

In Section 4 of the Act, Franchisees are guaranteed the right to associate with one another without interference (or fear of reprisal) by Franchisor. This means that Franchisees can communicate and organize amongst themselves about issues relevant to the operation of the Franchise.

A Franchisor is not at liberty to interfere with that right and any attempt to do so will not be countenanced by the law. Furthermore, a provision in a franchise agreement that purports to prohibit or limit the right will be of no force or effect. Importantly, Franchisees who suffer a loss as a result of a Franchisor's interference are afforded the right to sue Franchisor to recover that loss. This is a significant aspect of the right to associate.¹

¹ See 405341 Ontario Limited v. Midas Canada Inc., whereby the Court ruled that requiring the franchisee to execute a release upon renewal, as mandated by the renewal provisions of the franchise agreement, contravened the franchisee's rights to associate, in the circumstance where the franchisee was a member of a class action commenced against the franchisor.