

Won a complete victory following a four-day arbitration for the nation's leading beauty and wellness franchisor, which was accused of fraud, franchise disclosure violations, violations of unfair competition laws, and breach of contract. Successfully countersued for breach of contract and trade secret misappropriation, obtained preliminary and permanent injunctions, recovered liquidated damages, and secured an award of attorneys' fees and costs.

2023

WTO lawyers secured a complete victory for one of the nation's largest beauty and wellness franchisors after a four-day arbitration hearing following years of legal wrangling. A franchisee brought claims against WTO's client for franchise disclosure violations, violations of unfair competition laws, and breach of good faith and fair dealing under California and Colorado law. Shortly after filing suit, the franchisee stole our client's trade secrets and used them to start a competing business from the location of her former franchise, in violation of the franchise agreement's non-compete

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provisions and other restrictive covenants and state and federal trade secret laws.

WTO then obtained two preliminary injunctions against the former franchisee, despite a California statute stating that non-competes are unenforceable and void against public policy, by showing that the franchisee's misappropriation and use of our client's trade secrets created a narrow exception to the California statute.

At the final hearing, the arbitrator heard testimony from 10 fact and expert witnesses before entering a permanent injunction against the former franchisee and ruling in favor of WTO's client on all claims and counterclaims. The arbitrator also awarded WTO's client liquidated damages, plus reasonable attorneys' fees and costs incurred during the arbitration and preliminary injunction proceedings.

Professionals



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