

# **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.**