OUTLINE OF ISSUES ADDRESSED
BY EACH SECTION

1. Has the state addressed covenants against competition in the context of franchising?

- Does the state have a franchising statute or regulations that address covenants against competition?
- Does the state have a covenants statute of general applicability that would encompass franchise covenants?
- Have the courts addressed covenants in the context of franchising either under a statute or under the state’s common law?

2. Have the courts articulated the “legitimate interests” of the franchisor that will support enforcement of a covenant against competition contained in a franchise agreement?

- If so, what are they (e.g., protection of goodwill, protection of confidential information), and in what contexts did the issue arise?
- If not, what interests have been recognized in other contexts (e.g., employment agreements, the sale of business context)?

3. What time limitations have courts recognized as reasonable in the franchise context?

- If no franchise cases have been decided, what time limitations have been recognized in other contexts?
- How have they been related to the interests protected?
4. What geographic limitations have courts recognized as reasonable in the franchise context?

   How have they been related to the interests protected?

   Have courts recognized the legitimacy of protecting other franchisees from competition?

5. What limitations on activities have courts recognized as reasonable in the franchise context?

6. Does the state recognize a difference between in-term and post-term covenants?

7. Has the state allowed enforcement of covenants against non-signatories (e.g., family members, newly formed corporations)?

8. Will the state modify, “blue-pencil,” or otherwise reduce a covenant found to be overbroad?

9. When does a non-compete period begin to run?

   Will courts equitably extend the term?

10. Are there additional nuances or peculiarities of the state’s treatment of covenants in the franchising context?