

	Austria	Belgium	Czech Republic	Denmark	Finland	France	Germany	Greece
A. General								
1. Number of Franchises	463 (2014)	ca 350 (2012) (Estimate – no official statistics available)	190 (2015) (ca: 170 in 2012, 168 in 2011, and 150 in 2010)	180 (2015) (Estimate – no official statistics available)	250-300 (2013)	1834 (2015)	1100 (2015/16); Number of franchisees: 72380	2015: 479 2012: 400 2011: 456 2010: 510 2009: 563 2008: 560 2007: 544 (approximate numbers)
2. Increase in percentage in last 10 years	2- 3 % per year	Substantial (no precise figure available)	20-25% in last 10 years	12 % per year (2014/2015) (Estimate – no official statistics available)	10-15 % per year	Between 8 and 10% per year	11% in last 5 years	
3. Local Franchise Association (please indicate name and address)	Österreichischer Franchise-Verband campus 21 Liebermannstr A01 2345 Brunn am Gebirge Tel: +43 (0) 2236 – 311188 Fax: +43 2236 311881 e-mail: oeffv@franchise.at	Fédération belge de la Franchise EEBIC Workspace – 12, Allée de la Recherche, 1070 Brussels 572, chaussée Romaine 1853 Strombeek-Bever Tel: +32 (0)2 523 97 07 Fax: +32 (0)2 523 35 10 E-mail: info@fbf-bff.be	Česká asociace franchisingu Těšnov 5, 110 00 Praha 1 Tel: +420 222 513 691 Gsm: +420 728 948 479 e-mail: caf@czech-franchise.cz Website: www.czech-franchise.cz	Franchise Danmark c/o advokat Paul Neale Aumento Advokatfirma Ny Østergade 3, DK-1101 Copenhagen K Tel: +45 70 25 57 70 Fax: +45 70 25 57 71 e-mail: info@franchisedanmark.org Website: www.franchisedanmark.org	Suomen Franchising-Yhdistys ry fi (The Finnish Franchise Association) Lönnrotinkatu 22 A 2, 00120 Helsinki Tel: +358 -9-5865847 e-mail: office@franchising.fi	Fédération Française de la Franchise (FFF) 29,boulevard de Courcelles, 75008 Paris Tel: +33(0)1.53.75.22.25 Fax: +33(0)1.53.75.22.20 e-mail : info@franchise-fff.com Website: www.franchise-fff.com	Deutscher Franchise-Verband (DFV) Luisenstr. 41, D-10117 Berlin Tel: +49 (0) 30 278 90 20 Fax: +49 (0) 30 278 90 215 e-mail: info@franchiseverband.com Website: www.franchiseverband.com	The Franchise Association of Greece 45, Voulis Str., 10557 Athens, Greece Tel: +30210 3247218 e-mail: franchiseassociation@franchising.gr (under amendment) Website : www.franchising.gr (under amendment)
4. Main criteria for Franchisor to become a member	(1) obligation to conduct business according to the Code of Ethics issued by the Austrian Franchise Association; (2) operating for at least 2 years; (3) having at least 2 franchisees (4) obligation to hand over the franchise agreement as well as to grant insight into the franchisor's handbook (5) Legal confirmation from an Austrian lawyer as regards a valid franchise agreement	The franchisor must: (1) Use a written contract which complies with the European Code of Ethics and ensures balanced respect between the interests of the franchisor and those of the franchisee. (2) Provide the franchisee with an Operation Manual. (3) Provide, at least one month before the signature of the contract, the franchisee with a pre-contractual disclosure document (4) Perform a feasibility study for each franchise, of which the results must be disclosed to the franchisee at least one month before the signature of the contract (5) Have at least one pilot point	To become a member, a natural or legal person must: a) have successfully been operating a franchising business in the Czech Republic for at least 1 year and have at least 2 franchisees; or b) be a holder of the master-franchisee license of a well-known franchising business for the territory of the Czech Republic and have the intention to run this business in the Czech Republic through his own branches or through franchising; or c) be demonstrably active in the field of franchising at least 1 year (education, consulting or publication	Natural person or company who operates a franchise network or is in the process of developing a franchise concept and/or a franchise network. As members franchisors must observe the European Code of Ethics. The association also admits franchisees and qualified consultants/suppliers as members without voting power.	A member must be a company or other entity having practiced franchise business as franchisor for at least three years. The applied franchise agreement must fulfill the requirements of the local Code of Ethics. The franchisor shall be respectable and reputable and conduct its business according to the local Code of Ethics. Before becoming a full member the franchisor must have been a provisional member (applicant member) for at least one year.	The first criterion is observance of the Code of Ethics. The memberships committee carefully verifies: - the copyrights and protection of brand and know-how; - transferability of the know-how; - the services offered to the franchisees; - the expressed duties of the franchisees; - the legal balance of the franchising contract; - the financial balance of the franchising activity; the franchisor's source of income and profitability, the franchisee's profitability.	- use franchising as a cooperative trading basis and system of cooperation on the German market - have been working successfully with this system for at least 2 years, - have signed a contract with at least 2 franchisees, - have submitted the extract from the commercial register entry and/or company registration as well as franchise contract and manual to the DFV. - can prove that a quality management system will be put in place, - fulfil the conditions specified in section 6a of the DFA articles of association (system check), - recognise the DFV code of ethics and have applied	- obligation to conduct business according to the Greek Code of Ethics, which is based upon the European Code of Ethics; - having at least one (1) franchisee and one (1) "pilot" store; - financial data of the franchising activity; -good standing of the franchisor; and -registration of the trademarks.

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		(6) Have at least three franchisees (without including the pilot point).	activities etc.). In all of the above cases, the applicant must be familiar with and act in accordance with the Code of Ethics.				these in the franchise contract, – have presented the DFV with a statement to disassociate themselves from the technology of L. Ron Hubbard	
5. Local code of ethics adopted?	Yes	Yes (based on the European Code of Ethics)	Yes	Yes	Yes	Yes	Yes	Yes
B. Law and Jurisdiction								
1. Is Franchising specifically regulated? Any attempts to do so?	Apart from the national antitrust legal framework, which has been comprehensively harmonised with Regulation EC/2790/1999, there is also a Regulation concerning franchise systems: EC 330/2010	There is no regulation of the franchising agreement itself but the Act of 19 December 2005 Book X Title 2 of the Code of Economic Law (CEL) (hereafter “the 2005 Disclosure Act”) imposes the delivery of a pre-contractual information document one month before the execution of the agreement.	On the national level there is no specific franchise legislation.	On the national level there is no specific franchise legislation and no present (2016) initiative in that respect. On the EU level the Block Exemption Regulation (EC 330/2010 of 20 April 2010).	No, apart from EC Regulation 330/2010.	In addition to the implemented EU regulations, there is a specific law relating to full disclosure of pre-contractual information (Art. L.330.3 Code de Commerce, usually referred to as “Loi DOUBIN“)	EC Reg. 330/2010 (Vertical BER) is part of German competition law; no further legislation, but ongoing discussion about the necessity of a specific franchise legislation, in particular regarding pre-contractual disclosure requirements; research project of the German Federal Ministry of Justice in this case (2015)	No, however a draft law is under preparation to govern disclosure
2. Most important laws which apply to franchising	Analogue Application of Commercial Agent Act under certain circumstances with regard to compensation payments after termination of franchise agreement; Civil Code; Anti Trust Act; Austrian Commercial Code; Reimbursement of Investments according to sec. 454 Austrian Commercial Code; Consumer Protection Act;	The 2005 Disclosure Act imposes the delivery of a pre-contractual information document on month before the execution of the agreement. Some authors believe that the Act of 27 July 1961 Book X Title 3 CEL on the termination of exclusive distribution agreements also applies to distribution franchising agreements but the majority of the case law has on opposite opinion. Some case law also admitted the application of the Act of 13 April 2005 Book X Title 1 CEL on Commercial Agency to franchise agreements in which the franchisee sold products on behalf of the franchisor.	general laws apply, such as: - the Civil Code, - the Commercial Code, - anti-competitive practices under competition regulations and antitrust law, - consumer regulations, - intellectual property laws	- Contracts Act - Companies Act - Commercial Leasehold Act - Fair Market Act - Competition Act - Intellectual property Law - Employment and employee protective legislation - Tax Law	- Contracts Act - Law on restraints of competition - Trade Mark Act - The Unfair Trade Practices Act - Tax Laws - Companies Act -Law on Unfair Contract Clauses between enterprises	Apart from the “Doubin Act”, general laws apply, such as Civil Code and Commercial Code, anti-competitive practices under competition regulations and antitrust law, Consumer regulations, Intellectual Property laws	- Analogue application of some provisions of agency law (ss. 84 ff. German Commercial Code (HGB)) - German Civil Code (BGB), in particular provisions with respect to general terms and conditions of trade and consumer protection - Act against Restraints of Competition (GWB) - Unfair Competition Act (UWG) - laws regarding the protection of intellectual property and patents, trademark law - tax law	- Analogue Application of Commercial Agent Act under certain circumstances with regard to compensation payments after termination of franchise agreement; - Unfair Competition Law; -Intellectual Property laws; - Commercial Code; and - Civil Code;
3. Most recent changes in franchise law	- Ö-NORM D 7700, with terms and definitions according to Franchise systems -; valid since 1.10.2011 -EC 330/2010	The 2005 Disclosure Act (which came into force on February 1 st , 2006 but was amended in 2014, with effect on May 1, 2014)	The new Civil Code came into force on 1 January 2014. Amongst other things, it consolidates the pre-contractual disclosure obligations (doctrine of <i>culpa in contrahendo</i>), which in turn has an impact on franchising	No legislation No case law	No legislation	- The “Macron Act”, which passed into law on August 6, 2015 (L.341-1 and L.341-2 of the French commercial Code) - Order n° 2016-131 dated February 10, 2016 reforming French contract law (Civil Code), which will enter into force on October 1, 2016	No legislation No case law	Implementation of EC Regulation 330/2010

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			<p>agreements. In particular, commencing and thereafter breaking off negotiations in bad faith may give rise to the duty to make good any losses incurred by the aggrieved party as a result.</p> <p>Furthermore, the Civil Code has introduced a new conception of the “weaker party” to a contract. Namely, such weaker party may now also be a trader (non-consumer) – and thus also the franchisee. This means that the franchisor may no longer abuse the dependence of the franchisee on his know-how and expertise, whereby imbalance in the rights and obligations under the franchising contract may be established.</p>					
4. Is a US based Franchisor free to choose applicable law?	Yes, but local mandatory laws prevail.	Yes, but local mandatory laws prevail.	<p>Yes, but under some conditions mandatory provisions of national law might prevail.</p> <p>This means even where an agreement regarding the franchising business in the Czech Republic is subject to a different legal order than Czech law, the contractual parties should have their agreement reviewed in respect of mandatory Czech law.</p>	Yes, but national mandatory laws prevail.	Yes, but national mandatory laws prevail.	Yes, but local mandatory laws prevail	Yes, but national cogent laws prevail	Yes, but national cogent law prevails
5. Which are the cogent laws that override choice of law?	In relation to the laws of non-EU member countries, compensation payments according to the Commercial Agent Act cannot be waived or avoided; Austrian Antitrust Act;	<p>Disclosure law</p> <p>Labour law</p> <p>Town planning regulations related to commercial premises</p> <p>- Antitrust Act</p>	<p>- Labour law,</p> <p>- Consumer protection law,</p> <p>- Competition law,</p> <p>- Tax law,</p> <p>- Lease law.</p>	<p>- Employment and employee protective legislation</p> <p>- Fair Market Law</p> <p>- Competition Law</p> <p>- Commercial Leasehold Law</p> <p>- Law of Tenancy</p> <p>- Consumer Protection Law</p> <p>- Personal Data Law</p> <p>- Procedural rules concerning intellectual property</p> <p>- Tax Law</p>	<p>- Labour Law</p> <p>- Tax Laws</p> <p>- Law of Tenancy</p> <p>-Law on restrains of competition</p> <p>- Consumer Protection Act</p> <p>- Personal Data Act</p> <p>-Procedural rules concerning industrial property</p>	The Doubin Act, Labour law, Town-planning regulations related to commercial premises, Antitrust Act	<p>- Act against Restraints Of Competition</p> <p>- Labour law (see F.12.)</p> <p>- Social security law (see F.12.)</p> <p>- Compensation upon termination can be avoided by choosing foreign applicable law which does not know such a compensation for franchisees (there is no EC Directive for franchisees as there is for agents); this is the prevailing opinion in literature for distributors to</p>	Public order issues (i.e., competition issues, labor issues, tax laws, data protection laws, consumer protection laws) - Parts of the Greek Civil Code

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							which case law has applied s. 89 b German Commercial Code for 30 years	
6. May parties choose jurisdiction?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7. May parties choose arbitral tribunal?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8. May an arbitral tribunal be established in the US?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9. Will judgements of an US court be enforceable in your country?	No	Yes	Yes	On commercial issues: Yes with the reservation of Ordre Public.	Yes	Yes	With difficulties	Yes
10. Is your country member to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11. Any formalities a franchisor will have to comply with? (disclosures, registrations, etc.)	No, since 1.1.2006 franchise agreements do not have to be registered at the Cartel Court anymore	Delivery of a disclosure document one month before execution of the franchise agreement and before payment of any amount by franchisee.	Not by law, but the local Code of Ethics should be followed.	No, albeit basic disclosure is recommended and local code of ethics should be followed.	Not by law, but the local Code of Ethics should be followed.	1/ mandatory formality: disclosure of informations to the candidate twenty days prior to signature of the franchise agreement 2/ optional formality: registration of any licensing contracts relating to trademarks or patents at the INPI	No	Registration of the franchise agreement with the tax authorities and the Industrial Property Organization.
12. Restrictions in promoting or advertising a franchise?	No	No	No, but the rules regarding unfair trade practices as set forth by the Civil Code will apply, e.g. for misleading advertising or marketing.	No, but Danish Marketing Practices apply.	No, but the Unfair Trade Practices Act and Consumer Protection Act will apply e.g. for misleading advertising or marketing	No but the rules relating to misleading advertising and comparative advertising may apply.	No, but Unfair Competition Act applies	There is no specific provision for the franchise. However Unfair Competition Law, Consumer Protection Law and various acts issued for the regulation of the market are applied regarding advertisements in general.
13. Pre-contractual disclosure obligations of franchisor (by statutory law,	According to the Austrian Supreme Court the Franchisor is subject to pre-contractual disclosure duties.	The 2005 Disclosure Act imposes pre-contractual disclosure including information on: - Franchisor's company status and its recent	Czech law does not expressly regulate the pre-contractual phase of entering into the franchise agreement as such (including any franchisor's	No, albeit basic disclosure is recommended.	Yes, according to the Code of Ethics new franchisees shall be given a copy of the Code of Ethics according to which they shall have all necessary information in	The Doubin Act stipulates that pre-contractual disclosure must include information related to: - franchisor's company status and its recent	A written standard compliance procedure does not exist. Nevertheless, according to well established case law, Franchisor is subject to	According to the Code of Ethics and Case Law, franchisor shall disclose to the prospective franchisee various information on the franchise system and shall

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case law, codes of ethics	A violation of pre-contractual disclosure duties (culpa in contrahendo) might raise claims of the injured party with regard to dissatisfied expenditures (eg costs of negotiations, etc.)	<p>developments</p> <ul style="list-style-type: none"> - General and local market trends - Details of brands licensing - Exclusivity area - Franchisee's financial obligations - Provisional expenses that the franchisee will have to incur in order to invest in and benefit from the franchise system - A summary of the main obligations of the franchise agreement and a full copy of such franchise agreement 	<p>duty to provide information), however pre-contractual duties are now entrenched in the Civil Code as noted accordingly in point 3 above.</p> <p>Applying the doctrine, it can be inferred that a franchisor's proposal to enter into a franchise agreement should be sufficiently specific, i.e. it should clearly state who is making the proposal, what the subject is (i.e. franchising concept as detailed as possible) and it should indicate the franchisor's will to be bound by such an agreement if the proposal is accepted. General principles such those of good morals and fair business conduct shall also apply.</p>		order to sign a binding agreement. Also the new franchisees must be given the written material concerning the franchising relationship well in advance before signing the binding agreement.	<p>developments</p> <ul style="list-style-type: none"> - general and local market trends - details of brands licensing - exclusivity area - franchisee's financial obligations - provisional expenses that the franchisee will have to incur in order to invest in and benefit from the franchise system - non- competition clauses <p>The new Article 1112-1of the Civil Code introduces a general duty to disclose precontractual information; it does not replace the specific Doubin Act provisions that will continue to prevail over any other new general law. cannot be further substituted with another</p>	<p>extensive pre-contractual disclosure duties (minimum standards also established by German Franchise Association in interpretation of European Code of Ethics), among others:</p> <ul style="list-style-type: none"> - information about the franchise concept; particularly date of the beginning of the franchise system, existence of a pilot business and actual number of franchisees; - decision-making personalities of the system headquarter - initial and ongoing support by the franchisor; - required capital and manpower for the franchisee's business; - accurate information on the profitability of the franchisee's business; - compulsory statutory pension insurance of the franchisee - the franchise agreement and the franchise handbook (including all standard appendices) - bank references - memberships in associations and other memberships - information on other chains of distribution of the franchise product or service - pending lawsuits with an impact on the potential franchisee's business; <p>a violation of pre-contractual disclosure duties (lack of information or misleading information) is considered a breach of duties under ss. 280 (1), 311 (2), 241 (2) German Civil Code (formerly culpa in contrahendo) and may give rise to damage claims by Franchisee (annulment of agreement, unsatisfactory expenditure, etc.)</p>	give him reasonable time to make his decisions, prior the execution of any binding agreement..

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14. Protection of know-how and trade secrets (by statutory law, case law, codes of ethics)	Know how and trade secrets are protected by statutory law (Unfair Competition Act); in case of an infringement franchisor may ask for interim injunctions and claim damages; in addition, an infringement will be prosecuted by criminal court.	Trademarks can be registered. Part of the know-how can be protected by copyright. Market Practices Act allows prohibiting any unfair use of the know-how.	Know-how does not of itself enjoy any special protection, but may be protected as a trade secret, subject to its compliance with the conceptual features of a trade secret, or within a scope of unfair competition. Both of these events are regulated by Act No. 89/2012 Coll., Civil Code. The following remedies of unfair competition, breach of a trade secret, or against unauthorised interference with trademark rights are available under the law: A court may be requested to order the infringing party (i) to refrain from such unauthorised acting (ii) to remove the defective situation; further, a claim exists to (iii) a reasonable compensation that may be paid in money, (iv) compensation for damage, and (v) the surrender of unjust enrichment. Certain elements of know-how may also be protected by intellectual property legislation, namely by Act No. 121/2000 Coll., the Copyright Act.	- Local Marketing Practices and Fair Market Act - Copyright Act - Criminal Law. In case of infringement franchisor may ask for interim injunction and claim damages.	- Unfair Trade Practises Act - Criminal sanctions in the Criminal Code	Trade name and brand registration entitles the franchisor to take action against infringement or unfair competition. The protection granted lasts for ten years but it can be renewed, without limit, for several additional ten years periods.	- apart from well-known or famous brands, trademark protection in Germany requires registration either with the Patent and Trademark Office, or a designation of international trademarks for Germany, or registration as a Community trademark - protection of know-how is not subject to specific statutes such as the Trademark Act or the Copyright Act - but considered as confidential information under confidentiality or franchise agreement - Trade secrets are also protected to a certain extent by statutory law (s. 17 Unfair Competition Act); infringements can be prosecuted as criminal acts; interim injunctions and damage claims are possible, but not easy to obtain	Know-how and trade secrets are protected by Unfair Competition Law as well as Intellectual Property Law and the Law for the Transfer of Technology, Inventions and Technological Innovation. Infringements can be prosecuted as criminal acts. Interim injunctions and damage claims are possible.
15. Is protection of know-how under contract clauses easily enforceable?	Although the use of know-how, is commonly prohibited after termination, such obligation of the franchisee would be rather difficult to be enforced for practical reasons (proof of violation difficult in practice).	Such clauses are enforceable but not without difficulties related to the burden of proof. Courts are also reluctant to grant large compensation, which can be remedied by appropriate contractual sanction (penal clause).	Although the use of know-how is commonly prohibited after termination, such obligation of the franchisee would be rather difficult to enforce for practical reasons (proof of violation difficult in practice).	In principle, protection of knowhow is easily enforceable, but may for practical reasons be difficult due to problems of evidence and delay.	Although the use of know-how is commonly prohibited with confidentiality rules after termination, such obligation of the franchisee would be rather difficult to be enforced for practical reasons (burden of proof)	The franchisor may specifically prohibit any disclosure of its know-how to competitors pursuant to the confidentiality provision contained in the contract. Breach of this stipulation is severally sanctioned as trade secret violation, provided that the evidence of the violation is brought to court.	Although the use of know-how is commonly prohibited after termination, such obligation of the franchisee would be rather difficult to be enforced for practical reasons (proof of violation difficult in practice)	Contract clauses protecting the know-how are not easily enforced due to the usual practical difficulty to prove the violation. Theoretically, interim injunctions could be taken.
C. Taxes								
1. Please list any relevant tax treaties between your country	Double Taxation Treaty (BGBl III Nr. 6/1998)	Double tax treaty of 27 November 2006.	Double Taxation Treaty of 16 September 1993 (No. 32/1994 Coll.)	Double Tax Treaty of 19 August 1999, as adopted by Act no. 167 of 15 March 2000	Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income	Double taxation Treaty 1967/07.28 revised in 1994/ 08.31 amended by the Protocol signed on	Double Taxation Treaty of 29 August 1989 (BGBl 1992 II p. 235)	Double Taxation Treaty of 16/27 August 1953 (Official Government Gazette, Bulletin A

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and USA					and on capital (2/1991 and amended 3/2008)	December 8, 2004 entered in force on December 21, 2006.		231/1953).
D. Product Liability and Product Safety								
1. Please list any applicable product / service liability legislation	Product Liability Act (the franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him)	Product liability Act of 25 February 1991 (the franchisor is liable and property resulting from a defective product that has been manufactured, imported or labelled by him).	Act No. 89/2012 Coll., the Civil Code, § 2939 ff. (the franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him – product liability).	Product Liability Act (Lovbekg. 2007-03-20 no. 261 as amended by L 2007-06-06 no. 523). If acting as producer or middleman the franchisor will be liable for damage caused by a product defect, if the product has been produced or supplied by the franchisor, and the damage consists of personal injury or damage to property, the latter provided the product in nature is usually used for non-commercial purposes and has been used by the sufferer mainly in this manner.	Product Liability Act (the franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him)	Consumer Act: Articles L.212.1 to L.212.9; Penal Code: Articles 221.6, 222.19 22.20 / Law 98.535 (1998 July 1 st) related to personal injury liability Law 98.589 (1998 May 19 th) related to liability for defective products (Civil code articles 1386-1 to 1386-18)	- Product Liability Act of 15 December 1989 (the franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him); - also product liability under case law with further consequences (moral damages)	-Consumer Protection Law No 2251/1994 - Ministerial Decision Z3/2810/14.12.2004, which implemented EU Directive 2001/95/EC on General Product Safety (various products safety laws e.g. for food, cosmetics, toys, also apply); - Law 2251/1994 on Consumers' Protection, which, inter alia, implemented EU Directive 85/374/EEC (as amended by EU Directive 99/34/EC); - Regulation (EC) No 765/2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products, in force as of 1.1.2010; and - General provisions of Civil Code on sales agreements.
2. Has your country implemented Council Directive 2001/95/EEC on Product Safety?	Yes (Product Safety Act 2004)	Yes (Product Safety Act of 9 February 1994, as modified by the Acts of 27 December 2005 and 25 April 2007).	Yes. - Product Safety Act, - Consumer Protection Act - Technical Requirements of Products Act.	Yes (Act 2009-12-16 no. 1262 on Product Safety)	Yes (Product Safety Act of January 30, 2004)	Yes: Law 2004/670 (2004, July 9 th)	Yes (Machine and Product Safety Act, in force since 1 May 2004 - BGBl 2004 I p. 2, replaced by Product Safety Act, in force since 8 November 2011 - BGBl. 2011 I S. 2178)	Yes. Ministerial Decision Z3/2810/20-12-2004 (Official Government Gazette Bulletin B 1885/2004)
E. Real Property-								
1. Difficulties a US based company might have when purchasing real property?	A US based company might have to go through a complex process before being able, if at all, to purchase real property (Real Property Transfer Act)	No	No	A US based company might have to go through a complex process before being able, if at all, to purchase real property (LBKG 2014-03-21 no. 265 on Foreigners' Acquisition of Real Property).	No	No	No	For real estate within border areas special formalities apply.

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				A local company owned by a US company may purchase real property provided the property is to be used commercially or as residence all the year around.				
2. Any restrictions for a US based company (or local company owned by US company) to rent real property?	As long as the lease agreement shall not be entered into the land register, a US based company may be free to rent real property.	No	No	A US based company may rent real property provided the leasehold is not non-terminable for such a period of time (20 years or more) that the arrangement may be considered a circumvention of the rule of law according to section E.1. above. Use of the rented property for recreational purposes is restricted.	No	Free to rent, only subject to applicable Commercial Lease Regulations	No	No
3. Any (dis-) advantages of letting / sub-letting premises of franchisor to a franchisee?	Should the franchisee resell goods or perform services in premises owned or rented by franchisor certain advantage to franchisor would be the possibility of binding the franchisee to a non-compete obligation exceeding the otherwise maximum allowed binding period of 5 years in the case of G.1.b (see below).	The advantage is that it provides to the franchisor a better control on the good locations of the network. The disadvantage is that the franchisor will remain liable for the payment of the rent even if the franchisee doesn't pay anymore or even close the unit. In Belgium a lessee may terminate the lease agreement every period of three years.	Mainly advantages; Non-compete obligations (definition of Art. 1(b) EC Vertical BER) are not limited to 5 years.	The advantage would be not being subject to the maximum allowed 5 year in-term competition restraint according to Block Exemption Regulation (EC 330/2010 of 20 April 2010). Disadvantage may derive from mandatory protective leasehold legislation rendering franchisee rights contradictive to franchisee's obligations according to franchise agreement.	Mainly advantages	Franchisor could be deemed as interfering with franchisee's business operations in a manner likely to jeopardize its independence. Risk relates to the franchisor being sought after to pay part of its franchisee's debts, in the event the latter is bankrupt.	Non-compete obligations (definition of Art. 1(d) EC Vertical BER of 20 April 2010) are not limited to 5 years	More advantageous seems to be the form of a sub-letting agreement. A sub-letting agreement is executed to serve exclusively the scopes of the franchise agreement. Therefore upon termination of the franchise agreement, the sub-letting agreement may also be terminated. However, there is a risk for the sub-lessor (franchisor), who is obliged to pay the rent to the lessor, even if the sub-lessee (franchisee) does not pay the respective rent to him (franchisor).
F. Franchise Agreement								
1. Any formalities required for a franchise agreement to be valid?	No	No	No.	No	No	No	No	Registration with the Tax Authority and the Industrial Property Organization
2. Are there any minimum duties imposed upon franchisor?	No	No	No. As stated above, Czech law does not contain any express regulation of franchise agreements as a type of contract, and thus does not expressly regulate a franchisor's obligations/duties.	No	No	No	No	See above B.11
3. Are there any	No	No	No.	No	No	No	No	Even though there is no

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minimum duties imposed upon franchisee?								imposition of minimum duties, Code of Ethics sets the basic obligations of a franchisee. Provisions of the other laws also apply (Unfair Competition etc).
4. Usual amount or percentage of turnover paid as ongoing fee by franchisee to franchisor	2 % to 6 % of turnover in case of the distribution sector and 5% to 15% of turnover in case of the service sector	3% to 8%	It varies. The amount depends on the type of the franchising business. The range is between 2 - 8%.	2-10 % of gross sales or gross margin.	3-10%	2 % to 8 % of gross sales of goods and services	Depending on industry; most commonly: 2-6 % of turnover; frequently additional advertising fees of 0,1 - 3 %	Most commonly: 2-10 % of turnover (some systems with lower or higher percentages). Frequently additional advertising fees of 1 - 2,5 % (some systems with lower percentages).
5. Any local cogent provisions concerning maximum level of fees chargeable by franchisor?	No, besides infringement of bonos mores (e.g. gross disproportion)	No	No. Principles of good morals and fair business conduct apply, whereby stipulations as to unreasonable/disproportionate fees may be unenforceable.	No, albeit limitation by good morals standards (grossly disproportionate fees).	No but according to the Contracts Act too high fees could be considered unreasonable and thus should be adjusted.	Good faith and rule of reason , based on the assistance and services actually provided.	No, limitation by good morals standards (grossly disproportionate fees)	No
6. Any local cogent provisions regarding compensation payment or indemnity after termination?	Commercial Agent Act; under certain circumstances (termination of agreement by franchisor, franchisee leaves his customer base to franchisor and will not operate his business at the same location, franchisee is subject to a non-competition clause, etc.) franchisor is obliged to pay compensation amounting at most to the average yearly margin of the past 5 years.	No except if the law on termination of a exclusive distribution agreement (Book X Title 3 CELAct of 1961) or the agency law (Act of 1995Book X Title 1 CEL) are regarded as applicable (only minority court decisions are in the sense)	No. No available case law or commentary.	No	No	In the event the contract is terminated early or not renewed, and absent default by the franchisor, the latter to pay compensation to the franchisee, unless the franchisor exercises its rights in an abusive manner. Franchisor can continue to use Franchisee's customers' data base. Franchisor can have access to its franchisee customer database, but only if the franchisee has agreed.	German courts have applied s. 89 b German Commercial Code (concerning commercial agents) by analogy to franchise agreements if certain conditions are fulfilled: -integration of Franchisee in sale organisation of Franchisor -contractual obligation of Franchisee to transfer client base (de facto continuity insufficient) The requirements of s. 89 b German Commercial Code – applicable under the above conditions - are: -no termination by Franchisor for good cause; -Franchisee loses income from his own client base (created by him) and -Franchisor can continue to use Franchisee's client base maximum compensation = average of yearly profit of last five years or shorter contractual duration (difficult to calculate)	No
7. If yes (6.), any time limits for franchisee to	Franchisee has to claim compensation payment within 1 year after	If the agency law is applicable, franchisee has to claim compensation within	NA	NA	No	No time limit	Franchisee has to claim compensation payment within 1 year after	

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request compensation or indemnification ?	termination.	one year after termination.					termination	
8. Any situations where franchisor might be held liable for acts of franchisee?	No	No	No	The franchisor may be held liable if franchisor has not ensured adequate public notice that franchisee acts as an independent businessperson.	The franchisor may be considered liable for illegal advertising of the franchisee for example in a case where the advertising of the franchisor was prohibited by an injunction of the market court	As specified in E 3, excessive control over franchisee's conduct of its business could lead to joint liability to creditors or official receiver , in the event of the franchisee's bankruptcy	Yes, for deceiving advertising under s. 8 (2) Unfair Competition Act	In principle, No.
9. Events justifying termination for good cause?	- Breach of contract; - Abuse of franchisor's confidence; - Refusal by franchisee to perform activities; - Insolvency; - Default in payment of royalties or other franchise fees; - Breach of confidentiality;	Failure to comply with material obligations such as: - default in payment of royalties - violation of commitments - lack of performance	- Bankruptcy, - Default in payment of franchise fee, - Other default by Franchisee that is so important/substantial that it justifies termination	- Breach of contract. - Abuse of franchisor's confidence. - Definite refusal by franchisee to perform activities. - Bankruptcy. - Default in payment of royalties or other franchise fees. - Definite breach of confidentiality.	- Breach of contract - default of obligations - bankruptcy	Failure to comply with material obligations such as: - default in payment of royalties - violation of commitments - lack of performance	Substantial breaches of contract (e.g. refusal to pay the franchise fees or repeated breach of important rules of the franchise system such as prohibition to cooperate with competitors), after written warning by Franchisor and no correction by Franchisee; -very serious breaches of contract totally destroying Franchisors Confidence (e.g. fraudulent acts)	-Breach of contract – Default by the franchisee; -Abuse of franchisor's confidence; -Bankruptcy; -Default in payment of royalties or other franchise fees; -Breach of confidentiality; - End of term with no renewal; and - Unfair refusal by franchisee to perform activities
10. Is there a cogent form with regard to the termination of a franchise agreement?	No	No	No.	No	No	No	No, unless stipulated by contract	No
11. Usual provision of a franchise agreement with regard to the termination	a) Limited period (without termination notice or automatic renewal); b) Unlimited term with ordinary termination;	a) limited period / automatic renewal unless terminated prior to the expiry date (without termination notice or automatic renewal) b) unlimited term with termination with appropriate notice period	a) Limited period (without termination notice or automatic renewal); b) Unlimited term with appropriate notice period.	a) Limited period, usually 2 - 5 years with provisions for renewal and often combined with the right for franchisee to terminate with 6 - 12 month's notice. b) unlimited term with termination with notice period	a) limited period / automatic renewal unless terminated prior to the expiry date (without termination notice or automatic renewal) b) unlimited term with termination with appropriate notice period	- Limited period or usually 5 or 6 years, with the possibility of tacit renewal The "Macron Act" introduces a mandatory uniform termination date applying to all contracts signed between franchisee and franchisor, such as franchise agreement, development agreement, exclusive supply agreement, trademark licenses, etc...(not applying to commercial leases, and to participative franchise agreements when the franchisor owns a stake in the franchisee's business).	- Either: limited term (not necessitating a termination notice) - or: unlimited term (terminate with appropriate notice period or contractual notice period)	Limited Period with the right of renewal for the same period under conditions. At expiration the agreement automatically ceases to exist. Indefinite term agreements are terminated with notice period or contractual notice period.

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<p>12. Under which circumstances would a franchisee be considered as an employee of franchisor?</p>	<p>- Full or tight integration into the distribution activities of the franchisor; - Determination of working time, place of work and time of vacation of the franchisee; - Franchise is bound to instructions of franchisor, but does not take entrepreneurial risk</p>	<p>When franchisor exercises a strict authority on the franchisee, implying a lack of legal independence of the latter, and on condition that the franchisee is a natural person.</p>	<p>Cumulative criteria resulting in the franchisee's lack of independence and loss of "entrepreneurial" risk.</p>	<p>Depends on consideration of a combination of all aspects of the franchise arrangement.</p> <p>Circumstances which in combination of two or more may point toward a de facto employment arrangement would be:</p> <ul style="list-style-type: none"> - Limited business risk, - Limited or no investment necessary, - No or limited stock necessary, - Franchise does not presuppose franchisee's employment of staff, - Closed cash flow system, controlled by franchisor, - Deliveries of goods and/or services are determined by franchisor, - Franchisee's remuneration is entirely based on percentage of turnover, gross profit etc. 	<p>If conditions such as business risk (or no risk), working conditions, supervision of the franchisor etc. give impression of an employment contract In order to avoid problems it is recommended that the franchisee is a company with limited liability. It shall be made clear in the agreement that franchisee is an independent entrepreneur having its own business risk. Need to make agreed investments is part of such business risk.</p>	<p>Cumulative criteria resulting in the franchisee's lack of independence and loss of "entrepreneur" risk</p>	<p>There may be a risk that the franchisee is treated as an employee of the franchisor, with the result that employer obligations and employee rights apply. Namely in the event that the scope of the Franchisor's control and the extent of the Franchisee's entrepreneurial risk allow to assimilate him to an employee under standards of labour or possibly social security law: In this respect relevant facts are: Personal dependence due to determination of working time, place and vacation; far-reaching control by Franchisor; total economic dependence (e.g. 100 % purchase obligation); earnings not appropriate in view of entrepreneurial risk; no employees</p>	<p>It is very unlikely. A franchisee could be considered an employee of the franchisor in the event that: - franchisor's control exceeds the scope of the prevention of the uniformity and quality of the system; - franchisee does not take any entrepreneurial risk; and - franchisor determines the working and business behaviour of the franchisee. .</p>
<p>13. Is there a risk, that a franchisee is treated as a consumer?</p>	<p>In case the franchisee is a natural person and has not yet started his business and signs the franchise agreement the Austrian Consumer Protection Act (CPA) applies to it.</p>	<p>No</p>	<p>No. Pursuant to Czech law (Act No. 634/1992 Coll., on Consumer Protection), a consumer is only an individual who does not act within the scope of his business activities or as part of the independent performance of their profession.</p>	<p>Not unless franchisee is considered an employee, cf. section F.12. above.</p>	<p>No. A franchise is not a consumer commodity</p>	<p>No</p>	<p>No. However, in the event that Franchisee is a natural person not yet performing a business when signing a franchise contract which obliges him to repeatedly take supplies of goods, and that the franchisee's investment does not exceed an amount of €75,000, he has the right to withdraw from the contract within 14 days; without such written warning, he can revoke the contract within one year and 14 days from closing (s. 510, 513 German Civil Code). If the Franchisor does not advise the Franchisee (properly) on his right of revocation, the period of possible revocation extends to one year and 14 days after closing of the contract.</p>	<p>No</p>

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14. Which consequences would such assumption (13.) have on a franchise agreement?	This would mean that the franchise agreement would have to comply with the CPA. -In addition, an arbitration agreement may only be validly concluded for disputes which have already arisen. -Moreover, right of withdrawal by franchisee as consumer does exist and a consumer has to be informed about this. -Additionally there would be a limited choice of the place of jurisdiction	All the clauses of the agreement that are not allowed by the Consumer Protection Act (= Market Practices Act of 6 April 2010/Book VI CEL) would be declared void	N/A.	Franchise arrangement must comply with consumer protection law.	-	None	A Franchisee is not considered a "consumer" in the sense of s. 13 German Civil Code, but he enjoys full protection under the standard contract term provisions of ss. 305 subs. German Civil Code	Consumer Protection Law would be applicable.
15. Any requirements to obtain a trade licence when carrying out business in your country as a franchisee?	Depending on the business, franchisee has to either obtain a permit or to notify public authorities prior to conducting/operating his business	Dependent on the business, franchisee has either to obtain a permit or to notify public authorities of conducting his business, prior to start operating.	Nothing that is particular to the franchising business. The franchisee as well as the other entrepreneurs have to obtain the respective trade license or other license from respective the local authorities, depending on the scope of business.	Business comprising of retail sale of goods requires a formal permit. Furthermore, certain types of business require authorisation, such as business as real estate agent, physician, veterinarian, pharmacist, insurance companies, attorney, electrician etc.	In principle no, in certain types of business yes (pharmacy, real estate agent, insurance company)	No except for some business such as: - Opticians - Restaurant (alcohol regulation) - Real estate agent	All businesses must be notified to the local trade authorities; certain businesses, e.g. real estate agents need a licence; for many artisan trades a full craftsmanship training with a master's degree and an admission by the Chamber of Artisans is required; this requirement is reduced for EC citizens to an "equivalent professional experience"	Depending on the type of business. Licensing is a matter of the local authorities, where the franchisee operates his business.
16. Is injunctive relief available to prevent termination of a franchise agreement or to prohibit transfer of the franchise or ownership in the franchise?	Yes.	Yes	Yes	a) To prevent termination: No b) To prohibit transfer etc.: Yes. c) To prohibit unlawful competition: Yes.	Theoretically yes.	Yes	Theoretically yes	Theoretically yes
G. National Competition Restrictions								
1. Are there any restrictions or regulations that would affect any of the following practices:	National antitrust law has been harmonised with Regulation EC/330/2010 on vertical agreements and concerted practices.	Acts of 10 June 2006/Book IV CEL: on the Protection of the Economic Competition Instituting the Belgian Competition Council	Block Exemption Regulation (EC 330/2010 of 20 April 2010; "BER") and Czech competition law.	Block Exemption Regulation (EC 330/2010 of 20 April 2010) and national competition law (Lovbekg. 2015-07-08 no. 869 Completion Act). National de minimis threshold values are: - total annual turnover less	EC Regulation 330/2010 / EU and Finnish Competition Law	EC Regulation 330/2010/EU and French competition Law (including French competition Authority case law)	Since 1 July 2005 German competition law is substantially identical with EC competition law, including Reg. 1/2003, Vertical BER, de minimis announcement, etc.	Reference is to be made to the EC Regulations 330/2010 (BER), to the Commission Guidelines on Vertical Restraints (Guidelines) and Unfair Competition Law

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				than DKK 1 billion (€ 134,1 million) <u>and</u> a total market share for the relevant product or service of less than 10 %, <u>or</u> - total annual turnover less than DKK 150 million (€ 20,1 million).				
a. granting exclusive territory	No; however regarding to EC 330/2010 on vertical agreements and concerted practices such exclusive territory-agreements shall only restrict active sales	Valid if reasonably proportionate to the aim it pursues.	Limits of Art. 4 (b) Vertical BER: such exclusive territory agreements should only restrict active sales into territories reserved to Franchisor or allocated by Franchisor to another Franchisee; passive sales including E-Commerce cannot be prohibited	If volume of franchise system exceeds national de minimis threshold values (section G1 above): Granting of exclusive territory may be limited by Art. 4 (b) of Block Exemption Regulation (EC 330/2010 of 20 April 2010).	No	Valid if reasonably proportionate to the aim it pursues	Limits of Art. 4 (b) Vertical BER: such exclusive territory agreements should only restrict active sales into territories reserved to Franchisor or allocated by Franchisor to another Franchisee; passive sales including E-Commerce cannot be prohibited	Yes. Reference is to be made to Art. 4 (b, c) Vertical BER and to points 189-191 of the Guidelines
b. obligation to purchase a minimum quota of products from franchisor	Purchase quota must not exceed 80 % of turnover of franchisee if contractual term is longer than 5 years - allowed only if required regarding uniformity of system; (however, please see E. 3.)	Purchase quota must not exceed 80% of turnover of franchisee if contractual term is longer the five years-allowed only if required regarding uniformity of system	Yes, there are limitations. Reference is to be made to Art. 1 (d), cf. Art. 5.1 (a) of BER (EC 330/2010 of 20 April 2010). Regulation: - Purchase quota must not exceed 80 % of franchisee's turnover if the contractual term is longer than 5 years, or - allowed only if it is required by system uniformity.	If volume of franchise system exceeds national de minimis threshold values (section G1 above): Limits of Art. 1 (d), cf. Art. 5.1 (a) of Block Exemption Regulation (EC 330/2010 of 20 April 2010): Purchase obligation must not exceed 80 % of franchisee's total purchase of subject goods or services, if contractual term is longer than 5 years, provided franchisee's business premises are not owned by or sub-leased from franchisor.	No	Valid , subject to objective specifications relating to quality of products that cannot be obtained from other suppliers, provided that the specifications are designed solely to retain uniform quality throughout the network ("uniformity concept")	Limits of Art. 1 (d), cf. Art. 5.1 (a) Vertical BER: purchase obligation must not exceed 80 % of Franchisee's total purchase of subject goods or services, if contractual term is longer than 5 years, provided Franchisee's business premises are not owned by or sub-leased from Franchisor.	Yes. Reference is to be made to Art. 1 (b) and 5 (1) of the BER and to point 150 of the Guidelines
c. restriction of franchisee to sell / provide other services outside the granted territory	Prohibition of active resale (marketing) outside granted territory only allowed into other territories.	Active sales outside the granted territory may be restricted. Passive sales cannot be prohibited.	Active sales outside the granted territory may be restricted. Passive sales cannot be prohibited.	Active sales outside the granted territory may be restricted. Passive sales cannot be prohibited.	Active sales outside the granted territory may be restricted. Passive sales cannot be prohibited.	Only active sale outside the exclusive territory granted can be prohibited	Limits of Art. 4 (b) Vertical BER: active sales into territories reserved to Franchisor or allocated by Franchisor to another Franchisee may be restricted; passive sales including E-Commerce cannot be prohibited.	Yes. Reference is to be made to Art. 4 (b, c) Vertical BER and to points 129-149 of the Guidelines. Active sales outside the granted territory may be restricted. Passive sales cannot be prohibited.
d. imposition of min / max prices	Maximum price fixation is allowed, as well as unbinding price recommendation and time limited sales promotion. The setting of minimum prices or discounts by the franchisor is not	Recommended prices and maximum prices may be imposed. Imposition of minimum prices or a certain price is prohibited	Recommended prices and maximum prices may be imposed. Imposition of minimum prices or a fixed price is prohibited.	Recommended prices and maximum prices may be imposed. Imposition of minimum prices or a certain price is prohibited.	Recommended prices and maximum prices may be imposed. Imposition of minimum prices or a certain price is prohibited.	Imposing prices is strictly forbidden, only recommended prices is allowed, subject to limitations in case of restrictive effect on competition	Limits and possibilities of Art. 4 (a) Vertical BER: -imposition of a minimum price is prohibited, -whereas recommended and maximum sale prices are allowed. Individual exemption pursuant to Art. 101 (3)	Yes. Reference is to be made to Art. 4 (a) Vertical BER and to points 223-229 of the Guidelines

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	allowed. However, Price limitations have to be examined carefully, as they constitute, in general, a cartel according to Anti Trust Act and are considered as marketing restraints.						TFEU: In certain circumstances however, efficiencies may be recognized to the fixation of a minimum price and therefore be allowed (e.g. limited sales promotion up to 6 weeks) (Guidelines on Art. 101, points 223-229).	
e. imposition of minimum sales target	They are part of the “white clauses” of non-anticompetitive agreements and therefore acceptable.	No	No.	No	No	No	No, unless stipulated by contract	No
f. restrictive covenants (non-competition) during and after termination of franchise agreement?	<p>- Non compete obligations prohibited for a duration of more than five years, if purchases of contract goods exceed 80% of supply, unless a justification in the sense of paragraph 200 of the Guidelines on Vertical Restraints (EC/2000/C 291/01) can be given;</p> <p>- Post contractual non-competition obligation not exceeding 1 year is only allowed in case:</p> <p>a. it is related to contractual goods and services; and</p> <p>b. it is related to the premises; and</p> <p>c. is essential to protect know-how.</p>	<p>Non-competition obligation during the term of the Franchise Agreement is enforceable</p> <p>Franchising operations are bound by the legislation of the European Union governing franchising</p>	<p>Non-competition obligation during the term of the Franchise Agreement is enforceable.</p> <p><u>Post- contractual non-competition</u> obligation not exceeding 1 year is only allowed in case: a) it is related to contractual goods and services; and b) it is related to the premises; and c) is essential to protect know-how.</p>	<p>If volume of franchise system exceeds national de minimis threshold values (section G1 above):</p> <p>During franchise agreement: Covenant cannot exceed 80 % of franchisee's total purchase of subject goods or services, if contractual term is longer than 5 years, provided franchisee's business premises are not owned by or sub-leased from franchisor (section G.1.b. above).</p> <p>After termination of franchise agreement: Post contractual non-competition obligation is only allowed in case obligation:</p> <p>a) is related to contractual goods or services,</p> <p>b) is limited to the premises,</p> <p>d. is essential to protect know-how, and</p> <p>e) is limited to a period of one year.</p>	<p>Non-competition obligation during the term of the Franchise Agreement is enforceable</p> <p>Franchising operations in Finland are bound by the legislation of the European Union governing franchising. If EU competition laws are applicable to the situation in question then post contractual non-competition obligation not exceeding 1 year is only allowed in case:</p> <p>a. it is related to contractual goods and services and</p> <p>b. it is related to the premises, and</p> <p>c. is essential to protect know-how</p>	<p>Non competition commitment relating to passive resale is prohibited</p> <p>Post-term non-competition clauses will be deemed null and void (Article L.341-2 of the French Commercial Code).</p> <p>However, post-term competition clauses are not prohibited provided that the following cumulative conditions are fulfilled:</p> <p>-it relates to goods or services competing with those to which the agreement relates;</p> <p>-it is limited to the premises where the franchisee conducted its business during the franchise agreement;</p> <p>-it is essential for the protection of substantial, secret and specific know-how belonging to the franchisor; and</p> <p>-its duration does not exceed one year from the contractual expiry or anticipated termination of the agreement.</p> <p>These conditions are identical to those set out in Article 5.3 of the EU Exemption Regulation on Vertical Agreements (330/2010/EC); however, there is a material</p>	<p>During franchise agreement:</p> <p>-Non-competition immanent basis of the franchise relationship;</p> <p>-Limits of Art. 5.1 (a) and (b), Art. 1 (b) Vertical BER:Covenant cannot exceed 80 % of Franchisee's total purchase of subject goods or services, if contractual term is longer than 5 years, provided Franchisee's business premises are not owned by or sub-leased from Franchisor.</p> <p>-However justifications possible under Art. 101 (3) TFEU and according to the Guidelines on Art. 101.</p> <p>After termination of franchise agreement: Limits of Art. 5. 3 Vertical BER: Post contractual non-competition obligation is only allowed in case obligation:</p> <p>a) relates to contractual goods or services,</p> <p>b) is limited to the premises,</p> <p>c)is essential to protect know-how, and</p> <p>d) is limited to a period of one year after the termination of the agreement.</p> <p>Further non-competition obligation may be possible under Art. 101 (3) TFEU.</p>	<p>Yes.</p> <p>Reference is to be made to Article 5 of the BER and to point 190 of the Guidelines.</p> <p>A post contractual non-competition obligation not exceeding one (1) year, limited to the premises of the franchise is valid.</p>

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						difference between EU regulation and French new law : if EU criteria are not fulfilled, the clause does not fall anymore within the scope of block exemption but is still applying; whereas under French law, the clause has to be legally deleted.		
g. Restrictions on confidentiality during and after termination of franchise agreement?	No, arrangeable for a unlimited period of time, except for common knowledge	No	No	No, provided knowhow is not commonly known.	No	No	No	No
2. Any other restrictions likely to be imposed on a franchise agreement?	Duration of more than 20 years is considered to be contra bonus mores.	No	No.	No	No	No	Duration of more than 20 years considered to be contra bonos mores	No
3. What are the effects of breaching national competition law (e.g. validity of franchise agreement)?	<p>The following provisions will render the whole agreement invalid (black clauses):</p> <ul style="list-style-type: none"> - Resale Price fixing (maximum prices allowed); - Ban of passive resale outside granted territory; - Restrictions regarding active or passive selling towards consumers <p>The following provisions will render only the respective clause invalid:</p> <ul style="list-style-type: none"> - Purchase obligations (exceeding 80% of turnover; allowed only if required regarding uniformity of system; (however, please see E. 3.)); - Post contractual non competition obligation exceeding 1 year. 	<p>Whole agreement is deemed null and void, if it contains provisions related to:</p> <ul style="list-style-type: none"> - resale fixed minimum price - prohibition of active reselling between franchisees <p>Following provisions render only the respective clause invalid:</p> <ul style="list-style-type: none"> - prohibition of passive resale outside granted territory - post-contractual non-competition restrictions exceeding one year 	<p>The whole agreement (by material breaches, e.g. resale price fixing) may be invalid or the respective clause of the agreement will become invalid.</p> <p>Such breach gives rise to a claim for damages.</p> <p>The National Competition Authority may render a fine up to 10 per cent of the aggregate companies' turnover.</p>	<p>Penalty for breaching national competition law is imposition of a fine. Participation in a cartelization may, however, be punished with up to 1 year and 6 months imprisonment</p> <p>If a provision in a franchise agreement is in violation with national competition law, the provision is deemed invalid. The remaining part of the agreement will not be effected, unless the invalid provision(s) cannot be separated from the remaining provisions of the agreement.</p>	<p>The Market Court may render a fine up to 10 per cent of the world-wide turnover of the aggregate companies</p> <ul style="list-style-type: none"> - the breaching company may have to pay damages 	<p>Whole agreement is deemed null and void , if it contains provisions related to:</p> <ul style="list-style-type: none"> - resale fixed minimum price - prohibition of active reselling between franchisees <p>Following provisions are deemed invalid :</p> <ul style="list-style-type: none"> - prohibition of passive resale outside granted territory - post-contractual non-competition restrictions that doesn't comply with the 4 abovementioned cumulative conditions (see G.f) 	<p>Now identical to consequences under EC competition law:</p> <ul style="list-style-type: none"> - Black clauses in the sense of Art. 4 Vertical BER render the entire agreement invalid; - unexempted clauses in the sense of Art. 5 Vertical BER are invalid if they cannot be justified (see above under 1 b. and f.); - heavy fines possible under s. 81 Act against Restraints of Competition (like in Art. 23 Reg. 1/2003); injunctive relief and damage claims under civil law; disgorgement of the economic benefits 	<p>Invalidity of a term of an agreement (partial invalidity) does not imply necessarily invalidity of the whole agreement. Administrative, penal as well as civil sanctions.</p>
4. Who may enforce	Competitors, Bundes-wettbewerbsbehörde	Competitors, Competition Authority, Franchisee	National Competition Authority	- Competition Council - Competition Board of	-Competitor -The Finnish National	- French competition Authority, appeal before	Competitors or other market participants	Hellenic Competition Committee

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competition law breaches?	(BWB, public authority controlling competition) And according to the Unfair Competition Law, Austrian and EU-consumer protection associations shall be entitled as well.			Appeals - The ordinary courts of law.	Competition Authority (Kilpailuvirasto) - the Market Court	the Appeal Court of Paris (specific Section), - The Commercial Courts - For urgent issues : Juge des Référés which is a specific judge for urgent matters (on the purpose of delivering injunctions, temporary prohibitions, etc...)	impaired by the infringement, Cartel Office of the Federal Republic (<i>Bundeskartellamt</i>) or cartel offices of the Länder; in case of s. 1 Act against Restraints of Competition also consumer organisations	Civil and Arbitral Courts.
H. Trade Marks								
1. Has your country implemented Council Directive 89/104/EEC?	Yes	Yes	Yes, in the Trade Mark Act.	Yes	Yes	Yes	Yes	Yes
2. Is your country member to the Madrid Agreement?	Yes	Yes	Yes.	Yes	No	Yes	Yes	No
3. Is your country member to the Madrid Protocol?	Yes	Yes	Yes.	Yes	Yes	Yes	Yes	Yes
4. What are the legal requirements to validly license / sublicense trade mark rights?	- Trade Marks have to be distinctive; - Foreign enterprise has to have a seat or a representative in Austria.	A trade mark may be licensed or sublicensed by the owner to anyone. It is possible but not required to register such a license in the Benelux Intellectual Property Office. No restrictions.	A trade mark may be licensed or sublicensed by the proprietor to whomever he pleases, subject to any license term stating otherwise. It is possible but not obligatory to register licenses in the register administered by the Industrial Property Office.	A Trade Mark registered in Denmark may be licensed or sublicensed by the proprietor to anyone. It is possible but not obligatory to register such a license in the Patent office. No restrictions.	A Trade Mark registered in Finland may be licensed or sublicensed by the proprietor to anyone. It is possible but not obligatory to register such a license in the Patent office. No restrictions. A non-registered but established trademark enjoys trademark protection and can be licensed. Such trademark licence cannot be registered.	Franchise contract usually includes in its scope a trademark licensing clause, that entitles the franchisee, under certain conditions, to use the network's trade name or service mark; Franchisor is not obliged to register a separate licensing agreement. Subject to preliminary registration filed with the INPI and election of French domicile made for Non-Residents, a Trademark Licensing agreement will give the licensor the right to enforce the agreement by using the specific mechanisms for "infringement".	No particular requirements	- Trade Marks have to be registered; - Licensing / sublicensing must not be misleading for consumers; - Registration of licensing agreement (however in case of a franchise agreement there is no need to have separate licensing agreement and the licensing agreement included in a franchise agreement as a clause does not need to be registered)

	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
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A. General

1. Number of Franchises	885 (2011)	App. 300 - 450(2012)	578 (2011)	App. 750 (2014)	Approx. 250	745 (2015)	901 (2015)	750
2. Increase in percentage in last 10 years	App. 10% yearly.	App. 5 %	59%	App. 5% p.a.	Above 5% p.a.		4% per year	150%
3. Local Franchise Association (please indicate name and address)	<p>AIF – Assofranchising</p> <p>Via Melchiorre Gioia 70 - 20125 MILANO</p> <p>Tel: +39 (0) 2 29003779 Fax: +39 (0) 2 6555919</p> <p>e-mail: assofranchising@assofranchising.it</p> <p>Website (engl.): http://www.assofranchising.it/en/home.html</p>	<p>Norsk Franchise c/o Oslo Handelsstand Forening Karl Johansgate 37 A 0162 Oslo Tel: +47 2240 3440 e-mail: post@norskfranchise.no</p>	<p>a) Associação Portuguesa de Franchise:</p> <p>Sintra Business Park Edifício 1, 2D 2710-089 Sintra Portugal</p> <p>Tel: +351 913337746 – Ms. Cristina Matos, Vice-President Fax: Not available</p> <p>e-mail: info@apf.org.pt Website: www.apf.org.pt</p> <p>b) Associação Nacional de Franchising:</p> <p>Rua 23, Número 344, 3º – E, Espinho 4500-142 Espinho Portugal</p> <p>Tel: +351 961221530 – Mr. Bruno Santos, Director Fax: Not available</p> <p>e-mail: info@anfranchising.pt Website: www.anfranchising.pt</p>	<p>Svensk Franchise</p> <p>Kungsgatan 71, 11227 Stockholm</p> <p>Tel: +46 708 936 650</p> <p>e-mail: info@svenskfranchise.se</p> <p>Website: www.svenskfranchise.se</p>	<p>Schweizer Franchise Verband (Swiss Franchise Association)</p> <p>Stockerstrasse 38, CH-8002 Zürich Tel +41 44 208 25 25 Fax +41 44 208 25 26</p> <p>Website: www.franchiseverband.ch</p>	<p>Nederlandse Franchise Vereniging</p> <p>Vaartweg 180 1217 SZ Hilversum, The Netherlands</p> <p>Tel: +31 35 6242300 Fax: +31 35 6249194</p> <p>e-mail: franchise@nfv.nl Website : www.nfv.nl</p>	<p>British Franchise Association</p> <p>Centurion Court 85F Milton Park Abingdon OX14 4RY United Kingdom</p> <p>Tel +44 1235 820 470 Fax +44 1235 832 158 Website: www.thebfa.org</p>	<p>Polska Organizacja Franczyzodawców</p> <p>ul. Brązownicza 16 01-929 Warszawa tel.: +48 22 560 80 35 fax: +48 22 560 80 21 e-mail: pof@fraczyza.org.pl</p>
4. Main criteria for Franchisor to become a member	<p>(i) ordinary members: - operating for at least 12 months; - having at least 3 franchisees. (ii) prospective members: - individuals or companies interested in developing franchising not yet eligible for ordinary membership. (iii) honorary members:</p>		<p>(1) obligation to conduct business according to the European Code of Ethics, having at least one (1) franchisee.</p> <p>(2)</p>	<p>- operating for at least a reasonable time; - having at least one pilot operation before offering a franchise. - presentation of the following documents: (a) last income statement and balance sheet (b) franchise agreement (c) annual financial statements for two</p>	<p>Any person or corporation active or interested in Franchising, adhering to the bylaws and the Code of Ethics</p>	<p>a. obligation to conduct business according to the European Code of Ethics; b. operating for at least 2 years; c. having at least 2 franchisees; d. business format (i.e. transfer know-how</p>	<p>Provisional Members: - At least 1 year successful trading record; - Developing a franchise business</p> <p>Full Member: • Business must be viable as a franchise; • There must be means of the transfer of know how; • Must be ethical; and comply with the European Code of Ethics; • Must comply with disclosure</p>	<p>- obligation to conduct business according to the European Code of Ethics; - having at least 2 franchisees</p>

	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
	- individuals or entities offering services to franchising.			franchisees (d) estimated calculations for franchisees (e) promotion material for new franchisees (f) contact information to current franchisees		assistance and uniform image). e. reasonable degree of certainty regarding continuation of organisation	requirements; - Must have a proven trading and franchising record. Associate: • As for full members but less demanding.	
5. Local code of ethics adopted?	Yes	Yes; European Code of Ethics	Yes	Yes; European Code of Ethics	Yes; European Code of Ethics	Yes, the European Code of Ethics. In February 2016, the Dutch Franchise Code has been published, which is a self-regulatory code and its legal status and dispute resolution mechanism is not clear yet.	Yes, European Code of Ethics	Yes
B. Law and Jurisdiction								
1. Is Franchising specifically regulated? Any attempts to do so?	Yes (law n. 129 of May 6, 2004) and Decree of the Ministry for production activities n. 204 of September 2, 2005 (the "Regulation"))	There is no specific franchising act. The antitrust legal framework is prevailing. No regulation foreseeable.	No, Franchising is not specifically regulated in local law. As to the best of our knowledge, there were/are no attempts to regulate Franchising in local law.	Both on national and on EU-level - the Block Exemption Regulation (EU Reg. 330/2010). On national level a disclosure law (SFS 2006:484) was implemented in 2006, stipulating certain obligations for the Franchisor when entering a franchise agreement	Not regulated. No regulation foreseeable.	No, EC Regulation 330/2010 has direct effect, and is declared applicable to national cases in the Dutch Competition Act. No specific regulation of franchise is in place. It is currently being explored by the Minister of Economic Affairs whether the Dutch Franchise Code, published in February 2016, can be legally enshrined. No proposal has been made to this effect yet.	Not currently regulated. Normal principles of contract law and common law apply. Future regulation is not currently foreseeable.	In addition to the implemented EU regulations, there is no specific franchise legislation.
2. Most important laws which apply to franchising	- Civil Code on contracts - Antitrust Act (Law No 287 of 10 October 1990) - Law n. 192 of June 18, 1998 (law on subcontracting) - Law no. 392 of July 27, 1978 (as amended several times) (law on fair rent) - Legislative decree No 30 of 19 March 2005 (the Code of Industrial Property) - Law No. n. 173 of 17 August 2005 (on doorstep selling and pyramid selling) - the Bankruptcy Act (Royal Decree No 267, of 16 March 1942) as	Commercial Agent Act may under certain circumstances, with regard to compensation payments after termination of franchise agreement, be applied by analogy; Competition law; Company law; Trade mark law; Marketing act.	Analogous application of certain rules (and depending of each case) of Decree-Law no. 178/86 of 3 July 1986, in its current version, which regulates the Agency Contract Civil Code, Decree-Law no. 446/85 of 25 Oct 1985, in its current version, which regulates the General Contractual Clauses, Law no. 19/2012 of 8 May 2012, in its current version - the Competition Law, Decree-Law no. 36/2003 of 5 Mar 2003, in its	- Competition Act - Trade Mark Act - Civil Code - Companies Act - Disclosure Law (2006:484)	3. Swiss Code of Obligations and especially – by analogy, - law on employment contracts and agency contracts. 4. Competition Law. 5. Intellectual Property Law. 6. Data Protection Law	- Civil Code - Dutch / EU Competition Law - Intellectual Property Law	-General Principles of Contract Law -Common Law - Competition Law: UK and EU -Intellectual Property Law -Civil Procedure Rules	Civil Code Law on Combating Unfair Competition Industrial Property Law Competition and Consumer Protection Law Tax Law

	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
	recently amended by Legislative Decree No. 5 of 9 January 2006		current version - the Industrial Property Code.					
3. Most recent changes in franchise law	Law 129/2004 establishes pre-contractual disclosure obligations on franchisor (see B.13) The Regulation clarifies which are the information to be disclosed by a franchisor who has previously carried out his business only outside Italy (i.e. by a non Italian franchisor).	Harmonised competition act in 2004	N/A	Disclosure Law (SFS 2006:484)	None at this time	No major changes in recent in case law. The development of selfregulation is noteworthy See comments re A.5.	Following a decision of the High Court in London in Yam Seng in 2013 it is an open question whether the English Courts will imply obligations of good faith into franchise agreements.	No legislation
4. Is a US based Franchisor free to choose applicable law?	Yes, but Italian cogent provisions shall prevail.	Yes, some provisions in certain laws may be mandatory.	Yes, but local cogent laws prevail.	Yes, but some local laws might be cogent and prevail. The disclosure law (SFS 2006:484) regulates the minimum obligations for a Franchisor.	Yes, but some local laws might be cogent or prevail.	Yes, but national law of overriding mandatory nature ('cogent law') prevails. There are however, few rules of such nature.	Yes, but some local laws will prevail and there may be issues if trying to enforce a US judgement in the UK.	Yes, but some local laws might be cogent and prevail
5. Which are the cogent laws that override choice of law?	Contractual provisions may be replaced by Italian mandatory rules. As an example: - the written form of the agreement; - for the franchisor to test the business concept; - the minimum duration; - the indication of (a) the sums related to the initial investments and other entry fees payable by the Franchisee; (b) the terms of calculation and payment of the royalties; (c) the details of the know how provided by the Franchisor; (d) the details of the services provided by the Franchisor in terms of technical and commercial assistance, outlet set-up and training; (e) the terms for the renewal, termination or assignment of the agreement; - pre-contractual disclosures obligations	- Labour law - Law of Tenancy - Company law - Competition law	Those regarding public order issues (for instance, consumer protection, tax, data protection and labour laws).	- The Trade Mark Act - Labor Law - Law of Tenancy - Procedural rules regarding injunctions - Tax law - Disclosure law	Labour Law; Social Security Law; Tax Law; Tenancy Law; Competition Law; Public Order Issues. Data Protection Law. Trademark Law	- Competition Law - Data protection Law - Few articles of Civil Code - Tenancy Law - Labor law	- Competition Law - some of the provisions of Contract Law; - The Bribery Act 2010; - If the agreement contains a personal guarantee then it must be signed as a Deed in order for the guarantee to be valid - Property Laws if relevant	competition and consumer protection law, labour law, social security law, tax law, personal data protection law
6. May parties choose jurisdiction?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7. May parties	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
choose arbitral tribunal?								
8. May an arbitral tribunal be established in the US?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9. Will judgements of an US court be enforceable in your country?	A decision of the Italian Court of Appeal granting enforcement is needed.	Yes, under certain conditions when the parties in the agreement have agreed on the place of venue.	A confirmation judgment/order by a Portuguese Court is needed in order to make US judgements enforceable in Portugal.	Yes	Yes	No, at least not directly.	No. Will need to commence new proceedings to enforce a US judgement which will be considered as a debt.	Yes
10. Is your country member to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards?	Yes	Yes	Yes, with the following reservation: "State will apply the Convention only to recognition and enforcement of award made in the territory of another contracting state".	Yes	Yes	Yes	Yes	Yes
11. Any formalities a franchisor will have to comply with? (disclosures, registrations, etc.)	No	No	No	According to the disclosure law (SFS 2006:484) a franchisor has to disclose relevant information to a prospective franchisee, preferably 14 days before signing a franchise agreement	No.	No obligation by mandatory law for disclosure, registration etc. There are disclosure obligations in the Dutch Franchise Code, selfregulation, see above.	No	No
12. Restrictions in promoting or advertising a franchise?	Rules against misleading advertising and comparative advertising and/or unfair commercial practices may apply (Legislative Decrees no. 145/2007 and 146/2007see the amendment of January 24,2012).	No specific restrictions for franchise systems – the Marketing Control Act applies	No, but Misleading Promotion and Unfair Competition based on misleading advertising is prohibited.	Not franchising in general, but advertising is at all times subject to current Marketing regulation and misleading promotion is prohibited.	No; but Unfair Competition Law applies.	No, normal rules for advertising and consumer protection apply.	No but must comply with the UK advertising codes and Misleading Marketing Regulations 2008	No, but Law on Combating Unfair Competition applies
13. Pre-contractual disclosure obligations of franchisor (by statutory law, case law, codes of	At least 30 days before the execution of franchise agreement franchisor must deliver to prospective franchisee draft of franchise contract and annexes, providing the following information:	No statutory law puts a pre-contractual disclosure obligation on Franchisor. However, the Marketing Control Act prohibits utilisation in the conduct of business of know-how and trade secrets gained in	According to Portuguese law, there is a general duty of information which is an ancillary obligation to every pre contractual obligation and it is based on the principle of good faith ("bona fides").	Disclosure law (SFS 2006:484) stipulates certain obligations concerning relevant information of the franchise agreement and other information that can be found necessary due to the circumstances	Not statutory. However, the principle of culpa in contrahendo applies and for the members of the Swiss Franchise Association the Code of Ethics and the Regulation on Pre-contractual Disclosure applies.	No statutory law puts a specific pre-contractual disclosure obligation on Franchisor. According to the Supreme Court however, providing aa prognosis/taxation is not an obligations, but if a prognosis/ taxation is	None. Only what is required by the European Code of Ethics	No

	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
ethics)	<p>a) relevant information concerning the franchisor, including company name and corporate capital; upon request by the Franchisee, a copy of the franchisor's balance sheets for the last three years;</p> <p>b) details of the trademarks used in the system, including essential information related to their registration or deposit, or to the license granted to the Franchisor by a third party who owns such trademarks;</p> <p>c) a summary of the activities and operations characterizing the subject matter of the franchise agreement;</p> <p>d) a list of the franchisees currently operating in the network as well as a list of outlets directly run by the Franchisor;</p> <p>e) yearly variation in the number of franchisees, including their location in the last three years;</p> <p>f) a summary of any court or arbitration proceeding related to the franchise system commenced by any franchisee, third party or public authority against the Franchisor and concluded in the course of the last three years.</p> <p>According to art. 2 of the Regulation, foreign franchisors, without prejudice to the obligations set out in letters (a), (b) and (c) above, at least 30 days before the execution of franchise agreement, must provide the prospective franchisees with:</p> <ul style="list-style-type: none"> - a numerical list of the franchisees currently 	<p>connection with a position of employment or trust or with a business relationship.</p>	<p>Compliance with this duty of information will prevent the party incurring pre contractual liability ("culpa in contrahendo").</p> <p>Furthermore, disclosure is essential to avoid the counterparty claiming an annulment of the declaration based on error caused by the party.</p>	<p>for the case at hand.</p>		<p>given by the Franchisor to a prospective franchisee, the agreement can be annulled for error if the prognosis afterwards appears to be faulty. Other case law confirms that if the franchisor knew of the faults, he can be liable. The Dutch Franchise Code contains disclosure obligations, and confirms case law on the point of prognosis/taxation.</p> <p>For members of the Dutch Franchise Association the Code of Ethics applies. This code contains disclosure obligations only if the Franchisor is in the possession of a prognosis</p> <p>The legal status of the Dutch Franchise Code is unclear. If the parties declare it applicable, it of course applies. If the franchisor declares it applicable but the franchisee does not respond, it is likely also applicable. If neither party refers to it, in the absence of further developments, the legal status is unclear. Courts may look to the Code as a reflection of 'industry customs and practice'. There is no case law supporting this yet.</p>		

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	operating in the network as well as with a list of outlets directly run, country by country, and, upon request, the data referred to the location and to the contact references of at least 20 current franchisees; - the details of the variation year by year and country by country in the number of franchisees, including their location, in the last three calendar years; - a brief summary of any court proceedings concluded in the last three years, with a decision become <i>res judicata</i> , as well as of any arbitral proceeding concluded in the same period of time with a final award, specifying at least, the parties, the judicial or arbitral authority, the claims and the ordering part of the decision/award.							
14. Protection of know-how and trade secrets (by statutory law, case law, codes of ethics)	Reference is to be made to art. 98 of the Italian Code of Intellectual Property (legislative decree no. 30 of 10 February 2005). To be granted protection, three criteria should be met: - information must not be “generally known or readily ascertainable”; - information must have an economic value; - trade secret holder must use “reasonable measures under the circumstances to protect” secrecy of the information	The Marketing Control Act – see above	Know-how and trade secrets may be protected specifically by agreeing on a confidentiality clause, although these are generally protected by the Unfair competition prohibition provisions.	Know-how and other trade secrets are generally protected by the Law for protection of trade secrets (SFS 1990:409) and can be protected further by agreeing on a confidentiality clause in the Franchise agreement	Know-how and trade secrets are protected by statutory law (Unfair Competition Act). Infringements can be prosecuted as criminal acts. Interim injunctions and claims for damages are possible.	No specific law, apart from general laws on tort and breach of contract; know-how and secrecy agreements are often used in practice	No specific law but intellectual property laws, some employment laws and competition laws may apply.	Know how and trade secrets are protected by statutory law (Law on Combating Unfair Competition)
15. Is protection of know-how under contract clauses easily enforceable?	In case of infringement remedies are those made available by the Code of Intellectual Property, included: - injunction against the use of trade secrets; - damages; and	The enforcement of such rights is rather difficult, because of difficulties of proof.	In principle yes, but still it may be difficult to make prove of the infringement.	General difficulties such as evidence and burden of proof make enforcement of the protection of know-how under contract clauses rather difficult. Infringement in with	Although the use of know-how is commonly prohibited after termination, such an obligation by the franchisee is often only enforceable with difficulty, due to the burden of proof.	Difficult, due to the burden of proof. It is customary to insert a penalty clause into a non disclosure agreement in The Netherlands. This is in principle enforceable, but courts are entitled to	Can be difficult to enforce unless a clear cut case.	Although the use of know-how is commonly prohibited after termination, such obligation of the franchisee would be rather difficult to be enforced for practical reasons (proof of violation difficult in practice).

	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
	- publication of the court's decision. In practice, protection of know how is not easily enforceable due to the difficulty to give proof of the content of the trade secret. To ensure better protection it is advisable to include specific clause.			intention to reveal a criminal act to a public authority is not enforceable.		mitigate the amount. It is recommended to reserve the right to sue for additional damages, to protect the user of a non disclosure agreement in case damages in reality are higher than the penalty. Otherwise it follows from statutory law that the penalty comes in the place of damage compensation.		

C. Taxes

1. Please list any relevant tax treaties between your country and USA	Convention between Italy and USA for the avoidance of double taxation with respect to taxes on income and the prevention of fraud or fiscal evasion signed in Rome on 17 April 1984.	Convention between Norway and the United States of America for the avoidance of double taxation (13-06-1949)	Double Taxation Treaty, signed in Washington on 6 Sep 1994.	Double Taxation Treaty (SFS 1994:1617)	Double Taxation Treaty, October 1996.	Double Taxation Treaty (1996)	2001 USA – UK Double Taxation Convention	Treaty for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (08.10.1974; Dz.U. 1976, nr 31, poz. 178)
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	Italy	Norway	Portugal	Sweden	Switzerland	The Netherlands	United Kingdom	Poland
1. Please list any applicable product / service liability legislation								
	- Legislative Decree no. 206 of 6 Sep. 2005 (the "Consumer Code") There are also product-specific laws (for example, food or infant toys).	Product Liability Act – the Franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him	Decree-law no. 383/89 of 6 Nov 1989, in its current version, on the Liability for the manufacture of defective products.	Product Liability Act (the franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him)	Product Liability Act 1993. The franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported or labelled by him.	Civil Code: mandatory law on product liability and mandatory law on consumer sales and right of redress.	Different rules apply to manufacturers and suppliers. Consumer Protection Act 1987 General Product Safety Regulations 2005 Sale of Goods Act 1979 Supply of Goods and Services Act 1982	General Safety Product Act (the franchisor is liable for injury to life and property resulting from a defective product that has been manufactured, imported by him or labelled by him).
2. Has your country implemented Council Directive 2001/95/EEC on Product Safety?								
	Yes (Legislative Decree no. 206 of 6 Sep. 2005 (the "Consumer Code", artt. from 102 to 113)	Yes., Product Safety Act 6/11-1976 (latest amendments April 2005)	Yes, by Decree-law no. 69/2005 of 17 March 2005.	Yes, Product Safety Law (SFS 2004:451)	Yes, Product Safety Law 2005.	Yes	General Product Safety Regulations 2005	Yes - General Safety Product Act (12.12.2003; Dz.U.03 nr 229, poz. 2275)
E. Real Property-								
1. Difficulties a US based company might have when purchasing real property?								
	No (reciprocity system principle)	No	No. However it has to comply with some formalities (e.g. registration number of foreign entity, deed of the purchase, payment of tax, etc).	No problems to purchase, but the US based company will need to have representation (could be their local counsel) domiciled within Sweden to be able to accept service.	Acquisition of real estate by foreigners (including foreign controlled corporations) is subject to approval ("Lex Koller"). Approvals are generally granted for real estate that is used for business purposes.	No restrictions	No but would most probably need to use a local lawyer	No
2. Any restrictions for a US based company (or local company owned by US company) to rent real property?								
	No	No restrictions	No. However it has to comply with some formalities (e.g. registration number of foreign entity, lease agreement, etc).	No restrictions	No restrictions	No restrictions	No restrictions	No
3. Any (dis-) advantages of letting / sub-letting premises of franchisor to a franchisee?								
	- Although franchise agreement may terminate earlier, tenant-franchisee has the right to occupy premises for a period of six plus six years. - in case of expiration/termination of the (sub) lease tenant-franchisee has the right to receive an indemnity for the loss of goodwill.	Subletting secures the control of the premises, however, it extends the financial risk.	No	If the Franchisor is letting or subletting an office, a shop or other premises to a franchisee, the Franchisor has to abide by the cogent Law of Tenancy and act as a good landlord. Subletting is subject to approval of the owner of the property.	While termination is possible in accordance with the terms of the franchise agreement, tenancy laws (if applicable) foresee a cogent protection for the lessee for different and diverting periods.	Mainly advantages (control of units) however, mandatory (tenancy) law is very protective of Lessee/ Franchisee. Careful contractual drafting is necessary.	Advantage of doing this is that it would give the franchisor greater control but disadvantage is often that if the franchisee exits then the franchisor could be stuck with the premises that they don't want/need.	Mainly advantages. Non-compete obligations (definition of Art. 1(b) EC Vertical BER) are not limited to 5 years.
F. Franchise Agreeer								
1. Any formalities required for								
	Only written form is requiredo registration.	No	No	No	No	No	No	No

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a franchise agreement to be valid?								
2. Are there any minimum duties imposed upon franchisor?	Franchisor shall - comply with the pre-contractual disclosure obligations - act in good faith and fairness in dealing with the prospective franchisee and shall provide the prospective franchisee with any information the franchisee should consider necessary or useful	No	No	Yes, according to pre-contractual disclosure regulations in Disclosure Law (SFS 2006:484) a franchisor shall provide the franchisee with - a description of the business - information of other franchisees within the same system - information about franchise fees and other financial conditions in the agreement - information about intellectual property - information about any mandatory equipment/merchandise - information about any competition restrictions - information about the duration of the agreement and any changes to the agreement - information about dispute regulation	No; with the exception of the obligations for pre-contractual disclosure resulting from the principle of good faith.	No, but case law supports that duties of care are placed on a franchisor. See also the reference above to the Dutch Civil Code, and the Dutch Franchise Code (selfregulaion). The latter places quite high duties upon the franchisor, but its legal status is as yet unclear.	No	No
3. Are there any minimum duties imposed upon franchisee?	Franchisee - commits himself to respect and have respected by employees confidentiality on franchise business; - must act in good faith and fairness in dealing with the franchisor and shall provide the franchisor with any information necessary or appropriate, even if such disclosure is not expressly requested by the franchisor	No	No	No	No	No	No	No
4. Usual amount or percentage of turnover paid as ongoing fee by franchisee to franchisor	5 to 10 % or less	2-6% of gross turnover	6% to 40 % depending on the activity.	Varies from 2 % to 43 % (on gross sales) depending on the business and the amount of service provided to the franchisee	2-10% most commonly on gross sales of goods or services and depending on the business.	4% - 8% on goods 10% - 40% on services I see more often now than in the past that no franchise fees are paid over turnover.	8 – 10% is average	1 % to 5 % of net sales of goods and services
5. Any local	No	No, the civil code	No	No, but unfair and	No; with exceptions of the	No	No	No

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cogent provisions concerning maximum level of fees chargeable by franchisor?		contains a general "security valve" that may make unfair/disproportionate agreements invalid.		disproportionate terms of a contract can be subject to reconciliation by the court.	limitations set by good morals (grossly disproportionate fees).			
6. Any local cogent provisions regarding compensation payment or indemnity after termination?	No	Under certain circumstances Commercial Agent Act may be given application by analogy, which implies that the franchisor is obliged to pay compensation amounting at most to the average yearly profit of the past 5 years.	No	No	No. But the courts tend to apply the compensation under the Agency Agreement by analogy; however no court decision to franchising until yet.	No statutory laws are applicable. Goodwill compensation is not customary in distribution, and thus also not in franchise. However, notice periods for termination for convenience have to be reasonable (see above derogatory effect of reasonableness and fairness) long to allow the distributor/franchisee to adjust to the new situation after termination. In addition, in distribution, it has been accepted that even if the termination is lawful there can be circumstances that justify that a damage compensation is paid, for example for investments that the franchisee made before he knew of the termination, and that he cannot earn back before the end date. The existence of a non competition clause can be relevant in this context. Absent one or two lower court cases that are generally perceived as 'erroneous', no analogy to goodwill compensation in agency.	No, but any payment must be fair and proportionate so as not to amount to a penalty. A recent Supreme Court judgment suggests that the English Courts will be less likely to refuse to enforce a clause setting out the damages payable by a party in breach because it is a penalty clause than was the case previously.	In the event the contract is terminated early or not renewed, and absent default by the franchisor, the latter is not obliged to pay compensation to the franchisee, unless the franchisor exercises its rights in an abusive manner
7. If yes (6.), any time limits for franchisee to request compensation or indemnification?	Not applicable	The Commercial Agent Act states 1 year as the time limit for claiming compensation.	N/A	No	The general statute of limitations applies (10 years).	General statute of limitation applies	n/a	No

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8. Any situations where franchisor might be held liable for acts of franchisee?	Vicarious liability of the franchisor has been intended as a matter of consumers protection. According to some case law a franchisor may be held vicariously liable for act of its franchisee in case consumers have entered into a contract under the assumption that they deal with a branch of the franchisor and not with an independent party (franchisee).	No (only where the contract gives basis for this)	No	No	In principle no. Vicarious liability is not known.	In principle: no	No	No
9. Events justifying termination for good cause?	Each party may terminate in advance agreement in case of "substantial" (i.e. not slight) breach. Parties may agree that the contract will be terminated in case of breach of one or more specific obligations by a simple notice of the non breaching party.	Dependant of the contract, normally: - Refusal by franchisee to perform activities; - Bankruptcy; - Default in payment of franchise fees.	The parties may convey that the contract will terminate: - By the agreement of the parties, whenever they wish (within the limits of good faith), - Upon expiry of the fixed duration period, - By communicating to the other party of the intention of non-renewal, - Termination by breach of contract.	- Refusal by franchisee to perform activities; -Bankruptcy - Default in payment of franchise fees	Serious breach of obligations; Default and Non-rectification after remedy period; Bankruptcy.	- Bankruptcy - Default by Franchisee, unless of such minor nature that it does not justify termination	- Bankruptcy/Insolvency - Material (repudiatory)/repetitive breach which is not remedied - Commission of a criminal act - Expiry of term with no renewal	-Breach of contract; -Bankruptcy; -Default in payment of royalties or other franchise fees; -Breach of confidentiality;
10. Is there a cogent form with regard to the termination of a franchise agreement?	No	No	No	No	No	No	No	No
11. Usual provision of a franchise agreement with regard to the termination	a) fixed term agreement (at the expiration the agreement simply ceases to be in effect. No requirement, under Italian law, to declare reasons for non-renewal) b) indefinite term agreements (the party seeking to terminate the contract must give the other 'adequate' advance notice. Franchisor shall guarantee the franchisee a minimum term (not less than three years from the start up)	Limited term of 5 years, after that termination with one year's notice	Limited term with a right of renewal.	a) limited period (without termination notice or automatic renewal) b) an option for the franchisee to sign a new (standard) franchise agreement provided he fulfils criteria set out in the option	1. Limited term: without termination notice or automatic renewal for another limited term 2. Unlimited term with termination with the appropriate notice period	Limited period of 5 years. At the expiration the agreement automatically ceases to exist. Not unusual: right of renewal for the same period under strict conditions	Fixed term usually of 5 year with termination only for breach (no notice period) with at least 2 further renewal terms of the same length Franchisee usually does not have the right to terminate	a) Limited period (without termination notice or automatic renewal) b) Unlimited term with ordinary termination
12. Under which circumstance	Parties of a franchising agreement must be legally and financially	If a natural person is the franchisee; working hour regulation; form of	Very unlikely. The Employment	-Personal franchisor; -Determination of working time, area and	The franchisee 1. being a natural person;	- Control and instructions by Franchisor extending	In principle never. In practice, only if the relationship was such that it was considered to be an	Parties of a franchising agreement must be legally and financially independent.

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s would a franchisee be considered as an employee of franchisor?	independent. Franchise relationship may be considered as an employment relationship if: - franchisee is not an entrepreneur; - franchisee does not take any entrepreneurial risk; - asset and personnel not belonging to or not organized by franchisee, (but by franchisor), are used	compensation (salary); responsibility for the risk of the business	relationship is defined by the effective direction of the employer and consequent subordination by the employee.	behaviour of franchisee; -Franchise is bound to instructions of franchisor, but does not take entrepreneurial risk To avoid this risk, the franchisee is demanded to conduct his business through a limited liability company.	2. acting in the name and on behalf of the franchisor. Instructions given by franchisor to franchisee exceeding those necessary only for securing the uniformity and quality system. Prices, working hours, holidays determined by franchisor. Franchisee does not create his own market value.	further than strictly necessary for complying with the concept - Obligation on Franchisee to carry out the work personally (no opportunity to seek replacement) - No freedom for Franchisee to determine its own business policy - Relationship of authority	employer/employee relationship, i.e. the franchisor exercised such control over the franchisee that the franchisee was deemed to be an employee.	Franchise relationship may be considered as an employment relationship if: - franchisee is not an entrepreneur; - franchisee does not take any entrepreneurial risk; - asset and personnel not belonging to or not organized by franchisee, (but by franchisor), are used
13. Is there a risk, that a franchisee is treated as a consumer?	Although the rules concerning unfair commercial practices are specifically addressed to business - to - consumer transaction, the Italian Competition Authority started to apply this set of rules to protect prospective franchisees against misleading franchise sale advertising or other commercial communication. Now this is rule of law: law of January 24,2012)	No	No, the concept of consumer does not apply to someone who buys goods for re sale, while performing a business activity.	No, this has not been the case yet. However, to avoid the possibility, a franchisee is usually demanded to conduct his business through a limited liability company.	No.	Very unlikely; however, the Dutch Civil Code treats small business for certain purposes such as certain rules regarding general terms and conditions, the same as consumers.	No	No
14. Which consequences would such assumption (13.) have on a franchise agreement?	Particular attention should be made by franchisors when offering a franchise opportunity by way of publishing an advertisement or when preparing promotional material.	Not applicable	N/A	N.A	Consumer Protection Laws would be applicable.	The general terms and conditions may be unenforceable	N/A	None
15. Any requirements to obtain a trade licence when carrying out business in your country as a franchisee?	Depending on the type of business. Trade licence is a matter of local authorities.	Nothing that is special for franchising, depends on the business which is entered into	This depends on the type of business which is the object of the franchise.	Dependent on the business. For example, a real estate agent has to be registered (with appropriate education), to run an optician's shop one registered optician has to be part of the operations (owner or employee), pharmacies are also subject to licenses	In principle no, in certain types of business: yes, depending on the nature of the business (e.g. pharmacy, insurance).	In principle: no, in certain types of business: yes, depending on the business	In principle: no but may need a licence to operate certain types of business	In principle no, only in certain types of businesses (e.g. real estate agency)
16. Is injunctive relief available to prevent termination of a franchise	Generally no	Yes	Yes	Yes	Yes	Yes, summary/injunction proceedings are effective and often used in The Netherlands.	In principle: yes but almost never exercised	Yes

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agreement or to prohibit transfer of the franchise or ownership in the franchise?								
G. National Competition Restrictions								
1. Are there any restrictions or regulations that would affect any of the following practices:	Reference is to be made to the “EU regulations no. 330/2010 of 20 April 2010” and to related guidelines.	National antitrust law is harmonised with EC competition law, which also includes the vertical block exemption.	EU regulations no. 330/2010 of 20 April 2010 and 461/2010 of 27 May 2010 re 101.3 of EC Treaty and Local competition rules: Law no. 19/2012 of 8 May 2012 and Decree-Law no. 10/2003 of 18 Jan 2003.	EU Regulation 330/2010 on vertical distribution relationships has been implemented as domestic law in Sweden. Disclosure law (SFS 2006:484)	Swiss Cartel Law 1996; Notification Swiss Cartel Commission 2010 re vertical distribution relationships.	- EC Regulation 330/2010 has direct effect and is also declared applicable to national cases in the Dutch Competition Act.	EU Regulation 330/210 (“the Block Exemption”) and the Competition Act 1998.	EC Regulation 2790/1999 for vertical distribution relationship has been implemented
a. granting exclusive territory	No. If an exclusive territory is granted ,it shall be expressly indicated in the agreement.	No	Limited by the application of Article 4 (b) EU regulation no. 330/2010 of 20 April 2010.	Subject to pre-contractual disclosure by the franchisor	No	No, but limits of art. 4(b) EC Regulation 330/2010	No	Limits of Art. 4 (b) Vertical BER
b. obligation to purchase a minimum quota of products from franchisor	Yes, reference is to be made to Article 1 (d) of EU regulation 330/2010 and to point 200 (2) of the related Guidelines	No	Yes, reference is to be made to Article 1 (d) of EU regulation no. 330/2010 of 20 April 2010.	Subject to pre-contractual disclosure by the franchisor	In principle no.	Yes, reference is to be made to Article 1 (d) of EU regulation no. 330/2010 of 20 April 2010.	Yes, see Articles 1(d) and 5.1(a) of the Block Exemption.	Valid, subject to objective specifications relating to quality of products that cannot be obtained from other suppliers, provided that the specifications are designed solely to retain uniform quality throughout the network
c. restriction of franchisee to sell / provide other services outside the granted territory	Yes, reference is to be made to Article 4 (b) of EU regulation 330/2010 and to point 50 of the related Guidelines	Restrictions on active sales and marketing may be regulated in the contract	Limited by Article 4 (b) of EU regulation no. 330/2010 of 20 April 2010.	Active sales (marketing) outside the granted territory may be restricted. Passive sales cannot be prohibited.	Active sales (marketing) outside the granted territory can be restricted, in case where a certain territory has been reserved by franchisor or has been granted to another franchisee.	Limited by Article 4 (b) of EU regulation no. 330/2010 of 20 April 2010.	Cannot restrict passive sales. Can restrict active sales. Legislation – as above	Only active sale outside the exclusive territory granted can be prohibited
d. imposition of min / max prices	Yes, reference is to be made to Article 4 (a) of the EU regulation 330/2010 and to point 47 of the Guidelines	Only recommended and maximum prices may be regulated in the contract	Limits and possibilities of art. 4 (a) EU regulation no. 330/2010 of 20 April 2010.	Recommended prices and maximum prices may be imposed. Imposition of minimum prices will be considered a breach of the Competition Act.	Imposition for maximum prices are allowed. Other direct or indirect imposing of fixed or minimum prices is prohibited.	Yes, reference is to be made to Article 4 (a) of the EU regulation 330/2010 and to point 47 of the Guidelines	Maximum price allowed; cannot set minimum prices	Recommended prices and maximum prices may be imposed. Imposition of minimum prices or a certain price is prohibited.
e. imposition of minimum sales target	No. If minimum sales target is imposed ,it shall be expressly indicated in the agreement.	No	No	No	No	No	No	No
f. restrictive covenants (non-competition) during and	Yes, reference is to be made to Article 5 (b) of the EU regulation 330/2010.	According to the EC block exemption, 1400/2002/EC. Non-competition clause is valid during the term of the contract (maximum	Within the limits set out in art. 5 of the EU regulation no. 330/2010 of 20 April 2010.	Non-competition obligation during the term of the Franchise Agreement is enforceable. Post-contractual non-	Non competition obligation during the term of the Franchise Agreement is enforceable. Post-contractual non-competition obligation	Within the limits set out in Article 5 (b) of the EU regulation 330/2010. The Dutch Franchise Code, selfregulation, also applies these boundaries	In term – no restrictions subject to being limited to 5 years for the purposes of the Block Exemption Post-termination – subject to reasonableness in length, geographic scope and only as far as necessary to	Non-competition obligation during the term of the Franchise Agreement is enforceable Post contractual non competition clause cannot exceed one year

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after termination of franchise agreement?		of 5 years) and one year after termination, given - it is related to contractual goods and services; and - it is related to the premises; and - it is essential to protect know-how.		competition obligation is only valid for 1 year from the date of termination or expiration and limited to the premises of the franchisee.	must be limited in kind, geographically and in time (guideline max. 3 years), according to principles developed for employment and agency contracts.	in cases without appreciable effect on national or interstate trade.	protect a legal right and subject to the Block Exemption Regulations	
g. Restrictions on confidentiality during and after termination of franchise agreement?	No	No	No	No	No	No	No restrictions.	No
2. Any other restrictions likely to be imposed on a franchise agreement?	No.	No	No	No	Duration of more than 20 years considered to be contra bonos mores.	No	No	No
3. What are the effects of breaching national competition law (e.g. validity of franchise agreement)?	The contract is null and void.	The clause (or the whole agreement) will be invalid and cannot be enforced. Claim for damages. Public prosecution or administrative fine.	-Administrative fines, - the offending clause may be declared null and void but the contract may remain valid.	The effects may be divided in a public case and a civil case. The public case may render a competition fine up to 10 per cent of the turn over of the aggregate companies. The civil case may render that the whole agreement will be invalid (at material breaches, e.g. Resale Price fixing), or that the respective clause will become invalid (at other breaches, e.g. Post-contractual non-competition obligation exceeding 1 year). On top of this, the damaging company may have to pay damages to the other company.	The following provisions are prohibited, unless they are justified for reasons of economic efficiency: Resale price fixing (maximum prices allowed) 3. Agreements re restrictions on production, purchase or sales quotas; 4. Agreements re allocation of territories.	The clause (or the whole agreement) will be invalid and cannot be enforced. Claim for damages. Public prosecution or administrative fine.	The agreement could be potentially void and unenforceable, subject to financial penalties and criminal sanctions could apply	The Chairman of the Office for Competition and Consumer Protection may render a fine up to 10% of franchisor's revenue. The following provisions will render the whole agreement invalid (black clauses): -Resale Price fixing (maximum prices allowed); -Ban of passive resale outside granted territory; -Restrictions regarding active reselling. The following provisions will render only the respective clause invalid: - prohibition of resale to only some of franchisor's competitors - post-contractual non-competition restrictions exceeding one year
4. Who may enforce competition law breaches?	National Antitrust Authority plus every entity or consumer for damages before the ordinary courts.	The Norwegian Competition Authority and the parties of the agreement or a third party which is suffering damage due to the illegal contract	Portuguese Competition Authority ("Autoridade da Concorrência") and competitor	Parties to an agreement, competitors, the Swedish National Competition Authority (Konkurrensverket)	Parties to an agreement, competitors, Cartel Authorities.	- - ACM(Netherlands Authority for Consumers and Markets) (administrative appeal is possible) - All Civil Courts	The Competition and Markets Authority and parties to the agreement	- Competitors The Chairman of the Office for Competition and Consumer Protection

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H. Trade Marks

1. Has your country implemented Council Directive 89/104/EEC?	Yes (Code of Intellectual Property)	Yes	Yes	Yes	N/A	Yes	Yes	Yes
2. Is your country member to the Madrid Agreement?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
3. Is your country member to the Madrid Protocol?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. What are the legal requirements to validly license / sublicense trade mark rights?	<p>According to art. 23 of Code of Intellectual Property:</p> <ul style="list-style-type: none"> - in case of a non exclusive licence, the licensee is obliged to use the trade mark only for products or services object of the licensing contract; - in any case, the exploitation of the licence shall not involve deceptive effects for consumers. 	No particular requirements	<p>According to the Portuguese Industrial Property Code, the only legal requirement for a license agreement to be valid is that it is executed in writing. Registration of the license is not mandatory; however, it is advisable, mainly for the licensee to invoke its right before third parties. In order to grant a sublicense, the licensee shall be legally entitled to do so, under their license agreement with the trademark owner</p>	<p>A Trade Mark registered in Sweden may be licensed or sublicensed by the proprietor to anyone. If one wants to register such a license, the license agreement has to be sent to the Patent Office (Patent- o Registreringsverket). No restrictions.</p>	<p>A Trade Mark registered in Switzerland may be licensed or sublicensed. No registration of the licence is required, but advisable for protection purposes.</p>	<ul style="list-style-type: none"> - Valid European or Benelux registration - Licence/ sublicense not mandatory in writing, though advisable - Registration of licence necessary for the licensee to act against violation by third parties 	No particular requirements	<p>A trade mark registered in Poland may be licensed or sublicensed by the proprietor to anyone. A license agreement has to be executed in writing; otherwise, it shall be null and void. It is possible but not obligatory to register such a license in the register of trademarks maintained by the Patent Office. A licensee may grant a sub-license to use a trademark, but only with the consent of the licensor and only within the scope of authorization granted.</p>