

Time to Reconsider No Poaching Agreements? Yes, Emphatically.

Franchisors need to review their franchise agreements and take immediate action in response to the recent onslaught of legal action over “naked no-poaching” provisions in franchise agreements, according to a post in **Franchise Law Update** on the website of Fox Rothschild.

“In a typical franchise agreement, a franchisor will prohibit a franchisee from poaching its or its other franchisees’ employees during the term of the franchise agreement and for a period of time after the franchise agreement ends,” the authors explain.

In April 2018, the U.S. Department of Justice initiated a criminal complaint against a number of companies respecting naked no-poaching agreements. While the case settled with only civil penalties imposed, the DOJ expressly stated that it was reserving the criminal question and planned to “zealously enforce” the law.

Read the article.