certain circumstance does not qualify as a sufficiently serious breach, notwithstanding the fact that this may have been agreed by the parties in the franchise agreement.

In case of termination by the franchisor without cause, a legal distinction should be made between contracts concluded for a definite and an indefinite duration. Contracts of definite duration can generally not be terminated before the end of the contract term. Early termination will result in liability of the terminating party. If a franchisor terminates a contract prematurely (without cause), the franchisee can claim continued performance or damages. The damages could consist of lost profits, calculated over the remaining term of the contract as well as costs and investments that the franchisee was not able to redeem due to the premature termination.

In case of a contract for an indefinite duration, the contract may in principle be terminated by either party respecting a reasonable notice period. The length of the reasonable notice period depends on the circumstances of the case. In case the franchisor terminates a contract (without cause) and does not respect a reasonable notice period, the franchisee could (also) claim continued performance – during the period that should have been respected by the franchisor – or claim damages.

25 In what circumstances may a franchisee terminate a franchise relationship?

The rules that apply to the franchisor in principle also apply to the franchisee (see question 24).

26 May a franchisor refuse to renew the franchise agreement with a franchisee? If yes, in what circumstances may a franchisor refuse to renew?

Whether a franchisor may refuse to renew the franchise agreement with a franchisee depends primarily on the content of the contract. When nothing in this respect has been arranged in the contract, case law indicates that a franchisor may refuse to renew a relationship where unforeseen circumstances have occurred that are of such a serious nature that the franchisee could not reasonably have expected the contract to be renewed. Furthermore, where the franchisor can prove that the franchisee is in breach of its (material) obligations, the franchisor may refuse to renew the agreement (on the basis of breach of contract). In certain circumstances, the franchisor may be obliged to compensate the franchisee upon termination; for example, when the franchisor takes over the franchise at that location or at a new location within a small distance. Another example is when the franchisee has incurred significant costs in justified reliance on continued cooperation. In this circumstance, the franchisor may be required to compensate the franchisee.

27 May a franchisor restrict a franchisee's ability to transfer its franchise or restrict transfers of ownership interests in a franchisee entity?

A general provision regarding contract transfers is laid down in the Dutch Civil Code. A contracting party may, only with the consent of the other party, transfer its rights and obligations under the contract to a third party. Therefore a franchisee may only transfer the franchise

with the franchisor's consent. A franchisor will not normally refuse such a transfer, where the third party meets the selection criteria. It can be contractually arranged that the franchisee should first offer the business to the franchisor on the same terms as those which the franchisee would offer to the third party.

28 Are there laws or regulations affecting the nature, amount or payment of fees?

Franchising fees are not regulated by law. In practice, however, different types of fee can be distinguished. First, an entrance fee, a one-off payment that the franchisee pays to the franchisor. It represents a contribution towards the costs that the franchisor has incurred in expansion of its chain and establishing goodwill. Second, a continuing franchising fee, which is a regular fee for the use of the franchise-system. This is usually a percentage of profits that the franchisee has realised within a given term. A regular fee may also be due as a contribution towards advertising costs or promotional activities.

29 Are there restrictions on the amount of interest that can be charged on overdue payments?

Under freedom of contract, the parties are free to agree on the interest rates to be applied. If the parties did not agree on any interest rate, the Dutch statutory interest shall apply automatically in the event of late payment. The Dutch legal interest rate in commercial matters per 1 July 2008 amounts to an annual percentage of 11.07 per cent.

30 Are there laws or regulations restricting a franchisee's ability to make payments to a foreign franchisor in the franchisor's domestic currency?

Freedom of contract dictates that parties may agree to whichever terms they find mutually suitable, subject to question 32.

31 Are confidentiality covenants in franchise agreements enforceable?

Confidentiality covenants in franchise agreements are enforceable. The franchisee typically commits itself, for the duration of the contract as well as following its termination, to keep all details of the franchisor's business operations confidential. This will typically extend to non-patented know-how materials.

Franchising contracts in the Netherlands may include a financial penalty provision that can be invoked in the event the other party violates the confidentiality clause. The courts shall have the right to mitigate such penalties. One cannot contractually exclude this mitigation right.

32 Is there a general legal obligation on parties to deal with each other in good faith? If so, how does it affect franchise relationships?

There is a general legal obligation on parties to deal with each other in good faith. In the Netherlands, general civil law is governed by the principle of reasonableness and fairness. Franchise agreements are therefore also governed by reasonableness and fairness.

The principle of reasonableness and fairness may not only supplement the existing contract and relationship, it may also derogate from the contract that the parties agreed upon at an earlier stage. This means that every provision in an existing contract that is (very) one-sided (for example, a provision that the franchise relationship may be terminated by the franchisor at any given moment, respecting a notice term of 30 days) could be set aside by this principle of reasonableness and fairness. It is not possible to predict what kind of provisions may be set aside, since the court will consider

all relevant circumstances, including the economic power of each party, the duration of the contract, the investments made by either party and what each party could reasonably expect from the other party. Dutch courts generally tend to protect 'weaker' parties at the expense of economically stronger parties. However, this certainly does not mean that simply by being a weaker party, certain clauses will be set aside. Again, this depends on all the circumstances in the matter.

33 Must disclosure documents and franchise agreements be in the language of your country?

Freedom of contract dictates that parties may agree to draw up contracts in whichever language they choose. However, on the basis of the principle of reasonableness and fairness one could argue that disclosure documents and agreements should be made available in a language that the other party understands.

34 What restrictions are there on provisions in franchise contracts?

As in all other EU member states, Commission Regulation 2790/1999 provides the relevant framework for the competition law assessment of all franchise agreements with an effect on trade between the member states. The EC Guidelines to the Commission Regulation can be found at www.ec.europa.eu/comm/competition/antitrust/legislation/vertical.html. This Commission Regulation, inter alia, prohibits resale price maintenance as well as certain restrictions regarding the territory or group of customers that can be served. Also, it restricts the duration of a contract in case it contains a non-compete clause.

As regards purely domestic franchising agreements, the Commission Regulation equally applies by virtue of article 13.a of the Dutch Competition Act (DCA). There are no additional Dutch competition laws relating to franchising agreements.

Regarding article 6 of the DCA (the prohibition of restrictive agreements), two de minimis thresholds apply. To franchising, only the lowest threshold applies (maximum of eight undertakings with a joint turnover of no more than €5.5 million in case of goods and €1.1 million in all other cases). The largest de minimis threshold (joint market share not exceeding five per cent and joint turnover not exceeding €40 million) does not apply to vertical agreements such as franchising.

35 Describe the aspects of competition law in your country that are relevant to the typical franchisor. How are they enforced?

Franchising agreements that do not meet the criteria set forth in Regulation 2790/1999 and to which no de minimis thresholds apply will be prohibited on the basis of article 6.1 of the DCA or article 81 of the EC Treaty, unless the four criteria of the legal exception of article 6.3 DCA or article 81(3) EC apply.

Competition laws in the Netherlands are enforced both administratively and by means of civil litigation (private enforcement). The NMa can impose fines if a franchising agreement would disregard what is set forth in Regulation 2790/1999, in particular if the agreement would contain any hardcore restrictions (eg, resale price maintenance). The maximum statutory fine is 10 per cent of the undertaking's worldwide turnover.

A party to a franchising agreement claiming that the agreement infringes article 6.1 of the DCA or 81(1) EC can invoke the nullity of the agreement (in whole or in part) before a Dutch court. The court will have to decide on the applicability of Regulation 2790/1999, or the legal exception of article 6.1 DCA or article 81(1) EC. If they decide the affirmative, it will subsequently have to determine whether that leads to partial nullity (of only the infringing clauses) or nullity

Update and trends

One tends to see franchising being used in the medical sector in the Netherlands, for instance for the establishment of private practices that work in conformity with certain standards and have a certain 'look and feel' attached to it.

of the agreement in its entirety. The latter will be the case if the court determines that without the infringing clause, the agreement would not (or not on similar terms) have been concluded. In a few instances the court has nullified a franchising agreement in its entirety, notably because the franchisor engaged in resale price maintenance.

36 Very briefly describe the court system. What types of dispute resolution procedures are available relevant to franchising?

Franchise agreements will generally contain a dispute resolution clause, in which a competent court or a form of arbitration is explicitly chosen.

In the Netherlands, NAI arbitration (www.nai-nl.org/english) is of good standing and in general less expensive than the internationally well known ICC arbitration (www.iccwbo.org).

In case there is no (valid) arbitration provision, in smaller claims (under the amount of €5,000 and for particular issues (such as employment and rent-related disputes) the sub-district court is competent. Larger claims may be brought before the civil judge of the district court.

For those seeking out-of-court remedies, the Dutch Franchise Association can assist the parties with mediation.

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