



RAISING THE BAR

IFA LEGAL SYMPOSIUM
MAY 5-7, 2019 | WASHINGTON, DC

Basics Track: Expanding Internationally

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International Expansion

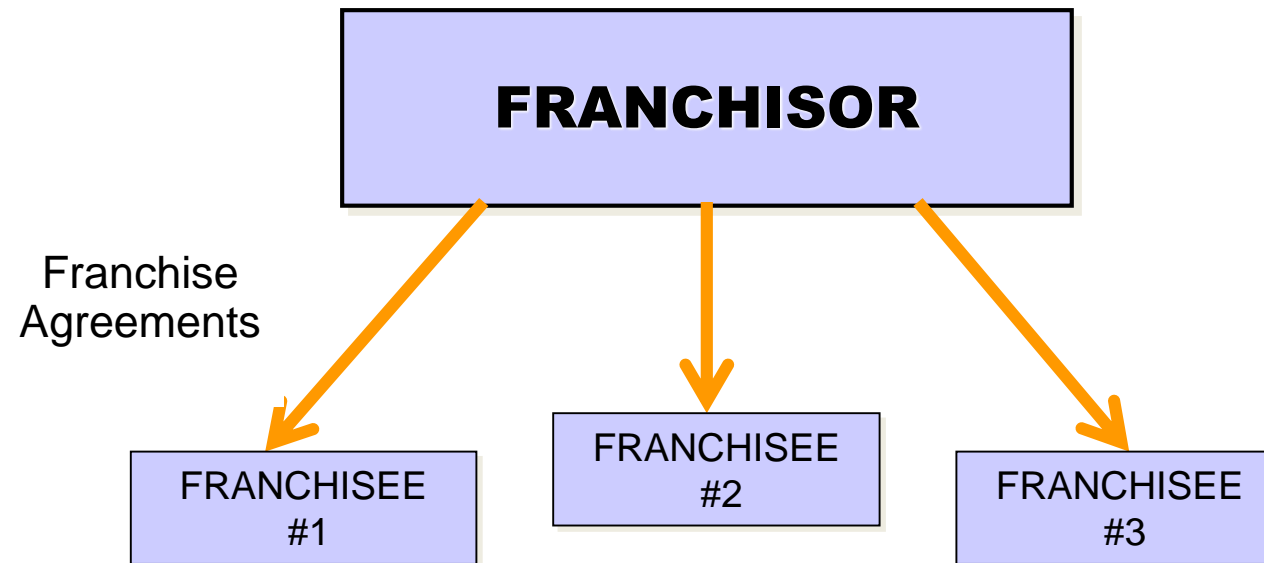
– An Overview

- Deciding on the Deal Structure
- Selecting Countries for Expansion
- Choosing the Right Franchise Partner
- Key Business Terms
- Foreign Franchise Laws
- Other Foreign Laws and US Law Considerations

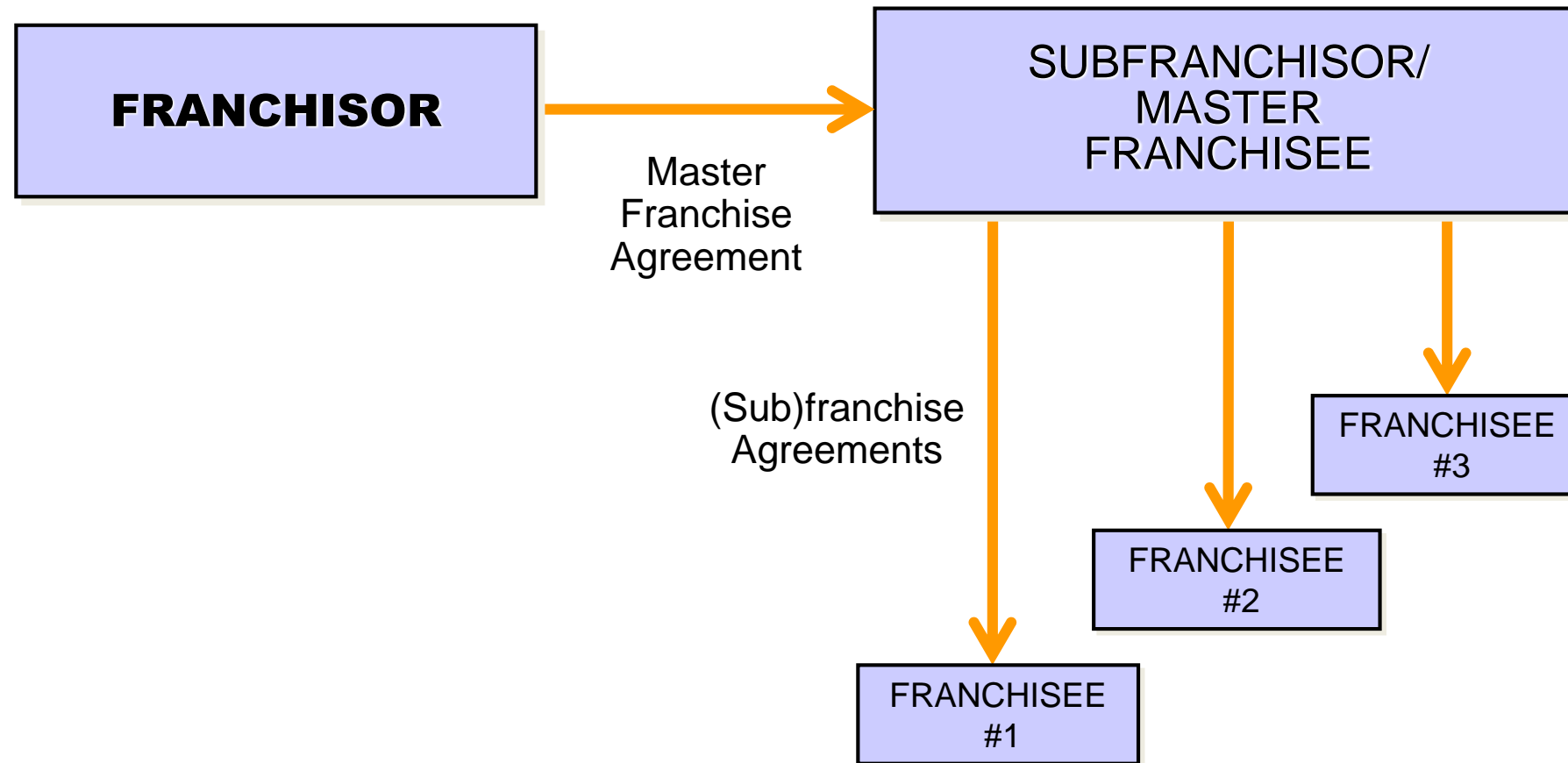
Deciding on the Deal Structure

- Direct/Unit Franchising
- Master Franchises
- Development Arrangements
- Joint Venture
- Area Representation

Direct/Unit Franchises

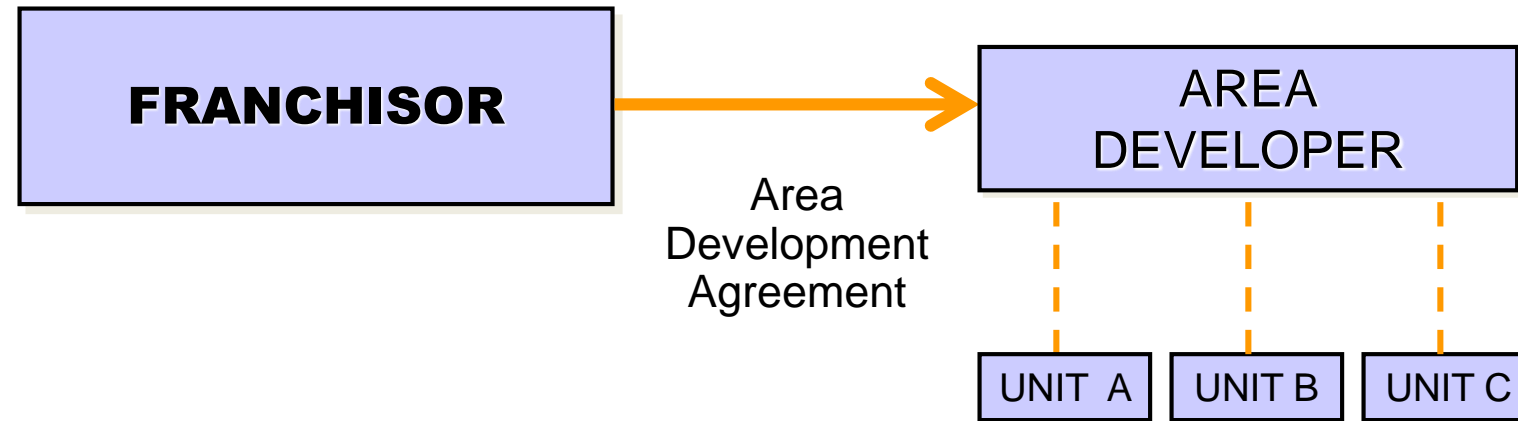


Master Franchises



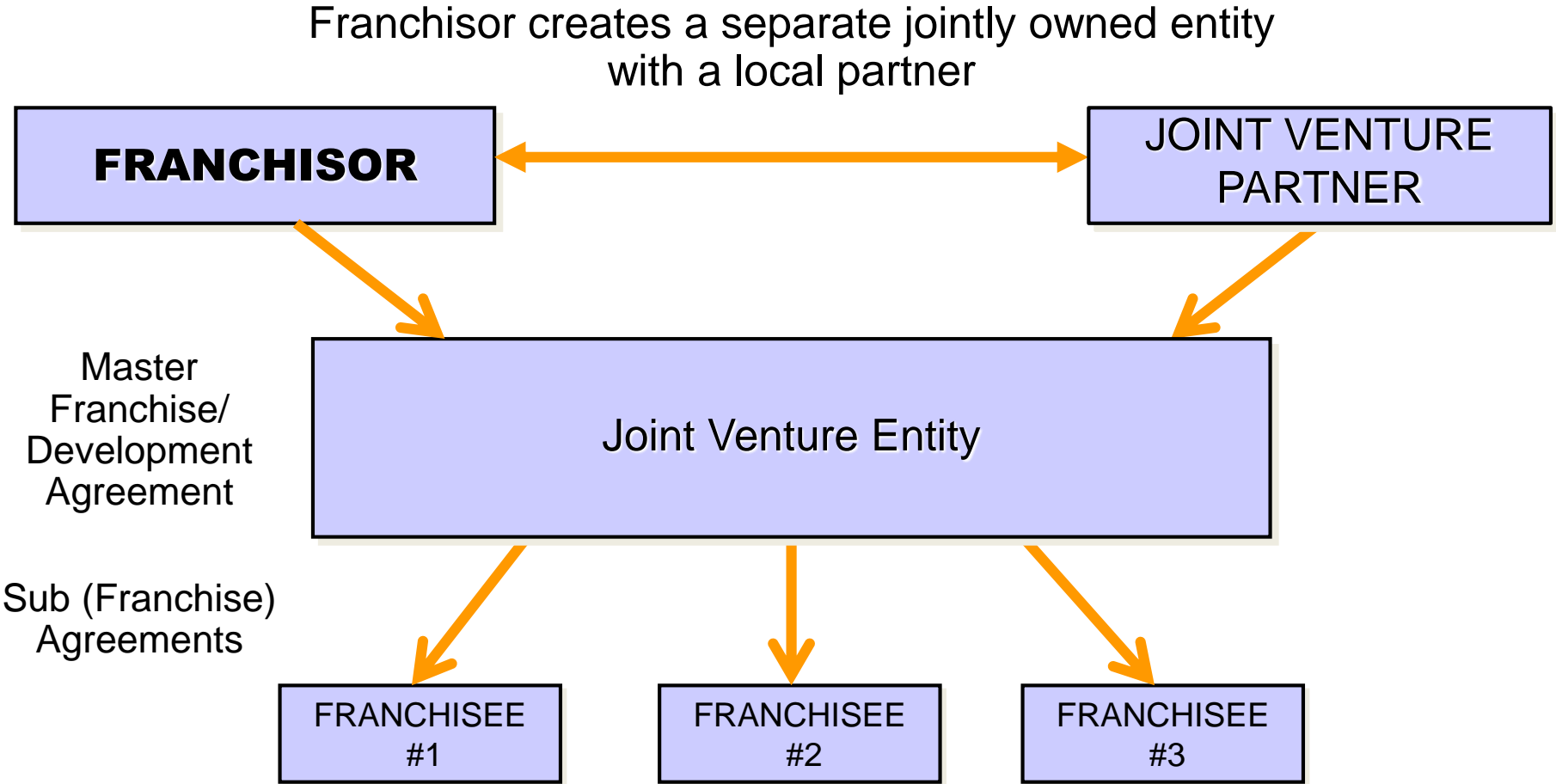
Development Arrangements

- Multi-unit operator/Development

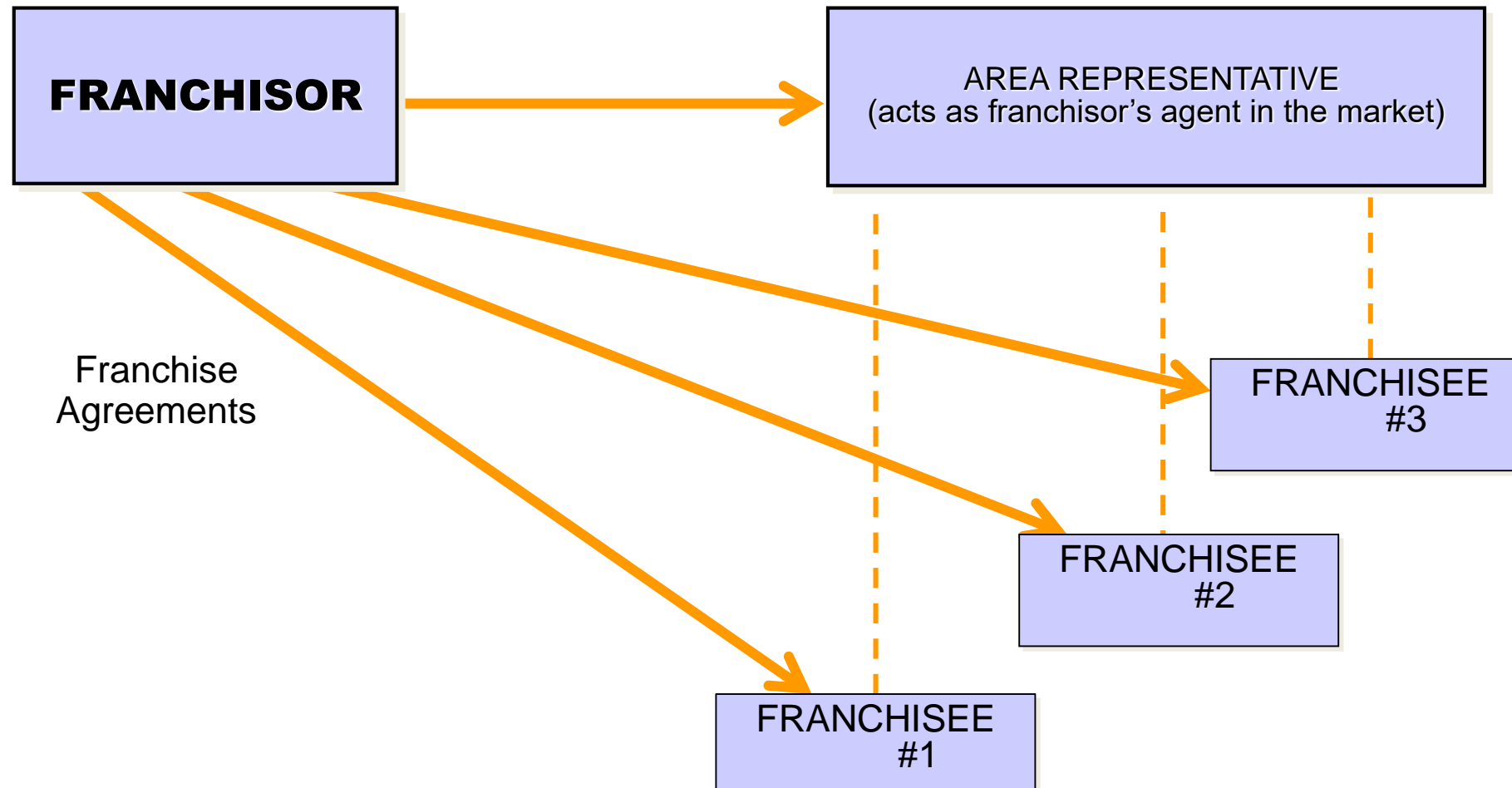


- Franchise Agreement for each unit

Joint Ventures

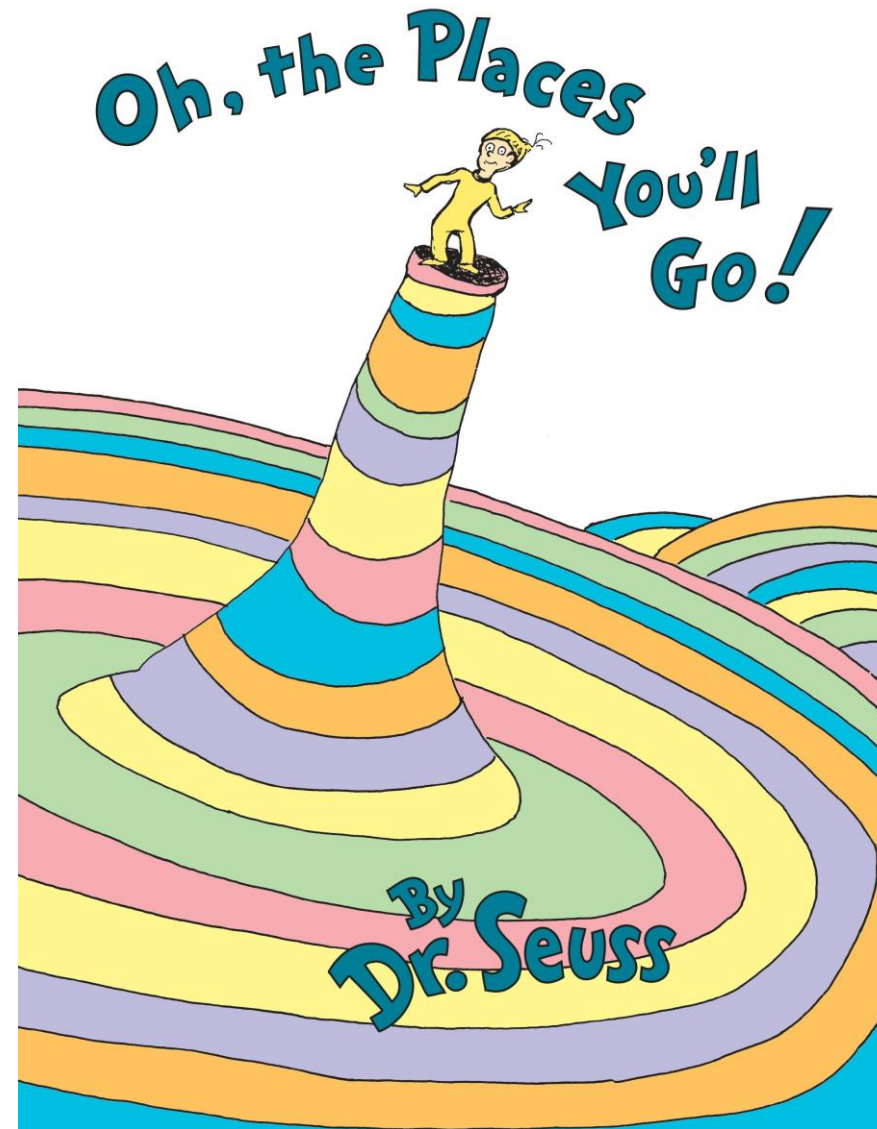


Area Representation



Select Countries for Expansion

- Strategic or Opportunistic
- Big or Small
- Easy or Difficult



Mexico

Large Opportunity
Generally **Difficult** Language,
Entry, Operations &
Oversight

UK

Large Opportunity
Generally **Easy** Language,
Entry, Operations &
Oversight

GREEN
LIGHT

Small Opportunity
Generally **Difficult** Language,
Entry Operations & Oversight

Small Opportunity
Generally **Easy** Language,
Entry, Operations &
Oversight

RED
LIGHT

Belgium

Portugal

Choosing the Right Franchise Partner

- Qualifying Franchisees
- Prospecting for International Leads
- Due Diligence on Franchise Franchisees

Key Business Terms

- Fees
- Territory and Exclusivity
- Development Schedule
- Termination and Practical Considerations

Foreign Franchise Laws

- Disclosure Laws
- Relationship Laws
- Registration Laws



Other Foreign Laws and US Laws

- IP
- Competition Law
- US Franchise Laws
- ABC Laws

Case Study #1 - Canada

- A mid-sized US franchisor that has already franchised for some years in the US
- F&B – relatively complex operational model
- Compliance with Canadian franchise laws
- Supply chain – proprietary ingredient (dairy products and chicken)

Case Study #2 – Middle East

- Mature US system with significant international experience
- Established multi-brand operator on the ground
- Culture/market adjustments
- Commercial agency laws

Case Study #3 – China

- Small US franchisor with no international experience
- After school program – relatively simple operational model
- Huge market with huge potential, but high failure rate
- Franchise Regulation – “2+1” rule
- IP concerns