

The main policy goals of the Act are to provide prospective Franchisees with the information they need to make an informed decision about purchasing a Franchise¹, as well as to create a commercial framework which governs the relationship of the parties. The Act is remedial legislation, enacted to redress a perceived imbalance of power (in favour of Franchisor), and based on an analysis of the case law to date, the Courts are generally giving it a liberal interpretation².

¹ See 1490664 Ontario Ltd. v. Dig This Garden Retailers Ltd. (2005), D.L.R. (4th) 451 where at paragraph 16 the Court stated that: "One of the prime purposes of the Act is to obligate a franchisor to make full and accurate disclosure to a potential franchisee so that the latter can make a properly informed decision about whether or not to invest in a franchise."

² See Personal Service Coffee Corp. v. Beer (2005), 256 D.L.R. (4th) 466(Ont. C.A.) whereby at paragraph 28 the Court states: "It is clear, therefore, that the focus of the Act is on protecting the interests of franchisees. The mechanism for doing so is the imposition of rigorous disclosure requirements and strict penalties for non-compliance. For that reason, any suggestion that these disclosure requirements or the penalties imposed for non-disclosure should be narrowly construed, must be met with scepticism."