

Gray Reed Secures Verdict for Jani-King in Franchise Enforcement Action

September 18, 2018

On Sept. 13, 2018, the Fifth Circuit Court of Appeals affirmed a judgment of \$3.15 million in favor of Gray Reed's client, Jani-King Franchising, Inc. (Jani-King), against its former franchisee in the British Isles and the franchisee's principal.

In 2008, Jani-King and Jani-King (GB), Ltd. (JKGB) entered into a regional franchise agreement, which was guaranteed by JKGB's principal, Ian Thomas. After JKGB failed to pay its franchise fees, Jani-King sued for breach of the franchise agreement and the personal guaranty. In response, JKGB and Thomas filed counterclaims, alleging that Jan-King had violated an implied promise to maintain and develop its brand. JKGB and Thomas sought over \$9 million in damages.

On April 7, 2016, the U.S. District Court for the Northern District of Texas rendered summary judgment in Jani-King's favor on the competing claims for the breach of the franchise agreement. The district court refused to rewrite the regional franchise agreement and imply any promises for which the parties had not bargained. It subsequently rendered summary judgment in Jani-King's favor on its claims against Thomas for breach of his personal guaranty. JKGB and Thomas appealed to the Fifth Circuit, which held oral arguments on Sept. 6, 2018. One week later, the Fifth Circuit affirmed the district court's judgment.

"We are very pleased by the court's verdict and our success in representing Jani-King," Gray Reed Partner [Jonathan Hyman](#) said. "Enforcing its franchise agreements is critical to protecting the Jani-King brand for the benefit of its entire franchising system."

Jani-King was represented by Gray Reed attorneys [Jonathan M. Hyman](#), [J. Cary Gray](#), [Jim Moseley](#), [Angela Brown](#), [William Drabble](#), and [David Leonard](#). The case is *Jani-King Franchising, Inc. v. Jani-King (GB), Ltd. and Ian Thomas*, No. 17-11254 in U.S. Court of Appeals for the Fifth Circuit.

About Jani-King International, Inc

Jani-King is the world's largest commercial cleaning franchise company with more than 120 support offices in 10 countries. Through a global network of more than 6,000 franchisees, Jani-King delivers a commercial cleaning program to a wide range of customer locations including office buildings, hospitals, hotels, sporting venues, universities, restaurants, manufacturing facilities and more.

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